

# MINUTE

# B - PUBLIC

**Harbour Board**  
**Council Chamber, Town Hall, Lerwick**  
**Thursday 6 March 2014 at 10.00 am**

**Present:**

M Burgess	A Cooper
B Fox	R Henderson
A Manson	F Robertson
M Stout	A Westlake

**Apologies:**

None

**In Attendance:**

M Sandison, Director of Infrastructure Services  
C Reeves, Harbourmaster  
B Davidson, Interim General Manager – Port Operations  
J Riise, Executive Manager – Governance and Law  
P Morgan, Depute Harbourmaster  
A Inkster, Team Leader – Port Engineering  
B Robb, Senior Management Accountant  
P Wishart, Solicitor  
L Gair, Committee Officer

**Chair**

Ms A Manson, Chair of the Board, presided.

**Circular**

The circular calling the meeting was held as read.

**Declarations of Interest**

None

**Minutes**

The Board approved the minutes of the meetings held on i) 16 January 2014 on the motion of Mr Robertson seconded by Mr Stout and ii) 30 January 2014 on the motion of Mr Henderson seconded by Mr Fox.

05/14 **Pilotage Accounts for Harbour Board: 2013-14 Quarter 3 (April - December 2013)**

The Board noted a report by the Executive Manager – Finance (F-010-F), which enabled monitoring of the financial performance of the pilotage services.

**Decision:**

The Board **RESOLVED** to review the Pilotage Accounts, from 1 April 2013 to 31 December 2013.

06/14 **Nine Month Performance Overview – Ports and Harbours, Infrastructure Services Department**

The Board noted a report by the Director of Infrastructure Services (ISD-01-14-F), which summarised the activity and performance of the Infrastructure Services Department where it relates to the functional responsibilities of the Harbour Board for the third quarter of 2013/14 against the objectives and actions in the Infrastructure Services Directorate Plan.

The Director of Infrastructure Services introduced the report and provided updates on the red and amber actions. She explained the need for succession planning in respect of the pilots to avoid a skills gap; an update was provided on the Solan and Bonxie repairs being carried out that will lead to their reintroduction into service; and a review of the launch crews system of working is required following the impact of the winter weather on the service.

*(Mr Burgess and Mr Cooper attended the meeting)*

The Director of Infrastructure Services referred to the performance indicators and highlighted the continued problems in retaining skilled staff; she indicated that the percentage of sickness is very low compared to the Council average with long term sickness improving; overtime shows a reduction partly due to less cover required as fewer staff are moving to the private sector. Pilots are however required to cover the VTS operation for which overtime is paid. It was noted that mileage and the number of miles travelled has not changed significantly.

In response to comments, the Director of Infrastructure Services agreed that staff morale does have an impact on sickness but she believed that the general commitment to attend work was based on an understanding of the issues around working with a reduced staff, however this field of work also requires medicals to establish fitness to work which would also have contributed to the improved figures. She also explained that workforce planning was required and in terms of the overtime costs work was being done to compare costs against contractor's costs. She advised that it may be that employing contractors to carry out specific work is cheaper than paying employees costs, year round. The Director of Infrastructure Services said that as there is no skilled staff to employ, the work has to be undertaken by outside contractors. She confirmed that this matter would be included in the Directorate Plan and Service Plan for Ports and Harbours Operations.

In referring to the Risk Register a Member acknowledged that Ports and Harbours Operations are unique in that the local authority operates the port's operation. The question was asked whether elements of risk could be missing from the register pertaining to the Council's obligation to work to its Standing Orders. The Director of Infrastructure Services advised that there is a particular action in the Draft Service Plan for next year that covers the issue of ensuring compliance with Standing Orders.

#### **Decision:**

The Board **RESOLVED** to note the contents of the report.

#### **07/14 Ports and Harbours Service Plan**

The Board considered a report by the Director of Infrastructure Services (PH-08-14-F), which presented the draft Ports and Harbours Service Plan which sets the policy and performance management framework for the Service and outlines the aims, objectives and actions for the financial year 2014/15.

The Director of Infrastructure Services introduced the report and highlighted the actions set out in Appendix One. She explained that the implementation of the Plan for the Port Safety Management System was being progressed by the Harbourmaster and would be in place by 1 April 2014. In responding to a question regarding the ports compliance with policies on purchasing, the Director of Infrastructure Services confirmed that there is an activity in the Service Plan for Officers to look at contracts in Ports and Harbours in terms of Standing Orders. She advised that all contracts will be let in accordance with the Council's Standing Orders and these activities will be monitored and reported to future meetings of the Board. Members were also advised that the Asset Management Strategy for Ports and Harbours Operations would look at developing a longer term plan for investments required over 10 years. Further information will be provided in terms of Sullom Voe, over a longer period, at a future meeting of the Board.

In response to a query, the Team Leader – Port Engineering explained that although the Radar system is obsolete the Council holds sufficient spares to allow the system to be in place for a further 5 years. The Harbourmaster confirmed that work was ongoing in respect of the Solan and Bonxie and it is expected they will be in service by June, unless anything unforeseen occurs. It was noted that the Risk Register had the tugs as a medium risk. It was explained that the Register is continually updated and the risk rating would be reduced as a result of the works being carried out.

The Team Leader – Port Engineering confirmed that all mooring boats are docked annually. Shot blasting had been carried out on one of the vessels last year, one would be shot blasted this year and the other would be done next year.

The Director of Infrastructure Services confirmed that the Sellaness Kitchen was currently running on a break even basis. It had been expected that the turnover would be higher due to the Total workers and other customers, however a burger van had deflected any potential customers. Staff continue to work on attracting people to use the Sellaness kitchen but in the meantime the costs would be reviewed over the year.

The Board unanimously endorsed the Ports and Harbours Service Plan.

**Decision:**

The Board **RESOLVED** to:

- review and discuss the contents of the Draft Plan; and
- endorsed the contents of the Plan.

08/14

**Capital and Revenue Project Progress Report**

The Board considered a report by the Team Leader – Port Engineering (PH-09-14-F), which provided an update on the progress of capital and revenue projects for Ports & Harbours Operations.

**Walls Pier**

The Team Leader – Port Engineering provided an update on the completion of the site and explained that there were some works, including white lining that would not be carried out until the summer. He also confirmed that Councillor Frank Robertson was to perform the opening ceremony.

In response to a query, the Team Leader – Port Engineering confirmed that this project was tendered through the Capital Programme Service and meets the current EU regulations. He also confirmed that the contractor would carry out a final hydrograph study to ensure that the correct depth has been achieved.

It was also confirmed that once a certificate of substantial completion had been received liability for the Pier would transfer to the Council.

#### Plant, Vehicles and Equipment

The Team Leader – Port Engineering explained the reason for the delay in securing replacement bay fenders for the “Lyrie” but advised that the vessel would return to Scalloway as soon as weather permitted.

As the work required on the Gluss leading light is complex, the company are having difficulty in finding a solution. Therefore the project will slip into the next financial year.

In response to a comment regarding the Pilot Boats and the work at Sullom Voe likely to run to 2050, the Team Leader – Port Engineering confirmed that all pilot boat engines had been replaced. The Director of Infrastructure Services confirmed that work was underway to look at what is required of the port during the extended lifetime of the Sullom Voe Terminal.

#### Sullom Voe Terminal Jetty Maintenance Contract

The Team Leader – Port Engineering advised that the contractor was currently working day and night to meet the programmed deadlines.

#### Small Ports – Condition Survey

In response to a question the Team Leader – Port Engineering confirmed that the final assessment of the survey was almost complete, and would be reported to a future meeting of the Board. It was noted that the Capital Programme Service was working up options that would allow prioritisation of work to be done. Once prioritised, the Capital Programme Service would present the list through the normal channels in line with the gateway process, which would include a business case that covers safety, costs and cost benefit analysis. It was confirmed that there is no budget for work on any small ports.

A Member commented that funds should not be spent on a pier that has no income or is not used. The Director of Infrastructure Services agreed, however she said that if the structure belongs to the Council there are safety aspects that may need to be addressed or the structure decommissioned. It was noted that in the past piers had been offered to the community on a Trust basis, and that should be considered before decommissioning as, in the past, Trust piers have attracted more external funding than the Council.

A discussion was held around web presence for Walls Pier. It was acknowledged that it was not possible for all small piers to have CCTV to deter and detect crime as connectivity was an issue and many piers are not being used. The Executive Manager – Governance and Law added that there are strict legal considerations to be followed in terms of CCTV and Officers had to be clear about the purpose of CCTV before choosing that option.

#### Baltasound Small Craft Landing Facility

The Board were informed that one user of the pier remained concerned about the change of position for the landing facility, however Officers would meet with that individual to discuss their concerns.

**Decision:**

The Board **RESOLVED** to:

- Note the contents of the report and areas of progress made; and
- Discuss and highlight any areas of concern.

09/14

**Harbourmaster's Report**

The Board considered a report by the Harbourmaster (PH-05-14-F), which informed the Port Marine Safety Code (PMSC) Duty Holder of the professional concerns and current status as reported by the Harbourmaster.

The Harbourmaster introduced the report and explained that all final documents for the Safety Management System (SMS) review had now been received. There are three procedures to be reviewed and updated and information to be updated on the website. The changeover to the new SMS will be in early April 2014. He also referred to the 5 incidents reported and provided some detail on each. The Harbourmaster made reference to a comment relating concerns raised by staff, and he informed Members that this matter would be reported to a future meeting of the Board. In response to specific questions on the staff concerns, the Harbourmaster explained that the launch crews previously lived on site and were available at all times. Under the current terms and conditions staff are called in from home which takes longer to mobilise the launch crews. He further explained that although one launch crew is always present on a 12 hour shift basis, the second crew has to be brought in.

The Executive Manager – Governance and Law referred to the Designated Persons report and the qualifying paragraph at the end of the report. He said that the new safety code would be implemented in the next few weeks and although assurance was given in paragraph 3 of the report, it would be in the interest of the Board to seek assurance from the Harbourmaster on the safety of the port. The Chair stated that the Capt. Auld remained satisfied but sought reassurance from the Harbourmaster on the last paragraph. The Harbourmaster confirmed that the SMS would be in place in early April and provided verbal assurance that the Council is operating under the old SMS which is not fully in line with the Port Marine Safety Code. He confirmed that in the meantime, safety was not compromised.

**Decision:**

The Board **RESOLVED** to consider the content of the report in its role as Duty Holder, and note that the necessary management and operational mechanisms are in place to fulfil that function.

10/14

**Shore Power**

The Board considered a report by the Team Leader – Port Engineering (PH-10-14-F), which advised on the current level of shore power provision at the Council's Ports and Harbours facilities and sought a policy decision on the provision of such facilities.

The Team Leader – Port Engineering introduced the report and explained that shore power is currently offered in 3 ports. He acknowledged the reasons why the public would want shore power provided at other ports, but explained that electrical services would be difficult to connect in some areas. In addition, and more importantly he commented on the health and safety issues stating that the Council would have a duty of care to ensure that the electricity supply was being used properly. This would be an issue for small piers as there is no resources to allow a regular presence that would provide effectively monitored.

In responding to a query regarding paragraph 2.1, the Team Leader – Port Engineering explained that both private organisation and groups would be welcome to put forward a business case and where capital expenditure was being sought any project could be considered through the gateway process. A Member asked whether a policy on the provision of shore power was necessary and it was explained that Officers were responding to a decision of the Board that sought a report on this matter, and to continue with that approach was a matter for the Board.

A Member spoke in support of the provision of shore power in that it attracts more business. The Director of Infrastructure Services stated that the Council had a duty of care when providing shore power and there was a need to be mindful of the risks associated with such a provision.

Following further discussion and advice provided by the Executive Manager – Governance and Law on the Council's duty of care, Mr Robertson moved that shore power be provided at harbour facilities with a proven track record for shell fish and aquaculture activity. Unit rates to be charged at a percentage uplift to cover management and maintenance costs. Mr Henderson seconded.

A Member noted that Mr Robertson's motion did not take account of the Council's duty of care and this should be considered as well as the business case.

From the Chair, Ms Manson moved as an amendment that the decision be deferred for a future meeting of the Board in order that more information can be provided on the specific health and safety risks and the legal implications where no pier master is present.

Mr Stout, in seconding, asked that the amendment also ask that potential pier users be identified. Ms Manson agreed.

Following summing up, voting took place with a show of hands and the results were as follows:

Amendment (Ms Manson)	5
Motion (Mr Robertson)	3

### **Decision:**

The Board **RESOLVED** to defer a decision for more information to be provided on the specific Health and Safety and Legal implications if shore power is provided where there is no pier master present. The report should also identify who the potential users of the pier would be.

The Board considered a report by the Harbourmaster (PH-07-14-F), which informed the Members and Port Marine Safety Code (PMSC) Duty Holder in respect of potential changes to the towage operation at Sullom Voe in view of the longer anticipated timescale for the operation of the terminal.

The Director of Infrastructure Services introduced the report and informed Members that there were a number of changes in Sullom Voe that were likely to have an impact on the services that the Council provides into the now expected lifespan of the terminal up to 2050. She said that it was important to carry out a review of the potential changes and to reconsider the decision taken in 2006 to move to a three tug berthing operation. The Director of Infrastructure Services said that the decision in 2006 was based on much reduced port activity at that time and a much shorter lifespan for the terminal. She also explained that following the Deepwater Horizon incident in the Gulf of Mexico, BP have required other ports to change to a 4 tug operation. She advised that it is necessary to engage with BP on their needs going forward, and a report would be brought back to a future meeting of the Board for consideration.

In response to concerns that the Council's investment into a 4 tug operation may result in a similar situation as has occurred with the 3 tug operation, the Director of Infrastructure Services explained that the port was always a risk environment where the Council is not in control and what is acceptable to BP following the Deepwater Horizon incident is different. She said that the Council had to work with BP and respond to changes however an understanding from BP was necessary in respect of the consequences of those changes.

Mr Stout moved that the Board approve the recommendations contained in the report, seconded by Mr Cooper.

**Decision:**

The Board **RECOMMENDED** that the Council resolve that the implementation of the decision in respect of three tug berthing (Council Minute 95/06) be suspended pending the outcome of a review into the appropriate towage arrangements for Sullom Voe owing to the changes in circumstances, particularly the level of acceptable risk to BP operations, since the original decision was made in May 2006.

**In order to avoid the disclosure of exempt information, Ms Manson moved, Mr Robertson seconded, and the Board RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following item of business.**

12/14 **Commercial Report**

The Board considered a report by the Harbourmaster, which informed of recent commercial activity in the port.

**Decision:**

The Board **RESOLVED** to note the potential business opportunities detailed in the report.

The meeting concluded at 11.50am

Chair