



Shetland Islands Council

Agenda Item

1

Meeting(s):	Harbour Board	7 December 2016
Report Title:	Ports and Harbours Performance Report – 2 nd Quarter 2016/17	
Reference Number:	PH-20-16F	
Author / Job Title:	Acting Executive Manager Ports & Harbours	

1.0 Decisions / Action required:

- 1.1 The Harbour Board should consider the performance of the Ports and Harbours Service against its stated objectives and planned actions and give direction on any aspect of the managerial and operational activities as Duty Holder under the Port Marine Safety Code.

2.0 High Level Summary:

- 2.1 The Ports and Harbours Service Plan 2016/17 is grouped under four main themes, a summary of overall progress on each is provided below along with an indication of where issues have arisen.

2.2 Effective Management Systems

Highlights

- Review and update of harbour dues carried out in consultation with users.
- Towage & multi-agency emergency live exercise planned for conducted 2016.

2.3 Technical Projects

Highlights

- Tug bare boat charter proposals under evaluation.
- Scalloway Fishmarket Outline Business Case approved, professional advisors being appointed.
- VTS Radar upgrade tender issued.
- Toft Pier interim options being investigated.
- Acquisition of in-house hydrographic survey equipment.

2.4 Workforce Planning and Development –

Highlights

- Management review proposals approved by Council, now being implemented.

- STCW (Manila) training programme complete.
- Future workforce planning activity continues in light of possible SVT operational changes, projected tanker movement numbers and the strategic review of the Port of Sullom Voe.

Issues

- The number of change pressures affecting the workforce; future volume uncertainty, changes to technology, potential for changing responsibilities, age profile, etc. makes planning very complex.

2.5 Strategic Planning

Highlights

- Dialog on SVT operational arrangements, jetty provision and maintenance and joint BP/SIC joint pollution response arrangements continuing.
- Shuttle tanker study complete and report received.

Issues

- Continued Oil & Gas sector uncertainty makes forward planning complex.

- 2.6 Details of progress on the actions set out in the 2016/17 Ports & Harbours Service Plan is set out in Appendix 1 to this report.

3.0 Corporate Priorities and Joint Working:

- 3.1 Effective Planning and Performance Management are key aspects of Best Value and features of “Our Plan”, the Council’s Corporate Plan 2016-2020.
- Our performance as an organisation will be managed effectively, with high standards being applied to the performance of staff and services. Poor performance will be dealt with, and good service performance will be highlighted and shared.
- 3.2 Shetland is a group of islands and Our Plan identifies transport links to and from, and within, the islands as our life blood. Shetland’s Ports and Harbours are the conduit for much of that activity. People, products, goods and supplies go in and out of Shetland and move around the islands by sea. If we do not have the right Ports & Harbours infrastructure in place that cannot happen and new business opportunities and wealth creation cannot take place.
- 3.3 If we are to enjoy a strong economy with well-paid jobs we have to make sure that we have the Port infrastructure required to support key business sectors, especially those depending on the utilisation of local resources, meet individual and business needs and deliver economic growth.

4.0 Key Issues:

- 4.1 The Harbour Board is invited to comment on any matter which they see as significant to sustaining and improving service delivery.

5.0 Exempt and/or confidential information:	
None	
6.0 Implications : <i>Identify any issues or aspects of the report that have implications under the following headings</i>	
6.1 Service Users, Patients and Communities:	Relevant consultation with customers and other stakeholders is on-going as an integral part of each aspect of service delivery. The consultation on fees and charges has taken into account harbour users feedback.
6.2 Human Resources and Organisational Development:	<p>There are a number of actions in this service plan with staffing implications. Care is taken to ensure that staff are involved and informed about plans that might affect them, that HR are closely involved and that relevant Council policies are followed.</p> <p>A contract with specialist HR support for the recruitment of Harbourmaster has been placed with Navis Consulting This has been done as a single sourced procurement due to their proprietary knowledge from the previously tendered ports benchmarking exercise.</p>
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	Specialist legal advice sourced through existing contracts has been used to support some actions, particularly around the acquisition and disposal of vessels. The Councils shipbrokers are also closely involved in providing advice on these actions.
6.5 Finance:	The actions, measures and risk management described in this report will be delivered within existing approved budgets and are aimed at ensuring delivery of the Council's agreed budget strategy.
6.6 Assets and Property:	There are a number of actions and projects that have significant asset implications, particularly in relation to boats, piers and other harbour infrastructure. Council support services, through Estates Services, Capital Projects and Procurement, have been involved early in all relevant proposals. All projects are also subject to the Council's Gateway Process for capital prioritisation.
6.7 ICT and new technologies:	None
6.8 Environmental:	None

6.9 Risk Management:	<p>Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny.</p> <p>The Port Marine Safety Code requires that all marine risks are formally assessed and are eliminated or reduced to as low as reasonably practicable in accordance with good practice.</p>	
6.10 Policy and Delegated Authority:	<p>Harbour Board</p> <p>Strategic oversight and direction in all aspects of the operation of the Council's harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code.</p> <p>Act as Duty Holder required by the Port Marine Safety Code and ensure that the necessary management and operational mechanisms are in place to fulfil that function.</p> <p>Consider all development proposals and changes of service level within the harbour undertaking; including dues and charges, and make appropriate recommendations to the Council</p>	
6.11 Previously considered by:	<i>None</i>	

Contact Details: John Smith, Acting Executive Manager – Ports & Harbours, jrsmith@shetland.gov.uk, 13 November 2016

Appendices:

Appendix 1 – Action Plan Summary

Background Documents:

Ports & Harbours Service Plan 2016/17

Item	Status	
Management Systems		
Programme of SMS & ISM audit, review, update and training	Short term plan in place, Implementation of PMSC external review recommendations by end 2016.	G
Review Tug Maintenance Management	Immediate maintenance actions including drydocks carried out from May to October 2016.	G
Ensure all contracts are let in line with Council procurement procedures	Regular Procurement staff engagement. Tug Tender, VTS Radar, Scalloway Fishmarket tenders out, Tender documents for term contract for Electrical & Mechanical services with Procurement & Legal, to be issued by end of 2016.	G
Review and update Table of Dues in consultation with users.	Informal and formal Harbour User meetings held. Short life team convened to review and update table of dues. New table of dues recommended for Council approval December 2016.	G
Monitor Revenue budgets and prepare for next year's budget exercise	Quarterly Budget meetings with Finance. P&H and Finance intensively reviewed Period 1 and Period 2 RMA to understand modelling assumptions. Improved understanding and analysis from surrounding projects is fed into the revenue estimates processes.	G
Review Risk management registers and make sure they are up to date	Arrangements reviewed, immediate updates performed ASAP Other improvement recommendations implemented by end 2016.	G
Technical Projects		
VTS Radar	Tender documents issued, tenders due back December 2016.	G
Gluss Lights	New lights have arrived from supplier, to be installed in line with VTS works.	G
Tug Bareboat Charter	Tender evaluation proceeding including inspection visits. Anticipated contract award February 2017, charter vessel in service for April/May 2017.	G
Toft Pier	Interim options being investigated, updated Business Case to be reported 2017.	A
Scalloway Fishmarket	Outline business case for refurbished / extended Scalloway Fishmarket approved by Council October 2016. Professional advisors being appointed, Full Business Case to be reported February 2017.	G

Item	Status	
Workforce Development		
Meeting the requirements of the new STCW qualification regime	Training programme completed by December 2016 including arrangements to ensure Ops continue safely during periods of staff absence.	G
Management Review & Engineering workshop supervision arrangements	Proposals approved by Council, implementation proceeding. Team Leader Port and Marine Operations appointed, Harbourmaster advertised, interviews expected January / February 2017.	G
Workforce planning for coming years – Anticipated Traffic Changes / Port Operations Changes / Aging Workforce / Effective Management and Supervision Arrangements	Traffic forecasts updated, considering proposals from BP on future operational requirements, holding discussions around pollution response, considering potential for Shuttle Tanker and other business opportunities to inform additional demand and options.	G
Strategic Planning		
Investigate and plan a sustainable future for Sullom Voe Harbour in partnership with Government and the Oil industry	Update report June 2016, further evidence gathering and evaluation ongoing. Next update to Council mid 2017	G
Small Ports Development/Maintenance plan	2016/17 works being carried out. Anticipated expenditure in 2017/18 and future years approved in October 2017 for Capital Programme and Revenue budget setting.	G
Ferry Terminals Development/ Maintenance plan	2016/17 works being carried out. Anticipated expenditure in 2017/18 and future years approved in October 2017 for Capital Programme and Revenue budget setting.	G
Marketing strategy for Scalloway Harbour	Attendance at Fishing exhibition Aberdeen – May 2016. Feature and advertise in relevant publications. Progress joint working with LPA where possible. Planning for Oil & Gas expo 2017 with other promotional work.	G
Clarify the potential for future shuttle tanker operations using Port of Sullom Voe	Report on potential for shuttle tanker operations completed by Wood Mackenzie November 2016, findings being considered. Further engagement with SVT, OGA, other shipping service partners and potential customers planned to investigate progressing opportunities.	G



Meeting(s):	Harbour Board	7 December 2016
Report Title:	Management Accounts for Harbour Board: 2016/17 - Projected Outturn at Quarter 2	
Reference Number:	F-064-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Harbour Board RESOLVES to review the Management Accounts showing the projected outturn position at Quarter 2.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Harbour Board to monitor the financial performance of services within its remit to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget. This report shows the projected financial consequence of the service performance detailed in the Ports & Harbours Performance Report, and allows the Board the opportunity to provide early instruction to officers to address any forecast overspends or short-fall in income in order that the budget is delivered by the year-end.
- 2.2 This report describes the projected outturn position for 2016/17 as at the end of the second quarter for revenue and capital. The forecasts have been determined by Finance Services after consultation with the relevant budget responsible officers.
- 2.3 The projected outturn position for services under the remit of the Harbour Board is an increase in surplus of £194k (2%) on revenue, which means that the services under the remit of the Board are collectively on course to provide their budgeted surplus to reserves.
- 2.4 The projected outturn position for the services under the remit of the Harbour Board is an underspend of £456k on capital in 2016/17, with a requirement for slippage of £80k to 2017/18 resulting in an overall underspend of £376k (12%), which means that the services under the remit of the Board are collectively on course to spend less than their Council approved budget.
- 2.5 The projected outturn position for the Shetland Gas Plant is a reduction in income of £144k (21%).
- 2.6 See appendices 1 and 2 attached for detailed information on the revenue and capital outturn position.

3.0 Corporate Priorities and Joint Working:

3.1	There is a specific objective in the Corporate Plan that the Council will have excellent financial management arrangements to ensure that it continues to keep a balanced and sustainable budget, and is living within its means; and that the Council continues to pursue a range of measures which will enable effective and successful management of its finances over the medium to long term. This involves correct alignment of the Council's resources with its priorities and expected outcomes, and maintaining a strong and resilient balance sheet.
3.2	The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of the Council.
4.0	Key Issues:
4.1	On 10 February 2016 (SIC Min Ref: 2/16) the Council approved the 2016/17 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account and Spend to Save) requiring a draw from reserves of £8.106m. It is vital to the economic wellbeing of the Council that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves and would be evidence that the Council is living beyond its means.
4.2	This report forms a part of the financial governance and stewardship framework which ensures that the financial position of the Council is acknowledged, understood and quantified on a regular basis. It provides assurance to the Corporate Management Team and the Board that resources are being managed effectively and allows corrective action to be taken where necessary.
4.3	Since the approval of the 2016/17 budget, revisions to the budget have been incorporated for the Council's budget carry-forward scheme. Therefore this report refers to the revised budget that is now in place for each of the services.
5.0	Exempt and/or confidential information:
5.1	None
6.0	Implications : <i>Identify any issues or aspects of the report that have implications under the following headings</i>
6.1 Service Users, Patients and Communities:	None
6.2 Human Resources and Organisational Development:	None
6.3 Equality, Diversity and Human Rights:	None

6.4 Legal:	None
6.5 Finance:	<p>The 2016/17 Council budget does not require a draw on reserves in excess of the returns that the fund managers can make on average in a year, and therefore demonstrates that the Council is living within its means. To achieve this, a one-off underspend from the 2015/16 budget has been used to balance the General Fund. This is a one-off solution for 2016/17.</p> <p>For every £1m of reserves spent in excess of a sustainable level will mean that the Council will have to make additional savings of £73k each year in the future as a result of not being able to invest that £1m with fund managers to make a return.</p> <p>It is therefore vital that the Council delivers its 2016/17 budget, and this report demonstrates that the services under the remit of the Harbour Board are projecting to achieve this.</p>
6.6 Assets and Property:	None
6.7 ICT and new technologies:	None
6.8 Environmental:	None
6.9 Risk Management:	<p>There are numerous risks involved in the delivery of services and the awareness of these risks is critical to successful financial management.</p> <p>From a financial perspective, risks are an integral part of planning for the future, as assumptions are required to be made. These assumptions can be affected by many internal and external factors, such as supply and demand, which may have a detrimental financial impact.</p> <p>The main financial risks for services under the Board's remit are:</p> <ul style="list-style-type: none"> • any reduction in tanker traffic at Sullom Voe; • reliance on oil and gas prices for the throughput element of the rental agreement for both Sullom Voe Terminal and the Shetland Gas Plant; and • increasing maintenance requirements on ageing tugs and other port infrastructure. <p>This report is part of the framework that provides assurance, or recognition of any deviation from the budget that may place the Council in a financially challenging position and requires remedial action.</p> <p>A strong balance sheet and the availability of usable reserves</p>

	<p>ensures that the Council is prepared for significant unforeseen events.</p> <p>Any draw on reserves beyond the Council's sustainable level would have an adverse impact on the level of returns from the Council's long-term investments. This situation would require to be addressed quickly to ensure no long term erosion of the investments.</p>	
6.10 Policy and Delegated Authority:	<p>Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Board may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved both revenue and capital budgets for the 2016/17 financial year. This report provides information to enable the Board to ensure that the services within its remit are operating within the approved budgets.</p>	
6.11 Previously considered by:	n/a	n/a

Contact Details:

Brenda Robb, Management Accountant, brenda.robbs@shetland.gov.uk, 17 November 2016

Appendices:

Appendix 1 - Harbour Board Projected Revenue Outturn Position for 2016/17

Appendix 2 - Harbour Board Projected Capital Outturn Position for 2016/17

Background Documents:

SIC Budget Book 2016-17, SIC 10 February 2016

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=18870>

Harbour Board

1. Projected Revenue Outturn Position 2016/17

Budget v Projected Outturn Variance Quarter 1 (Adv)/Pos £000	Service Area	Revised Annual Budget at Quarter 2 (Adv)/Pos £000	Projected Outturn at Quarter 2 (Adv)/Pos £000	Budget v Projected Outturn Variance Quarter 2 (Adv)/Pos £000
310	Sullom Voe	(8,947)	(8,734)	(214)
(208)	Scalloway	46	204	(158)
4	Other Piers	527	466	61
380	Terminals	(1,956)	(2,461)	505
486	Total Ports & Harbours Operations	(10,329)	(10,525)	194
(144)	Shetland Gas Plant	(694)	(550)	(144)
342	Overall Total	(11,023)	(11,075)	51

The projected outturn variance figures at quarter 1 are included above for reference. The main reasons for the changes from the quarter 1 projected outturn variance to the quarter 2 position is additional tug vessel maintenance costs at Sullom Voe, additional dues on fish landings at Scalloway and underbudgeting of terminal berthing income.

An explanation for the main variances by service area is set out below.

1.1 Sullom Voe – projected outturn variance (£214k) (2%)

This variance is due to:

- additional consultant costs for shuttle tanker study which is part of the Port Strategic Review project (£100k);
- extensive additional work required on tug vessels resulting in extended drydocks (£758k);
- underspending on vacancies across the service and towage budgeting error £180k;
- projected underspend on fuel due to low oil price £132k; and
- additional commercial ship dues for accommodation barge at Sellaness £62k.

1.2 Scalloway – projected outturn variance (£158k) (343%)

This variance is due to:

- reduced period dues and pilotage dues for loss of accommodation vessel earlier than anticipated and reduction in oil related vessels in current climate (£290k);
- additional repairs required for wave screen and fendering at the South Quay (£85k); offset by
- additional dues on fish, salmon and shellfish landings £164k.

1.3 Other Piers - projected outturn variance £61k (12%)

This variance mainly relates to additional dues on fish and salmon landings at Cullivoe £50k.

1.4 Terminals – projected outturn variance £505k (26%)

This variance is due to:

- reduction in funding requirement for the capital terminal painting works for Toft, Ulsta and Hamarsness which are being postponed to future years as they are in better condition than originally anticipated £384k; and
- underbudgeting of terminal berthing charge income £99k.

1.5 Shetland Gas Plant - projected outturn variance (£144k) (21%)

This variance is due to the current low oil and gas prices which are used in the calculation of the throughput rental, therefore it is anticipated that only base rental will be received this year.

Harbour Board

2. Projected Capital Outturn Position 2016/17

Overall Projected Outturn Variance Quarter 1 (Adv)/ Pos £000	Service	Revised Annual Budget at Quarter 2 (Adv)/Pos £000	Projected Outturn at Quarter 2 (Adv)/Pos £000	Budget v Projected Outturn Variance Quarter 2 (Adv)/ Pos £000	Slippage required in 2017/18 £000	Overall Projected Outturn Variance Quarter 2 (Adv)/ Pos £000
378	Ports & Harbours Operations	3,008	2,552	456	80	376
378	Total Controllable Costs	3,008	2,552	456	80	376

2.1 Ports & Harbours Operations – projected outturn variance £376k (13%)

The projected outturn variance relates to underspending on the programme of Ferry Terminal life extension projects. On completion of detailed condition surveys, Toft, Ulsta and Hamarsness Terminals' condition are better than anticipated so full painting works have been postponed to future years £383k.

Slippage

There will be some slippage to 2017/18 anticipated on:

- the use of consultants to create the full business case for the Scalloway Fishmarket Rebuild £50k; and
- terminal disabled access works which are to be completed along with scheduled terminal refurbishment works in 2017/18 £30k.



Meeting(s):	Harbour Board	7 December 2016
Report Title:	2016/17 Pilotage Accounts - Projected Outturn at Quarter 2	
Reference Number:	F-065-F	
Author / Job Title:	Jonathan Belford, Executive Manager - Finance	

1.0 Decisions / Action required:

- 1.1 The Harbour Board RESOLVE to review the Pilotage Accounts showing the projected outturn position at Quarter 2.

2.0 High Level Summary:

- 2.1 The purpose of this report is to enable the Harbour Board to monitor the financial performance of the pilotage services provided by the Council.
- 2.2 This report presents the projected outturn position for 2016/17 as at the end of the second quarter.
- 2.3 The projected outturn position is a favourable net surplus variance of £12k (1%) against net income budget of £1.349m which results in a projected net surplus of £1.362m.
- 2.4 The projected outturn Pilotage Accounts at Quarter 2 are attached as Appendix 1 to this report.

3.0 Corporate Priorities and Joint Working:

- 3.1 It is a corporate priority to ensure that the Council has excellent financial management arrangements.

4.0 Key Issues:

- 4.1 There is a requirement to prepare accounts relating to pilotage under Section 14 of the Pilotage Act 1987. The details of what must be included in these accounts are set out in regulations (The Statutory Harbour Undertakings (Pilotage Accounts) (Regulations) 1988, SI 1988/2216).
- 4.2 The accounts must show the details of revenue from pilotage charges and the use of pilotage exemption certificates; and total expenditure incurred in providing the service of a pilot, providing, maintaining and operating any pilot boats and administrative or other associated costs.

5.0 Exempt and/or confidential information:	
5.1	None
6.0 Implications :	
6.1 Service Users, Patients and Communities:	None
6.2 Human Resources and Organisational Development:	None
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	The Council has statutory obligations to keep separate accounts in respect of the harbour undertaking and also separate pilotage accounts. Section 3(1) of the ZCC Act states that the harbour undertaking means "the harbour undertaking for the time being of the Council authorised by this Act". This means that the harbour undertaking must be considered only in terms of what the Council is authorised or duty bound to do under the ZCC Act. Pilotage is part of the harbour undertaking and income and expenditure is accounted for accordingly.
6.5 Finance:	<p>The projected outturn position shows a favourable variance of £12k against annual budget.</p> <p>The main reasons for the variance are:</p> <ul style="list-style-type: none"> • underspending on fuel due to low prices; and • reduced staffing costs and pilotage dues income in Scalloway for less traffic movements.
6.6 Assets and Property:	None
6.7 ICT and new technologies:	None
6.8 Environmental:	None
6.9 Risk Management:	Failure to keep Pilotage Accounts would place the Council in breach of its legal duties.

6.10 Policy and Delegated Authority:	Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Board may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council; more specifically referred to in paragraph 2.7.	
6.11 Previously considered by:	n/a	n/a

Contact Details:

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Appendices:

Appendix 1 – 2016/17 Pilotage Accounts - Projected Outturn at Quarter 2

Background Documents:

None

2016/17 Pilotage Accounts - Projected Outturn at Quarter 2

F-065 - Appendix 1

	Sullom Voe			Scalloway			Overall		
	Annual Budget	Projected Outturn	Variance (Adv)/Fav	Annual Budget	Projected Outturn	Variance (Adv)/Fav	Annual Budget	Projected Outturn	Variance (Adv)/Fav
Charges in respect of :	£	£	£	£	£	£	£	£	£
Boarding & Landing	-723,184	-723,184	0	-11,404	-11,404	0	-734,588	-734,588	0
Pilotage Services provided as authorised by section 10(1) of the Pilotage Act 1987	-1,815,639	-1,815,639	0	-35,000	-25,000	(10,000)	-1,850,639	-1,840,639	(10,000)
Use of PEC issued as authorised by section 10(3) of the Pilotage Act 1987	0	0	0	0	0	0	0	0	0
TOTAL INCOME	-2,538,823	-2,538,823	0	-46,404	-36,404	(10,000)	-2,585,227	-2,575,227	(10,000)
Boarding & Landing	384,686	387,485	(2,799)	3,228	3,337	(109)	387,914	390,822	(2,908)
Pilotage	641,228	634,083	7,145	28,927	21,242	7,685	670,155	655,325	14,830
Sub-Total Employee Costs	1,025,914	1,021,568	4,346	32,155	24,579	7,576	1,058,069	1,046,147	11,922
Boarding & Landing	12,369	12,369	0	1,779	1,779	0	14,148	14,148	0
Pilotage	4,596	4,596	0	94	94	0	4,690	4,690	0
Sub-Total Supplies & Services	16,965	16,965	0	1,873	1,873	0	18,838	18,838	0
Boarding & Landing	52,381	42,382	9,999	6,949	6,949	0	59,330	49,331	9,999
Pilotage	4,139	3,862	277	22	22	0	4,161	3,884	277
Sub-Total Transport & Mobile Plant	56,520	46,244	10,276	6,971	6,971	0	63,491	53,215	10,276
Boarding & Landing	21,856	21,314	542	2,809	2,809	0	24,665	24,123	542
Pilotage	196	196	0	4	4	0	200	200	0
Sub-Total Property & Fixed Plant	22,052	21,510	542	2,813	2,813	0	24,865	24,323	542
Meeting Liabilities under Part III of the Act	0	0	0	0	0	0	0	0	0
Boarding & Landing	12,658	12,530	128	94	94	0	12,752	12,624	128
Pilotage	53,577	53,725	(148)	4,300	4,599	(299)	57,877	58,324	(447)
Sub-Total Admin and Other Costs	66,235	66,255	(20)	4,394	4,693	(299)	70,629	70,948	(319)
TOTAL EXPENDITURE	1,187,686	1,172,542	15,144	48,206	40,929	7,277	1,235,892	1,213,471	22,421
NET TOTAL	-1,351,137	-1,366,281	15,144	1,802	4,525	(2,723)	-1,349,335	-1,361,756	12,421



Meeting(s):	Harbour Board	7 December 2016
Report Title:	Harbourmasters Report	
Reference Number:	PH-21-16F	
Author / Job Title:	Brian Dalziel, Interim Harbourmaster	

1.0 Decisions / Action required:

- 1.1 That the Harbour Board resolve to consider the content of this report in its role as duty holder, and note that the necessary management and operational mechanisms are in place to fulfil that function.

2.0 High Level Summary:

- 2.1 Captain Trevor Auld is appointed as the designated person (HB Min. ref 29/12) provides independent assurance to the Duty Holder that the marine SMS for which the Duty Holder is responsible, is working effectively. Captain Auld's report is attached as Appendix 1.
- 2.2 There have been four reported incidents at Sullom Voe since the last Board meeting.
- 2.2.1 On 10th August the tanker Minerva Gloria entered the area to be avoided to the east of Shetland. This was reported to the terminal and the MCA, the vessel owners sent the results of their internal investigation.
- 2.2.2 On 10th August the tanker Minerva Gloria discharged ballast whilst on approach to the terminal and without samples having been inspected. The owners were notified.
- 2.2.3 On 14th August the tanker Minerva Elonora was found to have defective pilot boarding arrangements. A report was filed and a letter sent to owners/MCA.
- 2.2.4 On 11th October the tanker Advantage Avenue was reported as having defective pilot boarding arrangements. A report was made and the vessel owners/MCA informed.
- 2.3 The Harbourmaster attended the British Ports Association AGM in Dover on 3rd and 4th November. This was well attended and a wide range of topics covered, of particular interest were, Decommissioning and Opportunities for Ports which set out anticipated requirements for northern UK ports, and Ballast Water Management Convention, this has now been ratified and will come into force in 2017.
- 2.4 The DPA for towage, Mr Kevin Main, has prepared a report on the towage fleet attached as Appendix 2.

3.0 Corporate Priorities and Joint Working:	
3.1	The actions in this report will contribute to the outcomes of the Council's Corporate Plan 2016/20.
4.0 Key Issues:	
4.1	The latest version of the Port Marine Safety Code has been issued, there are considerable changes to this document, mainly items being withdrawn from it. As of this date the Guidance to the Port Marine Safety Code has not been issued, this is the document that clarifies the Code and is used to interpret it by harbour users.
4.2	The tendering process for the replacement tug has been completed and three vessels short listed for inspection and further scrutiny. A small team under the Towage Manager are visiting the three vessels concerned.
5.0 Exempt and/or confidential information:	
None	
6.0 Implications :	
6.1 Service Users, Patients and Communities:	None
6.2 Human Resources and Organisational Development:	None
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	None
6.5 Finance:	None
6.6 Assets and Property:	None
6.7 ICT and new technologies:	None
6.8 Environmental:	None
6.9	Failure to comply with the requirements of the Port Marine

Risk Management:	Safety Code could lead to regulatory action.	
6.10 Policy and Delegated Authority:	<p>The scheme of Administration and Delegations states that the role of the Harbour Board is:</p> <p>6.10.1 Strategic oversight and direction in all aspects of the operation of the Council's harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code.</p> <p>6.10.2 Act as Duty Holder required by the Port Marine Safety Code and ensure that the necessary management and operational mechanisms are in place to fulfil that function.</p> <p>6.10.3 To consider all development proposals and changes of service level within the harbour undertaking, including dues and charges, and make appropriate recommendations to the Council.</p>	
6.11 Previously considered by:	This report has not been presented to any other meeting.	

Contact Details:

Brian Dalziel, Interim Harbourmaster, 01595 744209, brian.dalziel@shetland.gov.uk

Appendices:

Appendix 1- DP report to Harbour Board

Appendix 2- Towage DPA report to the Harbour Board

Background Documents: None

Designated Person Report: 07 December 2016

This Designated Person (DP) report is provided as an independent view on Shetland Islands Council's (SIC) performance against the requirements and standards under the latest edition of the Port Marine Safety Code (PMS). The report is submitted to the SIC Harbour Board, and copied to the Harbour Master for information.

Introduction

Since my report to the Harbour Board meeting of 29 August 2016 I have maintained a regular dialogue on marine matters with SIC's Interim Harbour Master through telephone calls and an exchange of emails. I have also monitored both SIC's website <http://www.shetland.gov.uk> and SIC's port specific website <http://www.shetland.gov.uk/ports> for items relating to the reported actions, involvement and decisions taken by the Harbour Board and SIC's appointed officers. Prior to writing this report I had a telephone conversation with SIC's Interim Harbour Master in which we discussed the assessing measures and effectiveness of the current Marine Safety Management Systems.

Port Marine Safety Code

The latest revision of the Port Marine Safety Code was published onto the www.gov.uk website at the start of November 2016. The revised Code includes a number of changes, the most notable of which is the rewording of measures that Statutory Harbour Authorities must consider in order to comply with the Code. These measures are broadly the same as those identified in the previous version of the Port Marine Safety Code, however the number of measures identified in the latest version numbers ten, whereas the previous version had eight. The measures are shown below, which is a direct extract from the Port Marine Safety Code:

1. **Duty holder:** Formally identify and designate the duty holder, whose members are individually and collectively accountable for compliance with the Code, and their performance in ensuring safe marine operations in the harbour and its approaches.
2. **Designated Person:** A 'designated person' must be appointed to provide independent assurance about the operation of the marine safety management system. The designated person must have direct access to the duty holder.
3. **Legislation:** The duty holder must review and be aware of their existing powers based on local and national legislation, seeking additional powers if required in order to promote safe navigation.
4. **Duties and Powers:** Comply with the duties and powers under existing legislation, as appropriate.
5. **Risk Assessment:** Ensure that marine risks are formally assessed and are eliminated or reduced to the lowest possible level, so far as is reasonably practicable, in accordance with good practice.
6. **Marine Safety Management System (MSMS):** Operate an effective MSMS which has been developed after consultation, is based on formal risk assessment and refers to an appropriate approach to incident investigation.
7. **Review and Audit:** Monitor, review and audit the risk assessment and MSMS on a regular basis – the independent designated person has a key role in providing assurance for the duty holder.

8. **Competence:** Use competent people (who are trained, qualified and experienced) in positions of responsibility for managing marine and navigation safety.
9. **Plan:** Publish a safety plan showing how the standards in the Code will be met and produce a report assessing performance against that plan at least every 3 years.
10. **Aids to Navigation:** Comply with directions from the General Lighthouse Authorities and supply information and returns as required.

(Port Marine Safety Code, November 2016)

It is recommended that all members of the Harbour Board (as Duty Holder) should familiarise themselves with the revised Code and review any implications for their marine operations. It is anticipated that the revised Guide to Good Practice on Port Marine Operations will be released later in 2016 or early in 2017.

Dangerous Goods in Harbour Areas Regulations 2016

The Health and Safety Executive's Dangerous Goods in Harbour Areas (DGSHA) Regulations 2016 Approved Code of Practice [ACOP] came into force on 1 October 2016. Copies of the ACOP may be downloaded from the www.hse.gov.uk website. Of particular note, the first covering page of the ACOP states that: "This guidance paragraph of the provides practical advice for anyone involved in activities in ports, harbours, jetties, docks and wharves on how to comply with duties under the Dangerous Goods in Harbour Areas Regulations 2016. The purpose of the regulations is to put in place specific measures to reduce the risk of a serious incident occurring when dangerous goods pass through harbours and harbour areas. They contain a set of safety provisions for **Duty Holders** aimed at safeguarding ports against major accidents involving dangerous goods by coordinating activities between ship and shore. 'Dangerous goods' means goods meeting the criteria for classification as dangerous in the International Maritime Dangerous Goods (IMDG) Code."

HSE and PMSC

The specific reference to **Duty Holders** in the DGSHA ACOP is significant in that it establishes a clear link with the PMSC. It is also noted that the revised PMSC includes within the introduction, a particular reference to exposure from failing to comply with the Code, namely: "A successful prosecution has been brought against a harbour authority for breach of Section 3 of the Health and Safety at Work Act 1974, in that non-compliance with the fundamental elements of the Code evidenced a failure to provide a safe system of work."

Monitoring Measures

Technical Working Group: The draft minutes of the Technical Working Group (TWG) meeting held on 18 August 2016 record the ongoing good practice of bringing together SIC personnel from different disciplines and port stakeholders to discuss a range of safety and operational issues of common interest.

It was noted as evidence of good practice that the meeting included a discussion on the implications of Marine Guidance Note (MGN) 432 'Safety during Transfers of Persons to and from Ships' and agreement reached on an appropriate amendment to SIC's Marine Safety Management Systems

Examination and Technical Group: The minutes of the Examination and Technical Group (E&TG) meeting held on 15 August 2016 record the ongoing good practice of continual review of marine operational procedures by marine pilots.

It was noted that discussions took place on the manner in which documentation of the Master/Pilot exchange of information could be improved, and proposed changes to the Pilot and Harbour Directions at Sullom Voe to reflect the trade now at the port (particularly the increase in the aquaculture industry) and to address ongoing communication problems with vessels in the Sullom Voe area not reporting to Sullom Voe vessel traffic service (VTS).

Safety Sub-Committee: Ports: The 71st meeting of the Safety Sub-Committee 'Ports' was held on 3 August 2016 and the 72nd meeting was held on the 2 November 2016. The draft minutes of the meetings continue to demonstrate the active involvement of marine personnel in all aspects of port safety.

In matters arising, reference was made to fishing vessels in Yell Sound failing to monitor or answer on VHF Channel 14 and, as a consequence, they could not be contacted by Sullom Voe VTS to keep out of the way of tankers entering Sullom Voe. The Harbour Master was asked to send another letter to the Shetland Fishermen's Association (SFA) expressing the Sub-Committee's concern.

The minutes also record, as evidence of good practice, a review of a recent Marine Accident Investigation Board [MAIB] report into the fatal accident when a crew member fell and was crushed as the tug Svitzer Moira was being manoeuvred alongside an unmanned tug at Royal Portbury Dock, Bristol on 29 December 2015. It was agreed that a safety circular should be sent to all tug crewmen.

Small Ports: The table entitled 'Operational and Safety Visits to Small Ports & Harbours 2016', as posted on the website www.shetland.gov.uk, records that visits to Toft, Mid Yell, Cullivoe, Uyeasound and Baltasound took place on 28 September 2016; visits to Easterdale, Toogs, and Hamnavoe took place on 26 October 2016; visits to Walls, West Burrafirth and Sandness took place on 24 October 2016 and visits to Billister and Collafirth took place on 25 October 2016. A safety visit to Fair Isle was completed on 1 August 2016. Symbister is now the only small port that has not received an operational and safety visit in 2016.

Towage: A Tug masters' and chief engineers' meeting were held on 9 September 2016. Items discussed included: a report on a fact finding visit to Hound Point; six non-conformities identified during a recent internal audit of the ISM Code; near misses, accidents and incidents; operational issues of concern; an MAIB report of a fire in the engine room of the dredger Arco Avon while the vessel was loading a sand cargo approximately 12 miles off Great Yarmouth, UK. The fire claimed the life of the vessel's third engineer, who was attempting to repair a failed fuel pipe when fuel, under pressure in the pipe, ignited; and an update on the Ports and Harbours action plan.

With reference to the Towage Operations Designated Person Ashore's report (DPA report), submitted as Appendix 2 to the Harbour Master's August 2016 report to the Harbour Board, it is noted that a comprehensive review of all adopted generic risk assessments in Towage Operations and onboard work practices has been initiated.

Incidents and Accidents: Six incident reports were recorded in the MarNIS database in the period 1 June 2016 to 1 November 2016. (A copy of the MarNIS Selected Ports Actual and Potential Incident Summary is attached in Appendix A).

Date	Vessel	Incident
30 June 2016	Tanker 'Alfa Britannia'	False engine start whilst berthing.
04 July 2016	Tanker 'NS Artic'	Discharged ballast inside Harbour Limits.
10 August 2016	Tanker 'Minerva Gloria'	Observed passing through the SW Shetland Precautionary Area on two occasions.
10 August 2016	Tanker 'Minerva Gloria'	Discharged ballast inside Harbour Limits.
14 August 2016	Tanker 'Minerva Eleonora'	Defective pilot ladder.
10 October 2016	Tanker 'Advantage Avenue'	Defective pilot ladder.

Incidents involving the vessels Alfa Britannia, NS Artic, Minerva Gloria and Minerva Eleonora were reviewed by the Technical Working Group during their meeting on 18 August 2016 and warnings or letters of protest issued, as appropriate. The defective pilot ladders of the vessels Minerva Eleonora and Advantage Avenue have been reported to the MAIB.

Audits

Internal audits: No internal audits of existing SIC Marine Safety Management Systems' (MSMS) procedures have been undertaken since June 2016.

External audits: The following recommendations from the external audit of the MSMSs undertaken in October 2015 remain open:

- Recommendation 2: A bridging document between the Port and the Terminal (*at Sullom Voe*) has yet to be discussed.
- Recommendations 8: Running the pilot launch with blacked out windows has been deemed an unacceptable risk and an alternative training programme to simulate operating the launch in reduced visibility has yet to be agreed.
- Recommendation 9: A safety drill matrix for pilot boat crews has yet to be produced.

Consultation: Active engagement with port and harbour stakeholders by members of the Harbour Board and its appointed officers continues to provide evidence of SIC's commitment to the importance of meaningful and ongoing consultation with local and national organisations.

Board members and the Harbour Master continue good lines of communication, with attendance at meetings as a stakeholder and Harbour Authority representative, these include:

- 24 October 2016 Consolidated European Reporting System (CERS) 3, Scalloway;
- 02 November 2016 Harbour Users Panel A;
- 02 November 2016 Harbour Users Panel B; and
- 02 to 05 November 2016 British Ports Association meeting, Dover.

Consultation on proposals to update the Sullom Voe General/Pilotage Directions 2001 has not been progressed. The Harbour Board should be mindful of the concern expressed in the Technical Working Group, the Examination and Technical Group and the Safety Sub-Committee meetings about the difficulties of establishing contact by VHF with some fishing vessels in Yell Sound. Chapter 2 Paragraph 2.4 of the revised Port Marine Safety Code states that: "Harbour authorities must understand their local legislation - harbour acts, harbour orders and byelaws - as well as the procedures and systems that are in place. Additional powers should be sought, if a risk assessment concludes that this would be the best means of meeting their safety obligations."

Harbour Board Meetings: The public agenda for the Harbour Board meetings of 29 August 2016 and 5 October 2016 and the accompanying Decision Notes were posted on the website www.shetland.gov.uk in a timely manner.

Training: The three training matrices continue to be reviewed regularly and updated as staff change, training courses are completed and qualifications are obtained or revalidated.

A meeting to update the authorisation of five marine pilots will be held in November 2016. The pilot authorisation of the Interim Harbour Master will not be renewed.

Annual assessments of three VTS Officers are overdue.

Launch crews, Small Ports Officers and Relief Small Ports Officers have all received training in harbour towage for workboats.

Marine Circulars and Notices to Mariners: Stakeholder information regarding marine and operational safety has been posted in a timely manner through the issue of marine circulars and Notices to Mariners. The latter have been posted and maintained on SIC's ports specific website: <http://www.shetland.gov.uk/ports/notices.asp>.

- Latest Notice to Mariners
 - No 3/2016 Sullom Voe VTS - Reduced level of service
 - No 4/2016 Scalloway Harbour - VHF Radio Channel 12
 - No 5/2016 Approach Channel - Tronda Bridge
 - No 6/2016 Hydrographic Survey - Sullom Voe.
 - No 7/2016 Trial passive acoustic survey by unmanned Surface Vessel
 - No 7/2016 Trial passive acoustic survey by unmanned Surface Vessel - Update
- Latest Marine Circulars
 - No 2/2016 Pilots' Rooms
 - No 3/2016 Small Boats berthing at Sellaness
 - No 4/2016 Pollution Response

Assessing Measures

Key Performance Indicators (KPI):

1. Open Incident KPI Report (from the MarNIS database) for Sullom Voe, Scalloway and the Small Ports: Open Incident status on the 1 November 2016

Location	Open NS Reports	Open PE Reports	Open EP Reports	Open CM Reports	Open PS Reports
Sullom Voe	5	0	1	0	0
Scalloway	1	0	0	0	0
Small Ports	0	0	0	0	0
'Open'	Reports which have yet to be closed formally by the Examination and Technical Group.				
NS	Nautical Safety				
PE	Port Efficiency				
EP	Environmental Protection				
CM	Crisis Management				
PS	Personnel and Public Safety				

2. Risk assessments KPIs (from the MarNIS database) for Sullom Voe, Scalloway and the Small Ports for the period ending 1 November 2016

Location	Nautical Safety Assessments	Port Efficiency Assessments	Environmental Protection Assessments	Crisis Management Assessments	Mean Assessment Score*
Sullom Voe	25	6	7	0	3.8
Scalloway	19	6	5	0	3.9
Small Ports	16	3	4	0	3.85
Totals	60	15	16	0	
* A risk assessment score between 3 and 5.99 means that the risks are as low as reasonably practicable (ALARP).					

3. Overdue risk assessments KPIs (from the MarNIS database) for Shetland (including Sullom Voe, Scalloway and the Small Ports) for the period ending 1 November 2016

Overdue Risk Assessment KPIs	Total Shetland
Overdue Nautical Safety Assessments	0
Overdue Port Efficiency Assessments	0
Overdue Environmental Protection Assessments	0
Overdue Crisis Management Assessments	0

4. Number of port marine employees with in date qualifications required for their job role, expressed as a percentage of the total number of employees undertaking port marine activities and requiring job specific qualifications

Employees	Percentage (%)
Marine Pilots	5
Vessel Traffic Service Officers (including relief VTSOs and Interim Harbour Master)	9
Small Ports Officers (including relief SPOs)	7
Launch Crews	15
Total	36

Of the 36 SIC staff undertaking port marine activities all those requiring 'essential' job specific qualifications hold the necessary in-date qualifications.

KPI = 100%

5.. Availability of Aids to Navigation (in three classification bands) expressed as a percentage of total availability over the three year period 14 November 2013 to 14 November 2016

IALA Category	No of Aids	No of Failures	Availability (%)	Target Availability (%)
Category 1*	50	3	99.95	99.80
Category 2**	71	4	99.93	99.00
Category 3***	14	2	99.32	97.00
<p>Note: The availability of all aids to navigation exceeds the target set by the Northern Lighthouse Board (NLB).</p> <p>* Category 1. An aid to navigation that is considered by the NLB to be of primary navigation significance. It includes the lighted aids to navigation and racons that are considered essential for marking landfalls and primary routes.</p> <p>** Category 2. An aid to navigation that is considered by the NLB to be of navigational significance. It includes lighted aids to navigation and racons that mark secondary routes and those used to supplement the marking of primary routes.</p> <p>*** Category 3. An aid to navigation that is considered by the NLB to be of less navigational significance than Cat 1 and 2.</p>				

Effectiveness of the Marine Safety Management Systems

It is acknowledged that work is currently in hand to review the existing Marine Safety Management Systems to ensure compliance with the revised Port Marine Safety Code, and a further review will be undertaken when the associated Guide to Good Practice is published.

In the interim, the monitoring and assessing measures described above provide assurance that the Marine Safety Management Systems for Sullom Voe, Scalloway and the Small Ports of West Burra (Hamna Voe); West Burrafirth; Housa Voe, Papa Stour; Mid Yell, Yell; Cullivoe, Baltasound; Unst; Uyeasound, Unst; Hamars Ness, Fetlar; Symbister, Whalsay Out Skerries (two separate areas: West Voe and South North-East Mouth); and North Haven (Fair Isle) are working effectively and in compliance with the Port Marine Safety Code published in March 2015.

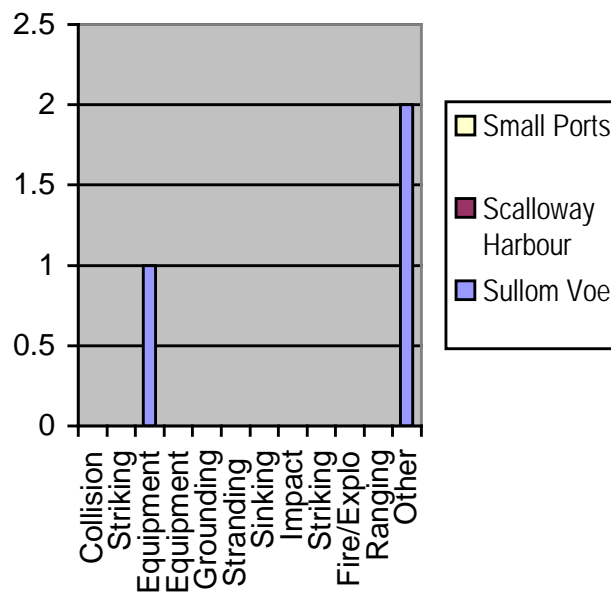
Captain Trevor Auld
Designated Person (PMSC)

Appendix A

Selected Ports Actual and Potential Incident Report Summary. 01 June 2016 to 01 November 2016.

Nautical Safety Accidents / Incidents

Location	Collision Ship - Ship	Striking With Ship (Moored)	Equipment Failure (Vessel)	Equipment Failure (Port)	Grounding	Stranding	Sinking And Capsizing	Impact With Structure	Striking With Floating Object	Fire/Explosion	Ranging	Other
Sullom Voe	0	0	1	0	0	0	0	0	0	0	0	2
Scalloway Harbour	0	0	0	0	0	0	0	0	0	0	0	0
Small Ports	0	0	0	0	0	0	0	0	0	0	0	0



Accident / Incident Details

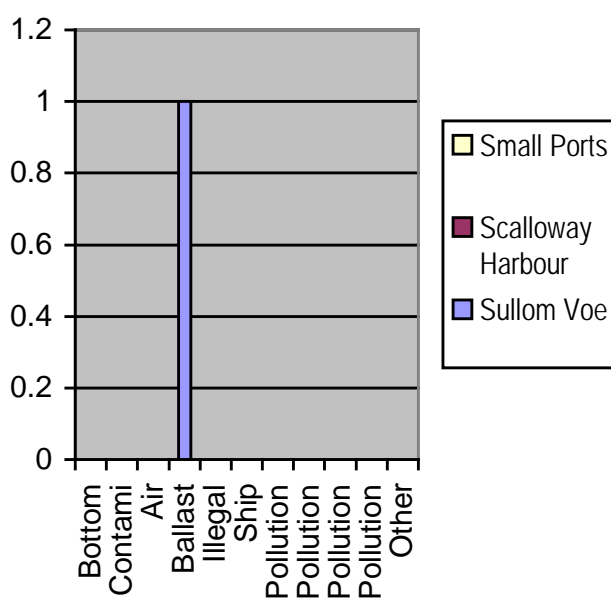
Date	ID Code	Incident / Potential	Externally Reported	Accident Category	Name and Detail
30/06/2016	SUV0031INV	P	N	Equipment failure (vessel)	<p>Alfa Britannia M.E. False start whilst Berthing</p> <p>Main Engine failed to maintain slow astern whilst swing was carried out off Jetty 2. After 3 attempts were made the main engine maintained slow astern.</p> <p>Primary Cause - Mechanical Failure</p> <p>Consequences (rated 0 to 4) for : People(0)/Property(0)/Planet(0)/Port(0) Marine incident / MAIB Report not applicable</p>
10/08/2016	SUV0034INV	I	R	Area to be Avoided	<p>Minerva Gloria Inside Area to be Avoided</p> <p>On Passage to Sullom Voe Vessel was seen passing through the SW Shetland Precautionary Area in contravention of the tanker agreement. The Vessel was advised of the situation and left the precautionary area East of Fetlar and proceeded north and west outside the Area to be Avoided (AtbA).</p> <p>At about 03:40 the vessel entered the AtbA as it made its way to the pilot station, leaving the AtbA at about 05:20 in contravention of the IMO scheme.</p> <p>Primary Cause - IMO Area to be Avoided Regulations, failure to comply</p> <p>Secondary Cause(s) :</p> <ol style="list-style-type: none"> Human error - Ship Personnel Inadequate bridge resource management <p>Consequences (rated 0 to 4) for : People(0)/Property(0)/Planet(0)/Port(0) Marine incident / MAIB Report not applicable</p>
14/08/2016	SUV0035IVD	I	R	Pilot Boarding Arrangements	<p>Minerva Eleonora Poor state of Pilot Ladder</p> <p>When boarding, the Pilot, observed that the portside pilot ladder, section of the combination ladder, was in poor condition.</p> <p>Primary Cause - SMS/SOP/safe systems of work</p> <p>Secondary Cause(s) :</p> <ol style="list-style-type: none"> Maintenance Management:- lack of maintenance <p>Consequences (rated 0 to 4) for: People(0)/Property(0)/Planet(0)/Port(0) Marine incident / MAIB Reportable</p>
10/10/2016	SUV0036INV	P	N	Pilot Boarding Arrangements	<p>Advantage Avenue:- Port side pilot ladder issues</p> <p>During Port Safety ship inspection the portside pilot ladder was found to have loose steps and spreaders that rocked backwards and forwards</p> <p>Primary Cause - Unknown</p> <p>Consequences (rated 0 to 4) for: People(0)/Property(0)/Planet(0)/Port(0) Marine incident / MAIB Reportable</p>

Number of Accidents listed = 4.

For the period 01 June 2016 to 01 November 2016.

Environmental Protection - Accidents / Incidents

Location	Bottom Scrubbing	Contaminated Sediment	Air Pollution	Ballast Water Discharge	Illegal Waste Discharge	Ship Wash	Pollution Tier 1	Pollution Tier 2	Pollution Tier 3	Pollution (Minor)	Other
Sullom Voe	0	0	0	1	0	0	0	0	0	0	0
Scalloway Harbour	0	0	0	0	0	0	0	0	0	0	0
Small Ports	0	0	0	0	0	0	0	0	0	0	0



Accident / Incident Details

Date	ID Code	Incident / Potential	Externally Reported	Accident Category	Name and Detail
04/07/2016	SUV0032CLO	I	N	Ballast water discharge	<p>NS Arctic Discharged unchecked ballast</p> <p>Unchecked ballast was discharged inside the Harbour limits whilst vessel was on passage to berth.</p> <p>Pre-Arrival Drafts given as 6.0 m Fwd 9.0 m Aft Actual drafts once alongside 4.7 m Fwd 8.9 Aft</p> <p>Primary Cause - Human error - Ship Personnel Secondary Cause(s) : 1. Byelaws/local regulations, failure to comply</p> <p>Consequences (rated 0 to 4) for: People(0)/Property(0)/Planet(1)/Port(0) Marine incident / MAIB Report not applicable</p>
10/08/2016	SUV0033IVD	I	N	Ballast water discharge	<p>Minerva Gloria Discharge of unchecked Ballast</p> <p>Once alongside it was noted by the Loading Master that the actual vessel drafts did not correspond to the drafts reported on the Vessels Pre-Arrival leading to a conclusion that the vessel had discharged unchecked ballast into the harbour during its passage and berthing or had given false information on the Pre-Arrival checklist</p> <p>Primary Cause - Human error - Ship Personnel Secondary Cause(s): 1. Byelaws/local regulations, failure to comply</p> <p>Consequences (rated 0 to 4) for: People(0)/Property(0)/Planet(0)/Port(0) Marine incident / MAIB Report not applicable</p>

Number of Accidents listed = 2.

For the period 01 June 2016 to 01 November 2016.

Shetland Islands Council
Towage Operations Designated Persons' Report
SIC Harbour Board
December 2016



Under the ISM (International Safety Management) Code the responsibilities and the minimum authority of the Designated Person Ashore (DPA) is: To ensure the safe operation of each ship and to provide a link between the Company and those on board, every Company, as appropriate, should designate a person or persons ashore having direct access to the highest level of management. The responsibility and authority of the designated person or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

Management Resources

It is worthwhile noting at this point that the creation of an additional role which sits within the Ports and Harbours management team, is a positive one. The Team Leader post shall allow for a better spread of responsibilities and duties that will ensure all areas of ISM Code are better covered and subsequently free up senior managers for more strategic work and medium to long term Service planning.

Review of Sea Staff Training needs

Whilst the tender process for delivery of new tugs is underway, it is important to prepare staff for the change. In doing so it is common practice to implement a Training Plan that will ensure all staff collectively and individually gain the relevant skills and knowledge required to safely operate vessels, unfamiliar equipment and machinery prior to entering Operations.

Marine Officers are compiling a Training Plan which shall cover, but not limited to, familiarisation and operation of:

- Watertight Doors
- Fire Detection & Fire Fighting equipment
- Life Saving Appliances
- Fast Rescue Boat / Davit
- Emergency Stops
- Muster List
- Power Plant/ Electrical
- Oil Spill Equipment
- Dangerous Goods
- Emergency Drills
- Manoeuvring & Steering

Etc etc.....

Representations To / From Designated Person

There has been no contact made to the Towage DPA since the previous Report.

Shetland Islands Council
Towage Operations Designated Persons' Report



SIC Harbour Board

December 2016

The role of DPA has been shared between Marine Superintendent Ferries Kevin Main and Assistant Marine Superintendent Ferries, Ian Pearson, throughout.

External DOC Audit

In this period, SIC Towage Operations Safety Management System (SMS) was subject to external audit from an MCA Surveyor. Two Non conformances were raised, namely:

NCN Towage 01/16 *"Failure to include Job descriptions for DPA, Chairman (Harbour Board) and Chief Executive within the manual"*

NCN Towage 02/16 *"Failure to undertake an internal audit of the SMS within the year". (ISM Code para 12.1)*

In response to the Auditors findings and in particular non compliance matters, remedial actions are being implemented. An amendment to the latest revision of the Towage SMS, to include relevant Duties and Responsibilities pertinent to the ISM Code for the positions of DPA, Harbour Board Chairperson and the Chief Executive has been made. In addition, as a result of a system audit carried out by Captain Sandy Jeffrey of Targe Towing, NCN 02/16 is noted as closed. Extra management resource now allows for an in-depth and thorough annual review of the Towage SMS.

Internal ISM Audits

Annual ISM internal audits of all current fleet are due by early March 2017.

External SMC Renewals

Renewals of all Safety Management Certificates of all current fleet are due by early 2018.

Accidents/Incidents

There have been no reportable occurrences made to the DPA since the previous Harbour Board meeting.

SMS Review

The SMS is currently under review.

Risk Assessments

A comprehensive review of all adopted generic Risk Assessments in Towage Operations is currently being carried out with a completion date by December. This date has been extended to accommodate the SMS review.



Meeting(s):	Harbour Board	7 December 2016
Report Title:	Harbour Board Business Programme – 2016/17	
Reference Number:	GL-52-16-F	
Author / Job Title:	Team Leader - Administration	

1.0 Decisions / Action required:

- 1.1 That the Harbour Board considers its business planned for the remaining quarters of the current financial year (1 April 2016 to 31 March 2017), and RESOLVES to approve any changes or additions to the business programme.

2.0 High Level Summary:

- 2.1 The purpose of this report is to inform the Board of the planned business to be presented to the Board for the remaining quarters of the financial year 1 April 2016 to 31 March 2017, and discuss with Officers any changes or additions required to that programme.
- 2.2 The presentation of the Business Programme 2016/17 on a quarterly basis provides a focussed approach to the business of the Board, and allows senior Officers an opportunity to update the Board on changes and/or additions required to the Business Programme in a planned and measured way.

3.0 Corporate Priorities and Joint Working:

- 3.1 The recommendation in this report is consistent with the following corporate priorities:

Our Plan 2016, in its 20 by 20 states that:-

“High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects”.

4.0 Key Issues:

- 4.1 The Council approved the schedule of meetings for 2016/17 at its meeting on 16 December 2015 (Min Ref: 79/15).
- 4.2 It was agreed that the Business Programmes for each Committee/Board would be presented to the Planning and Performance Management Framework (PPMF) meetings, which are held on a quarterly basis, for discussion and approval.
- 4.3 The manner in which meetings have been scheduled is described below:
- Ordinary meetings have been scheduled, although some have no scheduled

business at this stage. Where there is still no scheduled business within two weeks of the meeting, the meeting will be cancelled;

- Special meetings may be called on specific dates for some items – other agenda items can be added, if time permits;
- PPMF = Planning and Performance Management Framework meetings have been called for all Committees and Council once per quarter. These meetings are time restricted, with a specific focus on PPMF only, and therefore no other business will be permitted on those agendas;
- Budget = Budget setting meetings – other agenda items can be added, if time permits, or if required as part of the budget setting process; and
- In consultation with the Chair and relevant Members and Officers, and if required according to the circumstances, the time, date, venue and location of any meeting may be changed, or special meetings added.

4.4 The Business Programme for 2016/17 is presented by Committee Services to the Council and each Committee/Board on a quarterly basis for discussion and approval, particularly in relation to the remaining projects and reports which are listed at the end of the business programme page for each Committee/Board as still to be scheduled.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

6.1 Service Users, Patients and Communities:	The Business Plan provides the community and other stakeholders with important information, along with the Council's Corporate and Directorate Plans, as to the planned business for the coming year.
6.2 Human Resources and Organisational Development:	None
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	None
6.5 Finance:	There are no direct financial implications in this report, but indirect costs may be avoided by optimising Member and officer time.
6.6 Assets and Property:	None
6.7	None

ICT and new technologies:	
6.8 Environmental:	None
6.9 Risk Management:	The risks associated with setting the Business Programme are around the challenges for officers meeting the timescales required, and any part of the business programme slipping and causing reputational damage to the Council. Equally, not applying the Business Programme would result in decision making being unplanned and haphazard and aligning the Council's Business Programme with the objectives and actions contained in its corporate plans could mitigate against those risks.
6.10 Policy and Delegated Authority:	Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committee's role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations.
6.11 Previously considered by:	N/A

Contact Details:

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29 November 2016

Appendices:

Appendix 1 – Harbour Board Meeting Dates and Business Programme 2016/17

Background Documents:

Report GL-60-F: SIC Diary of Meetings 2016/17

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4785>



Harbour Board - Meeting Dates and Business Programme 2016/17 as at Tuesday, 29 November 2016

Harbour Board			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2016 to 30 June 2016	Date of Meeting	Business	
	<i>Ordinary</i> 13 April 2016 10 a.m. Cancelled	Scalloway – Project Update	D
		Sullom Voe – Project Update	D
	<i>PPMF & Ordinary</i> 23 May 2016 3.30 p.m.	Management Accounts – Quarter 4	D
		Pilotage Accounts – Quarter 4	D
		Harbourmaster's Report	D
		Ports and Harbours Service Plan – Performance Overview – Quarter 4	D
		Harbour Board Business Programme 2016/17	D
		Solan and Bonxie – Conclusion of Sale	R P&R 24/5 AC 25/5
Quarter 2 1 July 2016 to 30 September 2016	Date of Meeting	Business	
	<i>Ordinary</i> 15 June 2016 10 a.m.	Scalloway – Project Update	R P&R 28/6 SIC 29/6
		Sullom Voe – Project Update	R P&R 28/6 SIC 29/6
		Ports & Harbours Management Review	R P&R 28/6
	<i>PPMF & Ordinary</i> 29 August 2016 3.30 p.m.	Management Accounts – Quarter 1	D
		Pilotage Accounts – Quarter 1	D
		Harbourmaster's Report	D
		Ports and Harbours Service Plan – Performance Overview – Quarter 1	D
		Harbour Board Business Programme 2016/17	D



Harbour Board - Meeting Dates and Business Programme 2016/17 as at Tuesday, 29 November 2016

Harbour Board - continued			
		<i>D= Delegated R=Referred</i>	
Quarter 3 1 October 2016 to 31 December 2016	Date of Meeting	Business	
	<i>Ordinary</i> 5 October 2016 10 am.	Emergency Linkspan Repairs at Vidlin Ferry Terminal	D
		Scalloway Fishmarket Business Case	D
		Ports & Harbours - Capital Maintenance and Replacement Programme	D
	<i>PPMF, Budgets & Ordinary</i> 7 December 2016 10 a.m.	Harbourmaster's Report	D
		Ports and Harbours Performance Report – 2 nd Quarter 2016/17	D
		Management Accounts – Quarter 2	D
		Pilotage Accounts – Quarter 2	D
		Harbour Board Business Programme 2016/17	D
Quarter 4 1 January 2017 to 31 March 2017	Date of Meeting	Business	
	<i>Ordinary</i> 8 February 2017 10 a.m.	Port of Sullom Voe Strategic Review Update	
		Exception/Emergency Works on Ferries	D
		2017-18 Budget Proposals and Charges	R P&R 13 Feb
	<i>PPMF & Ordinary</i> 6 March 2017 3.30 p.m.	Management Accounts – Quarter 3	D
		Pilotage Accounts – Quarter 3	D
		Harbourmaster's Report	D
		Ports and Harbours Service Plan - Performance Overview Q3	D
		Harbour Board Business Programme 2017/18	D

Planned Committee business still to be scheduled - as at Tuesday, 29 November 2016:

tbc = to be confirmed

PPMF = Planning and Performance Management Framework meetings – no other business to be added

Budget = Budget setting meetings – other items can be added if time permits

Ordinary = Ordinary meetings – other items can be added

Special = Special meetings arranged for particular item(s) – other items can be added if time permits

END OF BUSINESS PROGRAMME as at Tuesday, 29 November 2016