

# MINUTE

# AB - PUBLIC

## Harbour Board

Council Chamber, Town Hall, Lerwick

Monday 29 August 2016 at 3.30pm

### Present:

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

### Apologies:

None

### In Attendance:

J Belford, Executive Manager - Finance  
J Smith, Acting Executive Manager – Ports and Harbours  
B Dalziel, Harbourmaster  
A Inkster, Team Leader – Port Engineering  
K Main, Team Leader – Ferries (DPA Tugs)  
S Summers, Administration Manager  
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 minutes of the meeting held on 15 June 2016 were approved on the motion of Mr Robertson, seconded by Mr Henderson.

#### 17/16 Management Accounts for Harbour Board 2016/17 Projected Outturn at Quarter 1

The Board noted a report by the Executive Manager – Finance (F-043-F), which enabled monitoring of the financial performance 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.

The Executive Manager – Finance introduced the report and explained the variances noted in the appendices.

In responding to questions, Officers confirmed that the Tanker Study was now underway with consultants, Wood Mackenzie, and Members would have an opportunity to meet with them during the process.

An observation was made in terms of the projected reduction in income for Scalloway Harbour but this was information that Officers would have known when the charges and budgets were approved in February. It was suggested that the text should be different to indicate that the figures had not been revisited. Following an explanation of the budget setting and approval process, by Executive Manager – Finance, he agreed to consider a process that would allow a review of the Council's budgets, set in November each year, to take account of the most up-to-date information available, prior to final approval of the budget setting exercise the following February.

In terms of income from small piers, the Administration Manager confirmed that charges are made on the information received. The Acting Executive Manager – Ports and Harbours agreed to look at how the Lerwick Port Authority and Orkney charge for piers that are not manned. The Administration Manager also confirmed that storage charges are implemented where required, and pier inspectors have ensured piers have been cleared on their last visit.

Members discussed the Total Gas Plant activities and were informed that although the Council were not receiving the income that had been anticipated, the Plant had produced more condensate being stored in the Brent tanks. It was also noted that the offshore shutdown usually undertaken at this time will now take place in October. In the meantime the main income would be through land rental.

**Decision:**

The Harbour Board **RESOLVED** to review the Management Accounts showing the projected outturn position at Quarter 1.

18/16

**Pilotage Accounts for Harbour Board 2016-17**  
**Projected outturn at Quarter 1**

The Board noted a report by the Executive Manager – Finance (F-044-F), which enabled monitoring of the financial performance of the pilotage services provided by the Council.

The Executive Manager – Finance introduced the report.

During discussions the Executive Manager – Finance agreed to ensure that the description used at paragraph 4.7.2, bullet 3 was the up-to-date position.

*(Ms Westlake left the meeting).*

With regard to the use of overtime, the Acting Executive Manager – Ports and Harbours advised that the new Pilot will cover part of the Harbourmaster duties, which will reduce the amount of overtime required, but the need for overtime would not disappear completely. He informed Members that resources would also be considered as part of any reduction of opening hours. In this regard there is a target of January for any changes in the port operations.

*(Mr Robertson left the meeting).*

**Decision:**

The Harbour Board **RESOLVED** to review the Pilotage Accounts showing the outturn position at Quarter 1.

19/16

**Ports and Harbours Performance Report - 1st Quarter 2016/17**

The Board considered a report by the Acting Executive Manager – Ports and Harbours (PH-13-16-F) that summarised the activity and performance of the Ports and Harbours Service for the reporting period above.

The Acting Executive Manager – Ports and Harbours introduced the report highlighting a number of items including the live exercise next week, the bareboat charter, Scalloway fish market chilling replacement system, manila training, the request for a 5 day port operation and the need for a position on Ship-to-ship shuttle tankering. In regard to the Tanker Study he advised that the consultants, Wood Mackenzie, will be in Shetland soon to meet management in Sullom Voe. The Acting Executive Manager – Port Operations also advised that the BP Seminar hosted by the Council and the Oil and Gas Authority, to be held at the end of September, would be expanded to include Chevron, Total and others to discuss the future. A second event would be held in the afternoon where the Sullom Voe Association would be involved together with Lerwick Port Authority to focus on Shetland as a Hub, which is an area where all parties have an interest.

In terms of workforce planning, the Acting Executive Manager – Ports and Harbours advised that no appointment has yet been made to the Harbourmaster position following the recruitment process. He advised that this would be reported on further in October and would require a Council decision.

In response to questions, the Team Leader – Port Engineering advised that the Council's Radar System contract is of a higher standard than Lerwick, and there had been a good level of thought put into what system is required.

Members discussed the Scalloway Fish Market chilling system and it was queried whether the chilling system was on the Risk Register. It was noted that two boats had landed at Lerwick instead of Scalloway and this lack of confidence was not good at a time when the port is trying to maximise its income. Members acknowledged the issues with the chilling system and the Acting Executive Manager – Ports and Harbours said that it was not on the technical risk register and it was hoped that the problem would be resolved soon. Members were also advised that the proposals on the options for fundamental changes to Scalloway Fishmarket were being worked on and would be presented to the next cycle of committee meetings. Members reported that there is an expectation from the industry that there will be capacity issues from now until Christmas in both Lerwick and Scalloway due to anticipated high landings over that period. Officers acknowledged this as good news and that the conditions need to be right.

In regard to the marketing of the Scalloway Harbour it was recognised that there is a need to include other piers such as Cullivoe. The Acting Executive Manager – Ports and Harbours confirmed that all Council ports were being promoted, and not just Scalloway. There was also discussion around promoting Scalloway and other piers to the smaller cruise ships, and the Harbourmaster confirmed that he had discussions with the agents for the Hebridean Princess, and with the Council's willingness and availability they would consider berthing at another pier in the future. The Acting Executive Manager – Ports and Harbours agreed that an aggressive

marketing strategy was required to allow people to realise the opportunities available in Shetland.

## **Decision**

The Harbour Board discussed the contents of the report and made relevant comments on progress against priorities to inform further activity within the remainder of this year, and the planning process for next and future years

### **20/16 Harbourmaster's Report**

The Board noted a report by the Interim Harbourmaster (PH-12-16-F) that briefed and informed the Port Marine Safety Code (PMSA) Duty Holder of the professional concerns and current status as reported by the Harbourmaster.

The Harbourmaster introduced the report and commented on the one incident involving the Alpha Britannia. He also advised that the "General Directions and Pilotage Directions 2001" required to be updated and a report would be presented for approval after it had been circulated to stakeholders, shipping agents and BP. The Harbourmaster also presented the Port of Sullom Voe Designated Person's Report and the Towage Designated Person's Report.

In response to a question on the inspection of piers, the Harbourmaster explained the staged process that is followed by pier inspectors when carrying out their inspections. He advised if there are any issues highlighted on the Pier Inspections proforma sheet these will be passed on to the engineering team to follow up on any maintenance required.

During further discussion, Members noted that a number of Officers would be visiting Fair Isle for different purposes and it was suggested that better cross-departmental communication/joined up working should be developed to make best use of staff resources, where possible, when travelling to the outer isles.

The Team Leader – Ferries responded to a question regarding the Designated Person's Role and advised that they are not responsible for contracted tugs on Time Charters, i.e. those that came with crew. He said however that Designated Person would oversee ISM safety compliance for any Bareboat Charter i.e. boats crewed by Council staff.

## **Decision**

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

### **21/16 Harbour Board Business Programme 2016/17**

The Board considered a report by the Director of Team Leader – Administration (GL-40-16-F) that informed of the planned business to be presented to Committee for the financial year 1 April 2016 to 31 March 2017.

Reference was made to the setting of annual dues, where it was advised that previously there had been a concern in terms of inconsistencies. It was suggested that the methodology be considered prior to the consultation on dues and setting of budgets. The Acting Executive Manager – Ports and Harbours agreed that a report would be presented to the October meeting of the Board.

## **Decision**

The Harbour Board considered its planned business for the remaining quarters of the financial year 1 April 2016 to 31 March 2017 and **RESOLVED** to approve any changes or additions to the Business Programme.

The meeting concluded at 4.40p.m.

Chair