

In response to a query from Mr N McCracken, the General Manager confirmed that the inflationary rise related to everything, including towage charges, with the exception of the charges noted in paragraph 3.3 of the report.

Mr McCracken said that he endorsed the need for efficiency savings and long-term partnership with agencies to work together on the future with industries. He added that as the services requirements of Sullom Voe changed, the service provision of Ports and Harbours needed to change too.

In response to a query from Mr Tait, the General Manager confirmed that the cost of Ports and Harbours Operations were still being cut, and stated that another 2 members of staff were retiring who would not be replaced and said their workload would be distributed around existing staff.

Mr J Irvine said that the transport strategy would be out by the end of March and it tentatively looked at the possibility of one port authority for the whole of Shetland, and said that this was worth keeping in mind. He added that Orkney managed with one port authority, and it was worth looking at what savings could be achieved in Shetland and said that once the strategy had been approved the new Council would have to address the issue.

Mr W Tait moved the recommendations in the report, seconded by Mr J Irvine.

In response to a query from Mr N McCracken the General Manager said that the harbour charges were regularly compared with other ports across the North Sea. There was no direct comparison to Sullom Voe as other major oil terminals were within harbour areas with a diversity of other traffic. The General Manager said that Sullom Voe was by far not the most expensive, but was in the top quarter.

Mr McCracken asked that a report be brought to the next meeting of the Harbour Board on charging comparisons. The General Manager agreed to prepare the report.

In response to a query from Mrs I J Hawkins, the General Manager advised that the members of Harbour User Panel A were Mr McCracken, the Site Manager for Sullom Voe Terminal and Mr Smith, Regional Manager OBC Hay Shipping Ltd. He advised that the members of the Harbour User Panel B were Mr C Smith, Regional Manager OBC Hay Shipping Ltd, and small agencies including the Shetland Fishermen's Association, Shell Fish Growers and the Salmon Industry.

Mr McCracken said that it was key for diversity that a clear marketing development plan was created, so that there was a base to work from.

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The Board considered a report by the Management Accountant, Executive Services Department (Appendix 2).

The General Manager, Ports and Harbours Operations briefly introduced the report and said that there was no longer an Equalisation Account. He said that the major problem for the Harbour Estimates was the reduction in crude, down another 12% in 2006, similar to the fall in 2005.

The General Manager advised that a recent ship-to ship transfer was cancelled only 8 hours before it was due to take place and everything had been set up. He said that the reason for the change may have been that the oil price went up.

Mr J Irvine moved the recommendations of the report, seconded by Mr W Tait.

CHAIRPERSON