

MINUTE

A&B - Public

Harbour Board

Council Chamber, Town Hall, Lerwick

Tuesday 26 May 2015 at 2.00 pm

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
J Belford, Executive Manager – Finance
J Smith, Executive Manager – Change Programme
P Morgan, Harbour Master
A Inkster, Team Leader – Port Engineering
P Wishart, Solicitor
C Anderson, Senior Communications Officer
L Gair, Committee Officer

Also in Attendance:

T Auld, Designated Person - APB Mer

Chair

Ms A Manson, Chair of the Board, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

11/15 Management Accounts for Harbour Board 2014/15 – Draft Outturn at Quarter 4

The Board noted a report by the Executive Manager – Finance (F-024-F), which enabled the noting of the financial performance of services within its remit.

The Executive Manager – Finance introduced the report. In responding to Members' questions, Officers advised that the savings, due to staff vacancies, had impacted upon the port engineering service. It was noted that there had been difficulties particularly in recruiting electricians. However there appeared to be a positive change following a recent recruitment exercise. The impact had been seen mainly on electrical but maintenance was an issue also and this had meant that the minimum level of maintenance had been carried out however the port remained compliant. It was noted that this would be a one off saving. In addition Members were advised that Officers were exploring service term contracts and two were due to be let soon.

A Member commented on the surplus income achieved through Scalloway Harbour and said that this should be used to build the new pier. The Director of Infrastructure Services said that this would be a consideration of the business case. The Executive Manager – Finance added that there were challenges for achieving a balanced budget on the Harbour Account and said that there was tension in achieving the £6.3m required in this financial year therefore any windfall was welcome and would go a long way to securing that.

During further discussion Members acknowledged the growing fishing industry and oil activity and the proximity of Scalloway to the West of Shetland oil and gas activity and the importance of providing a commercially sound harbour to secure income to the Council for the long term.

In referring to the small piers, the Team Leader – Port Engineering advised that the socio economic impacts study work continued but he explained that maintenance had not been carried out beyond that required to ensure compliance.

Decision:

The Board **RESOLVED** to:

- Note the Management Accounts showing the draft outturn position; and
- Note the proposed budget carry-forwards which will be included in the overall Draft Outturn Report to be presented for approval at Policy and Resources Committee on 27 May 2015.

12/15

Pilotage Accounts for Harbour Board
2014/15 – Quarter 4 (April 2014 – March 2015)

The Board noted a report by the Executive Manager – Finance (F-026-F), which enabled the monitoring of the financial performance of the Pilotage Services provided by the Council.

The Executive Manager – Finance introduced the report and Members unanimously accepted the Pilotage Accounts.

Decision:

The Board **RESOLVED** to review the Pilotage Accounts showing the outturn position at Quarter 4.

13/15

Ports and Harbours Performance Report – 2015/16 – Quarter 4

The Board considered a report by the Executive Manager – Change Programme (PH-06-15-F), which summarised the activity and performance of the Ports and Harbours Service for the reporting period above.

The Executive Manager – Change Programme introduced the report, highlighting one red item on the plan which related to the transfer of small docks and was able to advise that the Symbister dock grant offer letter had now been signed. He also pointed out that there were a number of amber actions that were a reflection of more complicated piece of work or where staff reductions meant the work had taken longer than anticipated. The Executive Manager – Change Programme advised that the Designated Person, Capt. Auld had attended the meeting to present his report.

In response to a question, the Director of Infrastructure Services advised that Internal Audit had carried out a re-audit of the contracts held by the Ferries and Ports and Harbours Services. She said that Audit commented on the substantial improvements in contracting and recognised that the pre-tender stage for contracts takes longer than expected when setting the original date for resolution of the audit comments. The Director of Infrastructure Services said that Audit indicated they would return in 18 months time.

A Member questioned what was being done in terms of marketing the ports, to which the Director of Infrastructure Services advised Officers were actively involved in the promotion of the ports and working with LPA on joint promotion of Shetland. She added that management resources had not been sufficient this year but more would be done from now on.

At the request of Members, the Director of Infrastructure Services provided an update on the Solan and Bonxie and the interest expressed in purchasing the vessels. She said however it was now important to consider renewing the older tugs, this would be reported to a future meeting of the Board.

A Member questioned the amber rating for recruitment and argued that this should be red due to the timescales involved and the likelihood that the port could potentially be without a Harbourmaster for a period of 5-6 months. The Director of Infrastructure Services noted the Member's concerns but assured Members that contingency plans were in place and that she would update Members by the 18 June 2015 meeting of the Board.

Decision:

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

14/15 **Ports and Harbours Service Plan – 2015/16**

The Board considered a report by the Executive Manager – Change Programme (PH-07-15-F), which presented the 2015/16 Ports and Harbours Service Plan for information and comment.

The Executive Manager – Change Programme introduced the report and circulated an updated version of the service plan explaining that matters had moved ahead and the plan was still a work in progress. He said that a further updated service plan and management changes would be brought back to the Board meeting on 18 June 2015. In terms of budget, the Executive Manager – Change Programme referred to the Solan and Bonxie and advised that the ongoing costs associated with retaining the vessels had not been budgeted for and work was ongoing with Finance in terms of the Total gas contributions.

In responding to questions, the Team Leader – Port Engineering advised that he would separately email a Member on the coverage of the VTS Radar.

A Member questioned the difficulties with the spares stock held in the store. The Director of Infrastructure Services said that there was a significant amount of stock held and there is a need for the stores to be better resourced to address this before staff retirements take place. She said it was important to ensure that time is allowed for staff knowledge to be passed on to the staff replacements. She explained however that the stores held stock for the old ferry fleet and officers were in

discussion with the purchasers of the Thora as to how much stock they wish in order that the Council can sell this stock.

In responding to a question relating to the VTS Operational target of 100%, the Director of Infrastructure Services said that the aim is 100% however it is not always possible to deliver the aim. She explained that Officers will look at the VTS Shift arrangements, but confirmed that 100% would always be the aim.

The Director of Infrastructure Services clarified the roles of the Harbourmaster and the business role to be carried out by the Executive Manager – Change Programme and Members commented on the quality of the report.

Decision:

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

15/15

Harbourmaster's Report

The Board considered a report by the Acting Harbourmaster (PH-05-15-F), which briefed and informed the Port Marine Safety Code (PMSC) Duty Holder of the professional concerns and current status.

The Director of Infrastructure Services introduced the report and advised that Capt. Auld, Designated Person, was in attendance to present his annual review that would reflect on the last year and provide assurance of compliance with the Code. She informed Members that the Harbourmaster was also present to answer any specific questions.

In responding to Members' questions Capt. Auld reassured Members that everything was on course in terms of the certification scheme.

During discussions regarding a recent incident Members considered whether crew fatigue had been an issue, Capt. Auld said that there so no procedure in the Safety Management System for managing fatigue and it is a personal view if some feels they can continue in a job or not. He said that other ports have a way of measuring an individual's exposure to work and if someone feels tired it is addressed accordingly. He said that if it is considered that Pilotage should be used as it can be imposed on vessels and vessels and the port are obliged to keep pilotage in consideration. The Director of Infrastructure Services said that this was a matter that could be considered at the technical working group.

A Member highlighted that an incident occurred during sailing rather than berthing and questioned whether there is a way of assessing matters as the ship comes into port. The Director of Infrastructure Services said that the shipping agents were contacted and were notified of the poor communication skills and that the ship would not be accepted back until the issue was addressed. She said that if it is a communication issue it is picked up and dealt with quickly.

Capt. Auld delivered a presentation on his annual review report and his notes are attached as Annex 1. In responding to a question on the Marine Safety Code requirements in dealing with emergencies, Capt Auld explained that the Council does have an emergency plan in place.

Decision:

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

16/15 **Harbour Board Business Programme – 2015/16**

The Board considered a report by the Team Leader – Administration (GL-19-15-F), which informed of the planned business to be presented to the Board for the financial year to 31 March 2015 and sought discussion with Officers regarding any changes or additions required to that Programme.

The Director of Infrastructure Services introduced the report and Members unanimously approved the business programme.

Decision:

The Board considered its planned business for the financial year to 31 March 2016 and **RESOLVED** to approve any changes or additions to the Business Programme.

The meeting concluded at 3.10pm.

Chair