Shetland Islands Council

Executive Manager: Jan-Robert Riise
Director of Corporate Services: Christine Ferguson

Governance & Law
Corporate Services Department
8 North Ness Business Park
Lerwick
Shetland, ZE1 0LZ

Telephone: 01595 744550
Fax: 01595 744585
committee.services@shetland.gov.uk
www.shetland.gov.uk

If calling please ask for
Leisel Malcolmson
Direct Dial: 01595 744599
Email: leisel.malcolmson@shetland.gov.uk

Date: 15 November 2023

Dear Sir/Madam

You are invited to the following meeting:

Harbour Board
Council Chamber, Lower Hillhead, Lerwick
Wednesday 22 November 2023 at 10am

Apologies for absence should be notified to leisel.malcolmson@shetland.gov.uk or at the above number.

Yours faithfully

Executive Manager – Governance and Law

Chair: Robert Thomson
Vice-Chair: Duncan Anderson

AGENDA

(a) Hold circular calling meeting as read.

(b) Apologies for absence, if any.

(c) Declarations of Interest – Members are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any Member making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.

(d) Confirm minutes of the previous meeting held on 12 September 2023. Enclosed.

ITEMS

1. Harbour Board Performance Report – Quarter 2 2023/24
   PH-12

2. Harbour Masters Report
   PH-13

3. Strategic Outline Case – Scalloway West Pier Developments
   PH-14

4. Harbour Board Business Programme 2023/24
   PH-11

Agenda Item

d

Shetland Islands Council

MINUTE A&B - PUBLIC

Harbour Board
Council Chamber, Lower Hillhead, Lerwick
Thursday 12 September 2023 at 10am

Present:

D Anderson D Leask
R McGregor D Sandison
R W Thomson

Present (Remotely):

S Leask R Thomson

Apologies:

A Manson

In Attendance:

J Smith, Director of Infrastructure Services
P Fraser, Executive Manager - Finance
A Inkster, Executive Manager - Ferry and Airport Operations & Port Infrastructure
C Christey, Team Leader – Port Engineering
B Clifton, Team Leader Deputy Harbourmaster
A Cogle, Team Leader – Administration
R Gordon, Team Leader – Deputy Harbourmaster
P Wishart Solicitor
B Kerr, Communications Officer
M Robertson, Committee Assistant
L Malcolmson, Committee Officer

Chair

Mr R W Thomson, Chair of the Board, presided.

The Chair ruled that, in accordance with Section 43(2) of the Local Government in Scotland Act 2003, remote attendance and participation by Members during this meeting is permitted.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None.

Minutes

The minutes of the meeting held on 24 May 2023 were approved on the motion of Mr McGregor, seconded by Mr D Leask.

08/23 **Harbour Board Performance Report - Quarter 1 2023/24**

The Harbour Board considered a report by the Executive Manager - Ferry and Airport Operations & Port Infrastructure (PH-06-23-F) that presented updates on activity and performance of the Infrastructure Directorate relating to the responsibilities of the Harbour Board for Quarter 1 of 2023/24.

The Executive Manager - Ferry and Airport Operations & Port Infrastructure introduced the report.

The Director of Infrastructure Services provided information beyond the quarter 1 reporting period relating to port activity and advised that the Clair Field had, this year, undertaken an extended maintenance exercise over the summer. He advised that in turn the impact of that maintenance would be seen in Quarter 2, in terms of production and port tanker movements.

In responding to a question around the opportunities for the future of the port, the Director of Infrastructure Services advised that the port is in transition with some decline given the Brent Field decommissioning next year, which would be the first step in the East of Shetland production concluding. He said that the ambition for Sullom Voe and associated ports is to move to other activities while there are skilled staff in place. The Director of Infrastructure advised that it would be difficult to build the port up if infrastructure services were mothballed. He assured the Board that the safe operation of the port would continue whilst looking to developing new business. He referred to commentary he heard from Paul de Leeaw, an energy transition expert in Aberdeen, who said there was time to get transition right.

The Director of Infrastructure responded to a query regarding the Council's reliance on the Harbour Account and whether that was being considered at Corporate Management Team regularly. He advised that there is an awareness across the management team and the Head of Finance added that the Council would not look to repeat the draw from the Harbour Account as had been the case this year. He said that there needed to be a clear view of what was need for the Harbour Plan output and otherwise use in the Council. He said the how the Council balances the books was another discussion to be had, but it was important to square of the Harbour needs first.

During debate comment was made in regard to the regular challenges in recruitment within the port but it was acknowledged that had not affected the overall performance and activity had been achieved. It was also noted that the port was at an early stage of planning for capital projects that would require multi million pound investment, but that attention needed to be given to delivery of that over the next 5 years.

Further comment was made on the need to ensure long term strategic plans are in place in order that the Council is ready to act when the time comes where renewables are concerned.

Decision

The Harbour Board NOTED the updates on activity in Quarter 1 of 2023/24 and on plans and priorities for the rest of this year.

09/23 **Harbourmasters Report**

The Harbour Board considered a report by the Harbourmaster (PH-07-23-F) that presented information on the necessary management and operational mechanisms in place to fulfil the Board's function as duty holder.

In introducing the report, the Team Leader Deputy Harbourmaster (B Clifton), noted a comment within the Designated Person's Report around navigational aids and advised of a clerical issue that was corrected by a re-run of the report that now recorded 99.81% availability of Category 1 aids. He went on to provide an overview of the incidents listed in the report and updated the Board in regard to the ongoing issues with derelict vessels and discarded equipment.

Reference was made to paragraph 4.3.1 and Officers were questioned why it took so long to find the submerged article that struck the passenger ferry. Members were advised that in some instances it may never be possible to find the root cause as issues can arise from items floating past or laying on the seabed.

At paragraph 4.3.4 the Board were advised of the improvements and checks put in place following the release of gas from a battery installed in the UPS system at the Port Administration Building. The Board were informed that the matter had been taken seriously and there would be an update after the wider incident review, by ICT and Building Services, is complete.

In terms of paragraph 6.8 and the evidence of debris and equipment left at small ports, the Director of Infrastructure Services advised that a campaign with port users is carried out. The Team Leader Deputy Harbourmaster (B Clifton), assured the Board that there were only a few problem port users with the majority of user being happy to work with staff on this matter. It was acknowledged that staff also engage the Shetland Fishing Association and Shetland Shellfish Management Organisation on this matter thought the small port engagement meetings, and letters are also sent out to individuals. Legal Services are also involved in some instances and the focus for the Harbourmaster is on maintaining safety of port users. Updates will be provided as matters progress.

During debate comment was made that it only takes a few users to spoil a port for everyone and it was important to have sanctions in place.

Decision

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

10/23 **Strategic Outline Case - Tug and Construction Jetty proposals**

The Harbour Board considered a report by the Executive Manager Ferry & Airport Operations and Port Infrastructure (PH-10-23-F) that presented members with an opportunity to comment on recent work carried out and to establish options for the replacement of the Tug and Construction Jetties within Sullom Voe Harbour.

The Executive Manager Ferry & Airport Operations and Port Infrastructure provided a detailed introduction of the report and explained the preferred options shortlisted for consideration by the Asset Investment Group (AIG).

During questions it was suggested that the best option would need to take account of the future use of renewables. The Director of Infrastructure Services agreed stating that a business case need to look at long term investment for the future of the port and if it was to continue as a port it would require operational vessels including tugs. He said that vessels servicing the renewables industry would be a different size and scale. The Director of Infrastructure Services commented on the constrained space within the port and in explaining the requirements for green energy production and export he said there needs to be capability for the continued safe berthing and access arrangements within the port, and pontoons were the safest means to do that. In terms of decommissioning it was not yet clear but the reconstruction of the construction jetty would be an important facility for that industry. He said that the next moves on land at Sullom Voe were critical for business cases on the construction jetty.

Following further questions around breakwater and existing piers Members moved to debate and Members welcomed the report and looked forward to receiving the detailed strategy.

Decision

The Harbour Board:

- CONSIDERED and COMMENTED on the information presented in this report; and

- NOTED the recommendation to present Tug Jetty Options 3 and 4, as described at 4.7.1, to the Asset Investment Group for consideration in accordance with the Council's approved Gateway Process.

11/23 **Harbour Board Business Programme – 2023/2024**

The Harbour Board considered a report by the Executive Manager - Ferry and Airport Operations & Port Infrastructure (PH-09-23-F) that provided an opportunity to consider the business planned for the Harbour Board during 2023/24.

The Executive Manager - Ferry and Airport Operations & Port Infrastructure introduced the report and advised that the Strategic Outline Case for Scalloway would be presented to the next meeting of the board.

The Director of Infrastructure Services indicated the need to remain flexible as business cases are developed and that officers would keep in touch with the Chair and Vice-Chair and update members as matters arise.

Decision

The Harbour Board:

- CONSIDERED the business planned for Harbour Board 2023/2024;

- ADVISED the Director of Infrastructure Services of any changes required and new items to be included on the Business Programme.

The meeting concluded at 10.30am.

Chair

Shetland Islands Council

Agenda Item

1

Meeting(s):	**Harbour Board**	**22 November 2023**
Report Title:	**Harbour Board Performance Report - Quarter 2 2023/24**	
Reference Number:	**PH-12-23F**	
Author / Job Title:	**Andrew Inkster – Executive Manager, Ferry and Airport Operations & Port Infrastructure.**	

1.0 Decisions / Action required:

1.1 That the Harbour Board **NOTE** the updates on activity in Quarter 2 of 2023/24 and on plans and priorities for the rest of this year.

2.0 High Level Summary:

2.1 This report summarises the activity and performance of the Infrastructure Directorate relating to the responsibilities of the Harbour Board. It is intended to help the Harbour Board analyse performance against its key objectives and responsibilities and against Corporate Plan and Shetland Partnership Plan outcomes.

2.2 An overview of activity in support of “Our Ambition”, and performance information relevant to that, is set out in Appendices A and B.

3.0 Corporate Priorities and Joint Working:

3.1 Planning and Performance Management are key aspects of Best Value and features of the Council’s Corporate Plan, “Our Ambition – 2021 – 2026”. Further information on “Our Ambition” is available in previous Performance Reports.

4.0 Key Issues:

Progress on Key Objectives and Outcomes

4.1 Significant cost pressures, labour shortages and supply issues continue to hamper some areas of service provision.

4.2 Information provided in previous Performance reports on core activities continues to be relevant.

4.3 Specific developments are described further in the accompanying Harbour Masters Report, also on this agenda and in Appendix A.

Risks and Service Challenges

4.4 Risks around retention of Ports existing energy business and opportunities for new energy transition business and energy related activity through the Council's Ports & Harbours. There are some 100 Council staff directly engaged in supporting current energy business and surpluses on the Harbour Account are a very significant part of the Councils Medium Term Financial Plan. Many more Shetland jobs, contracts and businesses also rely on the energy sector across the islands.

- **Corrective Action -** Active engagement with local, industry and government partners to promote the case for existing and new business for Shetland through the Clair Export Review process and Shetland Energy Hub/ORION projects.

Financial Performance

4.5 Revenue

The projected revenue outturn position at Quarter 2 is a surplus of £16.476m, which is a reduction of £2.084m on the approved budget. The main reasons for the surplus reduction is:

- less tanker movements due to maintenance works both offshore and at Sullom Voe, reducing oil export levels, which will be partly offset by larger tankers than budgeted, (£2.443m);

offset by:

- underspending on marine fuel due to the cost average to date of 60p per litre against budget set of 85p per litre, £122k;

- vacant posts and reduced hours across the services, currently 4.8fte, £112k; and

- structural assessments for concrete repairs at Mid Yell and Hamnavoe Piers are awaiting contractors availability so it is likely that repair works will slip into 2024/25, £105k.

4.6 Capital

The approved expenditure budget for capital projects in 2023/24 is £959k. All projects are anticipated to be completed on budget.

Look ahead for 23/24 and future years

- Many Ports and Harbours key projects and actions will continue throughout 2023/24, and into future years, as they require sustained activity to deliver their objectives.

- This activity will continue to be subject to the general risks described above and issues and options for mitigations will be considered by departmental and

corporate management teams within relevant delegated authority but are likely to require further Council decisions in some situations.

- Key Harbour Account financial issues will relate to the financial performance and future projections for the Port of Sullom Voe, the consequences of any Clair Export decision and other energy or fisheries related harbour development options.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :	
6.1 Service Users, Patients and Communities:	Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public. The Directorate uses customer feedback and complaint analysis to drive service change and service improvement.
6.2 Human Resources and Organisational Development:	Any changes that have an impact on Council employees will be carried out in line with Council policies and procedures and include staff and trade union consultation as required.
6.3 Equality, Diversity and Human Rights:	The Directorate uses Equalities Impact Assessment (EIA) to ensure its services are supporting those most in need and not making inequalities worse. This report relates to performance monitoring and does not require an EIA.
6.4 Legal:	The Directorate delivers statutory services. Monitoring performance provides assurance that statutory requirements are met and the Council complies with its duties in delivering those services.
6.5 Finance:	The 2023/24 projected outturn on the Harbour Account at Quarter 2 is an overall surplus on capital and revenue of £15.550m, which is a reduction of £2.081m against budget.
6.6 Assets and Property:	A number of the actions in the Directorate Plan relate to maintenance and replacement of Infrastructure and Council assets to maintain delivery of services to the people of Shetland. Aging infrastructure, some skills shortages, commodity inflation and pressure on capacity in the private sector are creating challenges to maintain service delivery within budget.
6.7 ICT and new technologies:	Remote monitoring of unmanned facilities and robust broadband availability across all harbours, terminals and piers will become an increasingly important aspect of Ports and Harbours services.
6.8 Environmental:	The Directorate leads the delivery of the Council's Carbon Management Plan and delivers a programme of works to reduce energy usage across the Council's assets including Harbours.

6.9 **Risk Management:**	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 negative external scrutiny. Risk management is a key component of the performance cycle and the Directorates key actions are priorities to manage the Directorate risks. It is recognised that the working arrangements for many staff have been significantly different during the pandemic and there is a risk that failing to recognise the impact on managers and staff and planning for longer term changes to may lead to poor performance and increased absence.	
6.10 **Policy and Delegated Authority:**	The Council's Constitution – Part C - Scheme of Administration and Delegations section two provides the Harbour Board: 2.7.1 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; 2.7.2 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; and 2.7.3 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.	
6.11 **Previously considered by:**	*None*	

Contact Details:

Andrew Inkster, Executive Manager – Ferry and Airport Operations & Port Infrastructure.

Andrew.inkster@shetland.gov.uk

Appendices:

Appendix A – Harbour Board Performance Report – Actions and PI's
Appendix B – Harbour Board – Service Performance Indicators

Background Documents:

- Our Ambition 2021-2026
- Council Medium Term Financial Strategy

Appendix A - Harbour Board - Actions

SHETLAND ISLANDS COUNCIL

Generated on: 13 November 2023 17:00

OUR AMBITION

1.05 Sustaining current jobs and creating new ones

"Meeting user needs and promoting further economic activity around our coastline"

2 Progress the Shetland Energy Hub

We will **progress the Shetland Energy Hub** concept through the ORION – Clean Energy Project, helping to sustain employment at Sullom Voe Terminal and the Port of Sullom Voe, as well as ensuring Shetland is positioned to be able to benefit from the transition to alternative energy sources.

Code & Title	Description	Dates		Progress	Progress Statement
DP208 The Council's future role in the port of Sullom Voe	Work with the Sullom Voe Terminal owners, Shetland gas Plant, and Oil & Gas Authority to develop future plans for the terminal	Planned Start	31-Mar-2018		Review activity continues with 2025 continuing to be the expected timetable for resolution.
		Actual Start	31-Mar-2018	60%	
Lead		Original Due Date	01-Sep-2020	Expected success	
Development Services Directorate; Infrastructure Services Directorate		Due Date	31-Aug-2025		
Neil Grant; John Smith		Completed Date		Likely to meet target	

3 Provide support to businesses and entrepreneurs

We will **provide support to businesses and entrepreneurs** that will help sustain jobs in core sectors of Shetland's economy and create new ones.

Code & Title	Description	Dates		Progress	Progress Statement
HB03 22/23 Navigation Aids	Annual replacement and upgrade of navigation aids around Shetland.	Planned Start	01-Apr-2022		Works complete for 22/23
		Actual Start	31-Oct-2022	100%	
Lead		Original Due Date	31-Mar-2023	Expected success	
Ferry, Airport & Port Engineering		Due Date	31-Mar-2023		
Andrew Inkster		Completed Date	03-Apr-2023	Likely to meet target	

Code & Title	Description	Dates		Progress	Progress Statement
HB05 Disposal of Redundant Assets 23/24	Investigate options to dispose or redundant fixed marine assets	Planned Start	01-Apr-2023		Discussions on further assets for disposal are ongoing, with investigation being carried out by ACP.
		Actual Start	01-Apr-2023	90%	
Lead		Original Due Date	31-Mar-2024	Expected success	
Ferry, Airport & Port Engineering		Due Date	31-Mar-2024		
Andrew Inkster		Completed Date		Likely to meet target	

Code & Title	Description	Dates		Progress	Progress Statement
HB07 Civil Engineering Consultancy Contract - Sullom Voe Marine Infrastructure.	Procure marine civil engineering consultancy services for the maintenance and development of infrastructure within Sullom Voe Harbour	Planned Start	13-Oct-2022		Letters have now been sent to preferred bidder and those unsuccessful, advising them of intent to award. Standstill period now in progress
		Actual Start	13-Oct-2022	95%	
Lead		Original Due Date	28-Feb-2023	Expected success	
Ferry, Airport & Port Engineering		Due Date	30-Nov-2023		
Andrew Inkster		Completed Date		Likely to meet target	

Code & Title	Description	Dates		Progress	Progress Statement
HB09 SVT Jetty Maintenance Contract 2023	Annual Maintenance campaign for Jetty structures on Sullom VOe Terminal. Contract is timed to take advantage of weather conditions between Spring and late Autumn each year.	Planned Start	01-Apr-2023		2023 works largely complete with Contractor demobilising from Site. Works this year have remained on programme and within agreed budget.
		Actual Start	09-May-2023	90%	
Lead		Original Due Date	31-Oct-2023	Expected success	
Ferry, Airport & Port Engineering		Due Date	30-Nov-2023		
Andrew Inkster		Completed Date		Likely to meet target	

Code & Title	Description	Dates		Progress	Progress Statement
HB10 Nav Aids Replacement 23/24	Annual replacement and upgrade of Council owned Aids to Navigation.	Planned Start	01-Apr-2023		Works continue satisfactorily, although weather is now starting to hamper progress
		Actual Start	10-May-2023	80%	
Lead		Original Due Date	31-Mar-2024	Expected success	
Ferry, Airport & Port Engineering		Due Date	31-Mar-2024		
Andrew Inkster		Completed Date		Likely to meet target	

4 Scalloway Fish Market, Toft Pier and Cullivoe Harbour Infrastructure	Our significant investments in new infrastructure at **Scalloway Fish Market, Toft Pier** and addressing the constraints affecting **Cullivoe Harbour**, will provide essential onshore facilities for fishing and aquaculture, meeting user needs and promoting further economic activity around our coastline.

Code & Title	Description	Dates		Progress	Progress Statement
OA164 Scalloway Harbour Development Options	Develop Scalloway Harbour, particularly in the West Quay area.	Planned Start	01-Oct-2021	40%	A report on progress will be provided to the Harbour Board in the November 2023 committee cycle.
		Actual Start	16-Feb-2022		
Lead		Original Due Date	31-Mar-2025	Expected success	
Ferry, Airport & Port Engineering		Due Date	31-Mar-2025	Likely to meet target	
Andrew Inkster		Completed Date			

Appendix B - Harbour Board - Service Performance Indicators

SHETLAND ISLANDS COUNCIL

These are Service Level indicators and include statutory and/or compulsory indicators where these apply

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	Previous Years		Quarters					
Code & Short Name	2021/22	2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Q2 2023/24	Past Performance and Future Improvement Statements
	Value	Value	Value	Value	Value	Value	Target	
PH-01 SVT Crude Oil Export Tonnage	6,258,022	5,188,016	1,087,346	1,467,550	1,653,897	929,631	1,650,000	Crude Oil Export Tonnage has continued below medium term target levels due to lower than anticipated production volumes offshore and through SVT.
PH-02 SVT Crude Export Tankers	79	65	17	17	19	10	18	Crude Oil Export Tankers have continued close to anticipated short term levels.
PH-03 Scalloway Market Fish Boxes	148,225	156,660	36,555	44,071	41,970	48,161	36,000	Landings though Scalloway and Cullivoe continue to exceed target and show strong growth from previous years.
PH-04 Scalloway Market Fish Tonnage	6,670	7,051	1,646	1,984	1,888	2,166	1,500	Landings though Scalloway and Cullivoe continue to exceed target and show strong growth from previous years.

Shetland Islands Council

Agenda Item **2**

Meeting(s):	**Harbour Board**	**22 November 2023**
Report Title:	**Harbour Masters Report**	
Reference Number:	**PH-13-23F**	
Author / Job Title:	**Greg Maitland – Executive Manager – Harbour Master**	

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 The purpose of this report is for the Harbour Master to keep the Harbour Board informed of the activity of ports within the Harbour Master's remit, to present the independent Designated Person and Designated Person Ashore reports, highlighting any matters for oversight by Members as Duty Holder.

3.0 Corporate Priorities and Joint Working:

3.1 Planning and Performance Management are key aspects of Best Value and features of the Council's Corporate Plan, "Our Ambition – 2021 – 2026".

3.2 "Our Ambition" – Section 4 – Monitoring and Reporting

"We will monitor and report progress on this plan through our Change Programme and Performance Management Framework"
Business planning is part of that framework.

4.0 Key Issues:

<u>Designated Person's Report</u>

4.1 Captain Trevor Auld is appointed as the Designated Person (DP) (HB Min. ref 29/12) and provides independent assurance to the Duty Holder that the Marine Safety Management System (SMS) for which the Duty Holder is responsible, is working effectively. Captains Auld's report is attached as Appendix 1.

4.2 Review of Navigational Risk Assessments due on 25 October 2023 was carried out on 6 November 2023.

Designated Person Ashore's Report

4.3 Kevin Main is appointed as the Designated Person Ashore (DPA) for the towage fleet, to provide assurance that this Safety Management System (SMS) is working effectively. Mr Main's report is attached as Appendix 2.

Marine Incidents

4.4 There have been 2 incidents at SIC Ports since May 2023, both in the Sullom Voe Harbour Area.

4.5 On 10 October 2023, an SIC ferry approaching the Toft Terminal Linkspan in heavy weather, misjudged the distance to the linkspan and made contact with it, causing damage to the bow visor. The bow visor was down due to the high winds, causing the misjudgement. Incident remains open awaiting the full incident report.

4.6 On 25 October 2023, a tanker newly arrived alongside at Sullom Voe Terminal was found to have oil in one ballast water tank. This was caused by a faulty valve and despite being known by the vessel was not declared to the Harbour or Terminal. The vessel has been precluded from calling again by SVT, until the incident has been fully investigated and measures put in place to prevent a reoccurrence.

Port Marine Safety Code

4.7 The Port Marine Safety Code (PMSC) states that organisations must develop, implement and maintain an effective Marine Safety Management System (MSMS). The MSMS is intended to manage hazards and risks along with any preparations for emergencies and must be operated effectively and revised periodically.

4.8 Other ongoing matters referred to in the DP report, i.e. SMS and Harbour Byelaws, are ongoing, and will be presented to the Harbour Board in due course.

Harbour Byelaws

4.9 A full review of the Harbour Byelaws has been carried out, resulting in the Sullom Voe and Small Harbours & Piers Byelaws being amalgamated into one document. These will be presented in a separate report at the next Harbour Board for approval.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications

6.1 Service Users, Patients and Communities:	That the SIC continues to provide a competent service to port users in line with the Service Plan.
6.2 Human Resources and Organisational Development:	None

6.3 **Equality, Diversity and Human Rights:**	None
6.4 **Legal:**	No immediate legal implications arising directly from this report
6.5 **Finance:**	None
6.6 **Assets and Property:**	None
6.7 **ICT and new technologies:**	None
6.8 **Environmental:**	None
6.9 **Risk Management:**	Failure to comply with the requirements of the Port Marine Safety Code (PMSC) could lead to regulatory action. Since the publication of the Port Marine Safety Code and the Guide to Good Practice, the Safety Management System (SMS) for Ports and Harbours is under constant review and update. The status of assessments may be taken into account by regulatory authorities when investigating any marine accident or incident. Depending on the nature and severity of the matters in question, failure to address overdue risk assessments exposes the Council to risk of unfavourable outcomes from any such investigations.
6.10 **Policy and Delegated Authority:**	The scheme of Administration and Delegations states that the role of the Harbour Board is: • 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. • 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. • 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.
6.11 **Previously considered by:**	

Contact Details:
Greg Maitland, Executive Manager - Harbour Master, 01595 744209,
greg.maitland@shetland.gov.uk.

6th November 2023

Appendices:

Appendix 1 – DP report to the Harbour Board

Appendix 2 - Towage DPA report to the Harbour Board

Background Documents:

NONE

END

Designated Person Report: 22 November 2023

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 (PMSC). The report is submitted to the SIC Harbour Board and copied to the Harbour Master and Deputy Harbour Masters for information.

Introduction

Since my report to the Harbour Board meeting of 12 September 2023 I have continued to maintain an ongoing dialogue, formally and informally, on marine matters with SIC's Harbour Master and Deputy Harbour Masters by email. I have also monitored SIC's website http://www.shetland.gov.uk for items relating to the reported actions, involvement and decisions taken by the Harbour Board and SIC's appointed officers. In addition, I have attended virtual meetings of the Technical Working Group and Port Safety Sub-Committee. Prior to writing this report I had a virtual meeting with SIC's Harbour Master and Deputy Harbour Masters, in which we discussed the monitoring measures and effectiveness of the current Marine Safety Management System.

Port Marine Safety Code

The Department for Transport (DfT) led working group continues to make clear progress on the update and refresh of the Port Marine Safety Code (PMSC). It is anticipated that the updated PMSC will be released for industry review in November 2023. If not already taken into account, the review period will present an opportunity for the subtle differences between English and Scottish Law to be raised formally with DfT by the Council. It is thought that the finalised version of the PMSC will be published in December 2023 or early 2024. A refresh of the PMSC's Guide to Good Practice (GtGP) is anticipated to conclude in April 2024, subject to support from expert groups and the Ports Industry.

Details of the next round of PMSC compliance statements have yet to be announced by the Maritime and Coastguard Agency (MCA).

Monitoring Measures

The following report sections describe each monitoring measure in turn.

Technical Working Group: A meeting of the Technical Working Group (TWG) was held on 12 October 2023. Matters discussed included a review of recent local marine incidents and accidents, port industry incidents, the latest MAIB Safety Digest, Aids to Navigation, and progress with the Marine Safety Management Systems (MSMS) updates. With the exception of Shipping Agents representatives, the meeting was attended by a wide range of stakeholders. The minutes record that Shipping Agents have been contacted to remind them that they are welcome to attend TWG meetings.

Examination Panel: A meeting of the Examination Panel was held on 29 September 2023. Matters discussed included a review of Pilot competence and authorisation procedures, MSMS procedures relating specifically to pilotage, recording of Pilots' hours of work and acts of pilotage, potential training requirements at Baltasound for pilots, pilot boat crews and tug crews, and the use of safety rails (Hadrian rails) and lanyards on the pilot boats.

Port Safety Sub-Committee: A meeting of the Port Safety Sub-Committee was held on 17 October 2023. Matters discussed included recent marine incidents, signage requirements around harbour areas, general port safety issues, and the latest MAIB Safety Digest.

Small Ports: A record of monthly 'Operational and Safety Visits to Small Ports & Harbours and Scalloway' for 2023 was posted on SIC's website https://www.shetland.gov.uk/ports. All ports, with the exception of Fair Isle, have received safety and security visits in 2023. Observations from the operational, safety and security visits to SIC's ports and harbours are recorded in the Port Defects and Safety Concern Log, with identified actions and response times.

Towage: The Towage Operations Designated Person's report to the Harbour Board meeting of 12 September 2023 included reference to the annual external audit of the Safety Management System for Towage Operations by the Maritime and Coastguard Agency (MCA), and associated improvement notices.

Incidents and Accidents: The following incident report was recorded in the MarNIS database (Appendix A) in the period 10 August 2023 to 27 October 2023.

Date	Vessel / Location	Incident
14 October 2023	Ferry 'Dagalien'/Toft	Impact with structure.

The Harbour Master has initiated an investigation into the incident and the MAIB has been notified.

Internal Audits: A total of eight procedures in the Scalloway MSMS have been subject to internal audit. Where applicable, corrective action has been identified, a responsible officer nominated and a target completion date set.

External Audits and Reviews: No external audits have been carried out in the period August 2023 to October 2023. A formal review of Scalloway Local Port Services (LPS) was undertaken by ABPmer in September 2023.

Consultation: The Harbour Master and representatives of the Harbour Master's team have maintained active consultation with stakeholder groups on a range of national and local issues. The purpose and dates of all stakeholder engagement meetings are now logged for future reference.

Emergency Plans and Exercises: Port security drills were carried out in Sullom Voe and Scalloway in August and October respectively. A Sullom Voe Terminal pollution exercise was carried out in September.

Navigational Risk Assessments: Due to the illness of a key representative, reviews of the navigational risk assessments for Sullom Voe, Scalloway and the Small Ports could not be undertaken before the review date of 25 October 2023. Arrangements are in now in hand to complete the reviews on 6 November 2023.

Harbour Board Meetings: The Harbour Board Agenda and associated papers, including the Harbour Master's report, and the decision note for the Harbour Board meeting of 12 September 2023, were posted on the www.shetland.gov.uk website in a timely manner.

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

Notices to Mariners: All local Notices to Mariners in force are published on the www.shetland.gov.uk website.

Marine Safety Management Systems (MSMS): It is expected that the updated and revised Sullom Voe, Scalloway and Small Ports MSMSs will be published on https://www.shetland.gov.uk/ports before the end of 2023. All Marine and Air Operations Staff have been given internal access to MSMS 5.1, which will ultimately replace the current General MSMS 4.1. MSMS 5.1 has a new layout and numbering structure.

Ports Website: A new webpage https://www.shetland.gov.uk/homepage/1239/port-activities has been created for external harbour users. The webpage provides guidance and downloadable forms for the following port activities: Visiting SIC Ports, Surveys and Works, Bunkering, Diving Operations, Hot Work, Drones and Recreation Events.

Byelaws: A draft of combined Byelaws for Sullom Voe, Scalloway and the Small Ports has been prepared by the Harbour Master following consultation with SIC's legal services. It is intended, subject to statutory consultation and notification requirements, that the combined Byelaws will replace the Sullom Voe Harbour General Byelaws 2002 and the Small Harbours & Piers Byelaws 1987.

Assessing Measures

The following tables detail Key Performance Indicators (KPI) for the Harbour Authority.

1. **Open Incident KPI Reports (from the MarNIS database) for Sullom Voe, Scalloway and the Small Ports: Open Incident status for the year ending 27 October 2023.**

Location	Open NS Reports	Open PE Reports	Open EP Reports	Open CM Reports	Open PS Reports
Sullom Voe	1 (-1)	1 (0)	0 (-1)	0 (0)	0 (0)
Scalloway	0 (-1)	0 (0)	0 (0)	0 (0)	0 (0)
Small Ports	1 (-1)	0 (0)	0 (0)	0 (0)	0 (0)
Total Shetland	**2 (-1)**	**1 (0)**	**0 (-1)**	**0 (0)**	**0 (0)**

'Open' Reports which have yet to be closed formally by the TWG.
NS Nautical Safety
PE Port Efficiency
EP Environmental Protection
CM Crisis Management
PS Personnel and Public Safety
Figures in brackets denote ± changes from the last DP report.

This KPI shows that open incident reports are being managed effectively.

2. **Closure of marine incident reports (from the MarNIS database) for Sullom Voe, Scalloway and the Small Ports: Mean weeks to close status for the year ending 27 October 2023.**

Location	Mean Weeks to Close NS Reports	Mean Weeks to Close PE Reports	Mean Weeks to Close EP Reports	Mean Weeks to Close CM Reports	Mean Weeks to Close PS Reports
Sullom Voe	12 (+1)	0 (0)	11 (0)	0 (0)	0 (0)
Scalloway	13 (+13)	0 (0)	0 (0)	0 (0)	0 (0)
Small Ports	27 (+27)	15 (0)	0 (0)	0 (0)	0 (0)

Figures in brackets denote ± changes from the last DP report.
Closure of marine incidents reports are recorded in the TWG minutes.

Compared to the last DP report, significant increases in 'Mean Weeks to Close NS Reports' are shown for Scalloway and the Small Ports. The underlying reasons for the increases have been reviewed and appropriate action initiated.

3. Highest Overall Navigational Risk Assessment (NRA) score KPI for Sullom Voe, Scalloway and the Small Ports from reviews completed on 25 October 2022.

Location	Movement	Highest Overall NRA Score*	Highest Overall NRA Score Hazard	Next Review Date
Sullom Voe	Arrive/Sailing from North Pilot Station to Berth	9.125	Contact	25.10.23
	Arrival/Sailing North Harbour Limit to Berth (STS Ship 2)	9.125	Contact	25.10.23
	Arrival/Sailing from South Pilot Station to Berth	9.125	Contact	25.10.23
	Passage of other vessels within Sullom Voe Harbour limits	9.125	Contact	25.10.23
	Sullom Voe Vessels alongside	9.125	Contact	25.10.23
	Arrival/Sailing – Loss of Major Navigation Aid	9.125	Contact	25.10.23
Scalloway	On Passage	9.060	Grounding	25.10.23
	At Anchor	7.000	Fire/Explosion	25.10.23
	Alongside	9.130	Contact	25.10.23
Small Ports	On Passage	9.130	Contact	25.10.23
	At Anchor	7.000	Fire/Explosion	25.10.23
	Alongside	9.130	Contact	25.10.23

* Scoring notes:

- Overall NRA scores of 12 and above are considered "high-risk". That means that the risk is unacceptable. The action should not commence until positive action has been taken to reduce the consequence and/or the likelihood.
- Overall NRA scores in the 6 - 11 band are termed "consider". These lower risk factors are considered acceptable, but still need careful monitoring to ensure that everything has been done to reduce the consequences and likelihood.
- Overall NRA scores of 5 and below are considered "low-risk", but should still be monitored to ensure that controls remain effective.

All risk assessments have passed the nominated 'next review date'. A review of all risk assessments has been scheduled for 6 November 2023.

4. Number of personnel with in-date 'essential' certification and training expressed as a percentage of the total number requiring in-date 'essential' certification and training on 31 October 2023.

Interest Group	Group Number	Number with in-Date Essential Certification and Training.	KPI (%)
Duty Holders (PMSC only)	8	8	100
Managers (excluding Towage managers)	4	3	75
Marine Pilots	6	6	100
VTS Officers (including relief VTSO)	8	5	63
Small Ports Officers (excluding relief SPOs)	4	3	75
Launch Crews	15	15	100
Total Overall	**45**	**40**	**89**

The total overall KPI figure of 89% is above the 84% figure reported in the last DP report. The necessary training requirements to achieve the target KPI of 100% have been identified and appropriate action put in hand.

5. Availability of Aids to Navigation (in three category bands) expressed as a percentage of total availability over the period 31 October 2020 to 31 October 2023.

IALA Category	No of Aids	No of Failures	Availability (%)	Target Availability (%)
Category 1*	51	10	99.81	99.80
Category 2**	69	12	99.45	99.00
Category 3***	14	0	97.81	97.00

* *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.*

** *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.*

*** *Category 3. An aid to navigation that is considered by the NLB to be of less navigational significance than Cat 1 and 2.*

This KPI shows that the availability of all aids to navigation exceeded the target availability.

Effectiveness of the Marine Safety Management Systems

Since my last report, a reworded and restructured MSMS 5.1 has been created to replace the General MSMS 4.0 and the Sullom Voe, Scalloway, and the Small Ports MSMSs are almost ready for publication. The internal audit programme continues to ensure that the safety procedures which support the MSMSs remain current and relevant. Engagement with stakeholders has been progressed through increased use of the SIC ports website to publish marine safety specific information.

The minutes of TWG, Safety Sub-Committee and Examination Panel meetings and other documentary evidence sighted for this report show that the effectiveness of the MSMSs remain under continuous review.

The KPIs for open incidents, training and aids to navigation show minimum variance from the KPIs in my last report. The KPIs for the closure of marine incident reports do show a marked increase in the number of weeks to close Nautical Safety incidents but the underlying reasons have been identified and appropriate action initiated. The KPI for all navigational risk assessments indicated a 'next review date' of 25 October 2023. Due to the illness of a key representative this KPI could not be achieved, a new review date of 6 November 2023 has been set.

Finally, the monitoring and assessing measures described in this report provide assurance that the MSMSs 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 current edition of the Port Marine Safety Code.

Captain Trevor Auld
Designated Person (PMSC)

Appendix A. MarNIS Output Report

Selected Ports Actual and Potential Incident Report Summary

10 August 2023 to 27 October 2023

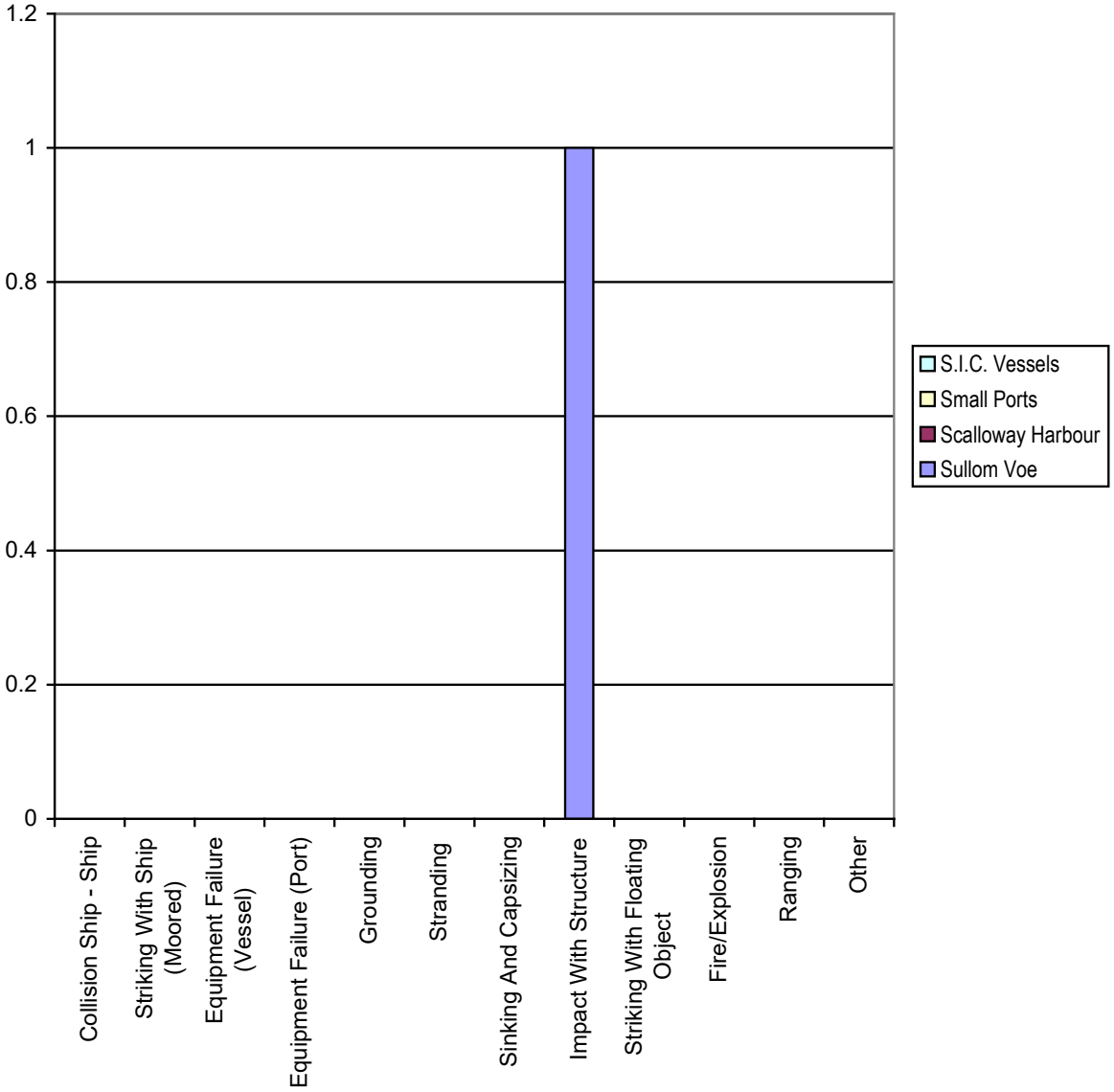
Nautical Safety - Accidents / Incidents

	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	0	0	0	0	0	1	0	0	0	0
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
S.I.C. Vessels	0	0	0	0	0	0	0	0	0	0	0	0

Reported on 30/10/2023

Selected Ports Actual and Potential Incident Report Summary

10 August 2023 to 27 October 2023



Reported on 30/10/2023

Selected Ports Actual and Potential Incident Report Summary
10 August 2023 to 27 October 2023

Accident / Incident Details

Date	ID Code	Incident / Potential	Externally Reported	Accident Category	Name and Detail
14/10/2023	SUV0187INV	I	R	Impact with structure	Ferry Dagalien struck Toft linkspan in bad weather Ferry Dagalien - whilst approaching Toft ferry terminal and linkspan in heavy weather misjudged the distance to the linkspan due to the bow visor being down because of the high wind speeds. Primary Cause - Adverse weather conditions Secondary Cause(s) - 1.Berthing manoeuvre miscalculated 2.Human Error - Ferry personnel Consequences (rated 0 to 4) for - People(0) / Property(1) / Planet(0) / Port(0) Marine incident / Optional MAIB Report

Number of Accidents listed = 1
For the period 10 August 2023 to 27 October 2023.

Reported on 30/10/2023

Shetland Islands Council - Towage Operations
Designated Person Ashore Report

Meeting	**SIC Harbour Board**	**22 Nov 2023**
Title	**Shetland Islands Council - Towage Operations** **Designated Person Ashore Report**	
Author	**Kevin Main - Team Leader Port and Marine Operations**	

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".* (*Ref: ISM Code ch4 edition 2018.)*

This report is compiled for the period from 26 August 2023 to 01 November 2023

1) Reportable Occurrences and Near miss incidents

a) No reportable incidents occurred during this period.

2) Company compliance with required standards

a) The requirements of SOLAS (safety of lives at sea) International standards, ensure Shetland Islands Council Towage Fleet are subject to annual survey of all safety equipment on board including; fire safety systems and appliances, life saving appliances and arrangements.

b) A recent annual survey carried out by the Maritime Coastguard Agency (MCA), included a thorough inspection of equipment and systems onboard to ensure that it has been maintained to conform with the provisions of the relevant regulations and to ensure that the Tug in all respects will remain fit to proceed to sea without danger to the ship or persons on board and that it remains satisfactory for the service at the Port of Sullom Voe.

c) The result of the Survey suggest all Tugs remain in full compliance with the requirements and as a result, vessel certificates have been revalidated.

d) Nevertheless, suggestions on improvement have been made and put in place, including the following:
   i) Appropriate signing off on Seafarer's weekly rest hours,
   ii) Garbage record books now include records of electronic garbage disposal,
   iii) Fire training manual now 'more' specific to Tug,
   iv) Open/Close signage on watertight door now replaced,
   v) Installation of new 24v lighting in Co2 locker,
   vi) Improve local Passage Plan as required,
   vii) Repair to generator fuel oil filter piping,
   viii) Repair to bilge pump visible alarm,
   ix) Change out of insulation matting surrounding switchboard,
   x) General technical repairs and modifications to current plant and machinery.

e) All deficiencies and observations have been rectified by Masters and crew and signed off by the attending Surveyor.

f) The MCA Principal Surveyor Glasgow shall attend Shetland Islands Council Towage Operations to undertake a "Customer Service" satisfaction assessment on November 22nd.

This being a requirement of the MCA to engage with UK merchant shipping operators in a more informal environment, Towage Managers shall seek confirmation on future changes in regulation and restraints on ongoing compliance requirements - the subject matter of Co2 reduction, electrification and/or novel fuels being an example. The regulative pressures are becoming more apparent so early engagement will prove advantageous for both parties.

3) Communication and Consultation

a) No approach has been made to the DPA during this period.

b) Harbour Authority

i) Towage Masters and Management attended SIC Port's and Harbours' Technical Working Group meeting on 12th October and Safety Meeting on 17th October.

c) National

i) The Towage Marine Superintendent and Engineering Superintendent shall attend the British Tug Owners annual safety seminar on 16th November. This brings 70+ Tug owners across the UK and Europe together with Pilots, Harbour Masters, Port & Harbour Operators, Insurance underwriters etc. for a day of sharing best practice and knowledge, with the full intention of improving on safety standards within the associated industries.

4) Resources and Personnel

a) SIC Towage management are progressing to fill the vacant Towage Mate positon on a temporary basis.

5) Emergency Preparedness

a) Statutory weekly and monthly drills are continually carried out on board all vessels by crew. No company exercises carried out during this time.

Shetland Islands Council

Agenda Item

3

Meeting(s):	**Harbour Board**	**22 September 2023**
Report Title:	**Strategic Outline Case – Scalloway West Pier Developments.**	
Reference Number:	**PH-14-23F**	
Author / Job Title:	**Andrew Inkster – Executive Manager Ferry & Airport Operations and Port Infrastructure.**	

1.0 Decisions / Action required:

That the Harbour Board:

1.1 CONSIDERS and COMMENTS on the information presented in this report and NOTE the recommendation to present Scalloway Redevelopment Works No. 1 as described at 4.7.1 below to the Asset Investment Group for consideration in accordance with the Council's approved Gateway Process.

2.0 High Level Summary:

2.1 The purpose of this report is to update Board members and invite comments on recent work carried out to establish options for the redevelopment of Scalloway Harbour.

2.2 Whilst some structures on the West Quay area are in good condition, the original West Pier has deteriorated to a point where berthing on the outside face is restricted, and this structure is nearing end of life.

2.3 With the fishing and aquaculture industries remaining as the mainstay of Scalloway Harbour Business, planning for suitable shore infrastructure remains an essential requirement for the safe and efficient operation of the port.

2.4 At an early stage, the main purpose of an SOC is to establish the need for investment; to appraise the main options for service delivery and to provide management with a recommended – or preferred – way forward for further analysis.

2.5 Whilst discussions on other business opportunities for Scalloway Harbour continue, the case for investment in new larger facilities remains unclear. However, safe berthing arrangements and shelter for the aquaculture and shellfish fleet based on the West Pier and Muckle Yard quay must be maintained.

2.6 This report will therefore focus, at this stage, on the preferred option(s) to replace the West Pier, taking this forward for further consideration through the Asset Investment Group. The Harbour Board will be updated regularly on progress through quarterly performance reports.

2.7 At the same time, work will continue on the wider Strategic Outline Case, which will examine other options for the expansion of facilities in Scalloway Harbour.

3.0 Corporate Priorities and Joint Working:

3.1 The priorities listed in the Council's Corporate Plan – "Our Plan 2021-26"include:

- "We will provide support to businesses and entrepreneurs that will help sustain jobs in core sectors of Shetland's economy and create new ones.

3.2 "Our Plan 2021-26" also lists five imperatives which must guide our work more than ever before, and include:

- "A stronger focus on early intervention and prevention".
- "Growing our economy and improving people's ability to access opportunities through learning, skills and training.

4.0 Key Issues:

4.1 Introduction

4.1.1 Scalloway is located on the west central mainland of Shetland with a population of around 1,200 built around a sheltered busy commercial harbour. Scalloway Harbour is the primary port location on the west coast of Shetland and is owned and operated by Shetland Islands Council (SIC).

4.1.2 Scalloway Harbour is located within a naturally sheltered harbour basin, lying in a bight of Mainland East off the Point of the Pund (60°08.0'N, 1°18.3'W). The harbour is normally open in all weathers but movements are at the discretion of the Harbour Master and may be delayed if conditions are unsuitable.

4.1.3 Scalloway Harbour is a busy commercial port with quayside and working space. The modern Fish Market is refrigerated and compliant to the highest standards. The harbour accommodates a variety of traffic comprising oil and gas/ offshore services traffic, small cruise liners, fishing boats, aquaculture vessels, cargo boats, yachts and smaller leisure craft.

4.1.4 Bunkering is available for large vessels, along with portable water and shore power. A further spur jetty to the east of the main commercial quays provides additional berthing for aquaculture and fishing vessels, while also providing shelter for the Fish Market. There is also a small fuel pontoon for workboats or yachts, run by a local supplier, located in a western section of the harbour ideally suited for workboats and the aquaculture industry with ample quay space for lifting out and fabrication activities.

4.1.5 There are eight commercial quays at Scalloway Harbour ranging in length between 60m and 133m. Minimum water depths range between 4.6m and 7.0m below Chart Datum (CD) and the minimum depth of water in the approach channel between the buoys in the vicinity of Port Arthur is 8.7m below CD: these parameters enable a wide range of vessels to come alongside ranging from small to medium sized fishing vessels, aquaculture well boats, dive boats, work boats, small and medium sized passenger / ferry vessels and smaller cargo and supply vessels.

4.1.6 There are two leisure marinas within the harbour limits, one located at East Voe and the other at Port Arthur

4.1.7 Shetland Islands Council have commissioned various studies over the past decade regarding the condition and structural capacity of the existing West Pier, and the safety for harbour users therein.

4.1.8 The West Pier has been identified as a safety issue at Scalloway Harbour and therefore only has limited capacity with vessels prohibited from berthing on the outer arm.

4.1.9 The West Pier does however offer sheltered berthing to aquaculture vessels and to the Muckle Yard area and therefore still remains of importance to Harbour operations. An enhanced replacement to this Pier would offer greater berthing and mooring as well as new flood protection for Scalloway waterfront.

4.1.10 From an engineering perspective, the West Pier will need to be demolished at some point in the future, and given the importance of this infrastructure to Harbour operations, a replacement is required to enable current operations to continue.

4.1.11 The benefits of this proposal would be to address these emerging operational and safety concerns without impacting on the safe and efficient operation of Scalloway Harbour.

4.2 Strategic Case – Business Priorities

Aquaculture

4.2.1 Scalloway Harbour has a strong legacy of supporting the aquaculture industry.

4.2.2 A fleet of aquaculture service vessels operate from Scalloway Harbour, servicing the west coast of Shetland. This includes offloading of salmon for road transport to Lerwick, maintenance and servicing of vessels, salmon feed, salmon nets, water and fuelling.

4.2.3 The Muckle Yard area serves multiple purposes for the Aquaculture (and other) industries based in the harbour and therefore space is limited at times.

4.2.4 For salmon cage building the area is now becoming too small for the new size of cages being constructed, and this requires cages to be hauled off the edge of the existing quay into the water after construction.

4.2.5 Salmon cage net washing facilities are located at Scalloway, with nets being taken ashore at the facility by crane and processed on site.

Fishing

4.2.6 Fish and Shellfish landings in Shetland were valued at £72M in 2020, at over 54,000Tonnes.

4.2.7 The fish was landed between Lerwick Fishmarket, Scalloway Fishmarket and Cullivoe Pier, all of which feature within the Top 15 fishing ports in the UK. The

total weight landed in Scalloway alone for fish and shellfish was 3,988T, with a value of circa £8.5M in 2020.

4.2.8 On a weekly average, 17 whitefish vessels land at the Scalloway Fishmarket. The new Scalloway Fish Market was completed in 2020, and this state of the art facility has been built to provide all processes from landing to dispatch. The market offers floor space of around 1,950 metres and the energy-efficient building includes a fibre connection for direct access to the online electronic seafood auction, providing ready access to the marketplace for buyers and sellers.

Oil & Gas

4.2.9 Offshore oil and gas service vessels utilise Scalloway for operations mainly relating to offshore operations in the West of Shetland basin. The main berth used by these vessels is the Commercial Quay (West Berth).

Cruise

4.2.10 Small cruise ships can utilise Scalloway during the cruise season, and enquiries from this industry are expected to continue to rise.

Vessel Repair Facilities

4.2.11 Scalloway has an operational repair slipway located outwith the harbour land area, but within overall harbour limits. This facility is operated privately by Malakoff Ltd. This existing facility is very limited in available yard space, boat size and capacity to repair.

4.2.12 Boat Repair does take place in the Scalloway Harbour land area, but is limited to road craneage lifting vessels in and out of the water with no dedicated boat repair yard or repair area. The boat lift is carried out at varying places and transported to yard space available, or off site.

Marine Leisure

4.2.13 There are two marinas located in the Scalloway harbour area, one at East Voe and the other at Port Arthur. The marina provides berthing for small shellfish vessels operating out of Scalloway, sea-based tour vessels and local leisure vessels.

4.3 The case for change

4.3.1 Structural and safety concerns relating to the existing West Pier:

- The existing West Pier has a reduced working capacity, limited berthing capacity and is likely to become a liability to SIC and require demolishing in the short to medium term.

- Given West Pier's role in the harbour, a replacement would be required to ensure that harbour activities are retained for the future.

4.3.2 Constraints regarding space for expanding harbour-related activities:

- Current layout in the harbour area is inefficient with regard to where buildings are located.
- Limited space for expansion of harbour-related activities.
- There is a need to reconfigure buildings, space and movement around the Harbour area.

4.3.3 Insufficient water depth for existing customers:

- Existing customers have indicated that they will be using larger vessels in the short to medium term.
- Without enhancing existing infrastructure these activities could move away from Scalloway.

4.3.4 No linkspan facility on the west coast of Shetland:

- A linkspan could be installed at Scalloway opening up new potential for passenger and/or freight Ro-Ro vessels to call on the West side of Shetland.

4.3.5 Opportunity to provide new services:

- Scalloway Harbour has an opportunity to increase its attractiveness to potential customers through provision of new services such as the storage and distribution of future fuels, shore power, water provision and boat repair services.

4.3.6 Reduce overall flood risk to Scalloway/ protect areas of shore frontage:

- The re-development of the West Pier, in particular, with a larger solid structure could offer increased flood protection and wave climate mitigation to the in-shore areas of Scalloway waterfront.

4.3.7 Scalloway is a Conservation Area, and any proposals would need to be cognisant of this. Any proposals would also have to align with the Scalloway Waterfront Masterplan.

4.3.8 Any harbour-related developments must be aligned with these factors and subject to stakeholder engagement, so that there is buy-in from the community and a clear understanding of how any new development might impact upon the village in terms of visual amenity and environmental impact – as well as the positive social and economic benefits that will arise.

4.4 <u>Economic Case</u>

4.4.1 Within this potential scope, the following long list of options, as shown in the appendix to this report were considered:

- Option Zero - Do nothing/Status Quo;
- Option One - West Pier Phase 1 – New Quay

- Option Two - Boat Repair Facility and Finger Pier
- Option Three - West Pier Phase 2 – Quay Extension
- Option Four – East Voe additional land
- Option Five - Commercial Quay Extension
- Option Six – New Linkspan and Freight Marshalling area

4.5 Preferred Way Forward

4.5.1 At this time, it is recommended that the preferred way forward concentrates on those options which will address the ongoing deterioration of the West Pier.

4.5.2 These are options One and Three.

4.5.3 The benefits arising to stakeholders, customers and Harbour users of the remaining options will continue to be investigated and quantified, and a separate report will be provided at a later date.

4.6 The Short List

4.6.1 The preferred way forward is for further, more detailed, evaluation to be considered by the Council's Asset Investment Group on:

- Option One – West Pier Phase 1 – New Quay
- Option Three – West Pier Phase 2 – Quay Extension

4.6.2 Thereafter, the AIG may make a recommendation to Policy and Resources Committee at the next stage of the Capital Gateway process.

4.7 Commercial Case

4.7.1 Subject to further analysis as the project detail is formed, it is envisaged that procurement of this scheme would be achieved using a competitive tendering process in accordance with Council Standing Orders.

4.7.2 The required products and services in relation to the preferred way forward are briefly as follows:

Products

- Steel Sheet Piling
- Rock infill material
- Reinforced concrete
- Fender systems.
- Electrical Systems.

- Seabed dredging

Services

- Marine & Air Operations staff time to prepare necessary reporting documentation and liaison with stakeholders.
- Corporate Services staff time to assist with “making the case”.
- Specialist marine civil engineering consultancy services to assist with design, consenting, procurement and project supervision.
- Civil engineering contractor for infrastructure works.
- Specialist electrical and mechanical engineering services.
- Specialist dredging Contractor.

4.7.3 The main risks associated with the scheme are as follows:

- Supply - The failure of a main supplier causing a lack of resources, materials or equipment for the project.
- Staff Numbers/Skill Shortage - The current staffing levels in Marine & Air Operations are limited, and may not be sufficient to supervise this contract amongst any others occurring at the time.
- Disruption to Businesses and Other Harbour Users - There is a possibility that the works could lead to disruption and delays for the users of the Harbour.
- Weather Conditions - Inclement weather, especially, in the winter months could result in delays leading to additional cost. Works of this nature would normally be scheduled for the spring and summer period wherever possible.
- Adjacent Property Owners – As the Harbour is located adjacent to the village, disruption arising from any works must be adequately managed.

4.7.4 These risks could be addressed as follows:

- Supply - Ensure that alternative suppliers have been identified so that materials or services can be sourced elsewhere at the earliest opportunity.
- Staff Numbers/Skill Shortage - Use existing contracted arrangements for consultancy services to assist in all external aspects of this project.
- Disruption to Businesses and Other Harbour Users - The works must be planned to minimise disruptions. Careful consideration to be given to any phases of construction which could interfere with normal operations within the Harbour. As the Port is a twenty-four operation evening/overnight and weekend working should be considered, but may not bring benefits. The movements of construction vehicles, hauling materials to and from the works, should also be carefully planned to ensure no conflicts arise.

- Weather Conditions - The works programme must consider the timing of the most weather sensitive works and schedule them to the summer months.

- Adjacent Property Owners – Proper liaison with stakeholders and adherence to consenting requirements must be maintained at all times.

4.8 Financial Case

4.8.1 The indicative financial implications of the proposed investment are as follows:

- Option One – £8.5m
- Option Three – £7.5m

4.8.2 The cost estimates shown in 4.9.1 are preliminary, and subject to ongoing revision.

4.9 The Management Case

4.9.1 The scheme is an integral part of the Harbours ability to deliver safe and efficient operations within Scalloway Harbour.

4.9.2 Marine & Air Operations staff time, with costs met from an approved "named scheme" capital budget would be allocated to ensure the successful development and delivery of the project.

4.9.3 It is intended that existing contracted specialist marine civil engineering consultancy services, paid for from the same "named scheme" capital budget would be utilised to provide all project design and management services.

4.9.4 The civil works and component supply aspects of the project would be competitively tendered.

4.9.5 All gateway reviews will be conducted using the agreed standards and format as set out in Shetland Islands Council – Gateway Process for the Management of Capital Projects – June 2016.

4.10 Next Steps

4.10.1 Options One and Three are to be taken forward for further more detailed consideration by the Asset Investment Group at the next stage of the Capital Gateway Process and thereafter a recommendation may be made to Policy and Resources Committee.

4.10.2 The other options identified will continue to be explored, and should any case for change be demonstrated, further reports will be brought forward for consideration.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :	
6.1 Service Users, Patients and Communities:	This report outlines proposals which will ensure that the safe and efficient operation of Scalloway Harbour continues without disruption to stake holders and customers.
6.2 Human Resources and Organisational Development:	None arising directly from this report.
6.3 Equality, Diversity and Human Rights:	None arising directly from this report
6.4 Legal:	None arising directly from this report. Should any of the proposals progress to the procurement stage, legal advice will be sought as required.
6.5 Finance:	There are no implications arising directly from the recommendations in this report. The funding and affordability of capital projects is addressed through the Council's Gateway Process for the Management of Capital Projects.
6.6 Assets and Property:	This report outlines options to ensure that aging infrastructure and it's maintenance and/or replacement occurs without disruption to activities at Scalloway Harbour.
6.7 ICT and new technologies:	None arising directly from this report.
6.8 Environmental:	Should any of the proposals in this report proceed to construction, full Environmental Impact Studies will be required, and the results of these will form part of any consent application submission.
6.9 Risk Management:	Risk management is a key feature of any Business Case process, and the risks detailed in this report will be refined and developed as the process continues.
6.10 Policy and Delegated Authority:	Council's Constitution – Part C - Scheme of Administration and Delegations section two provides the Harbour Board: 2.7.1 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; 2.7.2 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; and

	2.7.3 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. The purpose of the Asset Investment Group is to: • "Receive and assess proposals for new projects from individual services. • Assess requests from Services to vary the scope or nature of projects. • Make recommendations to Policy and Resources Committee Committee on projects to be included in the Asset Investment Plan or any variations to existing projects. This includes recommendations on project prioritisation when the number of projects being brought forward exceeds existing budgets. • Review and report on the progress of the Asset Investment Plan and Asset Strategy. Where The AIG rejects a proposal at any stage of the Gateway Process, Members will be briefed as to the nature of the proposal, the reason for rejection and what action, if any, is proposed by the Project Sponsor in taking the proposal forward."	
Previously considered by:	N/A	

Contact Details:

Andrew Inkster – Executive Manager Ferry & Airport Operations and Port Infrastructure.

Email: *andrew.inkster@shetland.gov.uk*

Appendices:

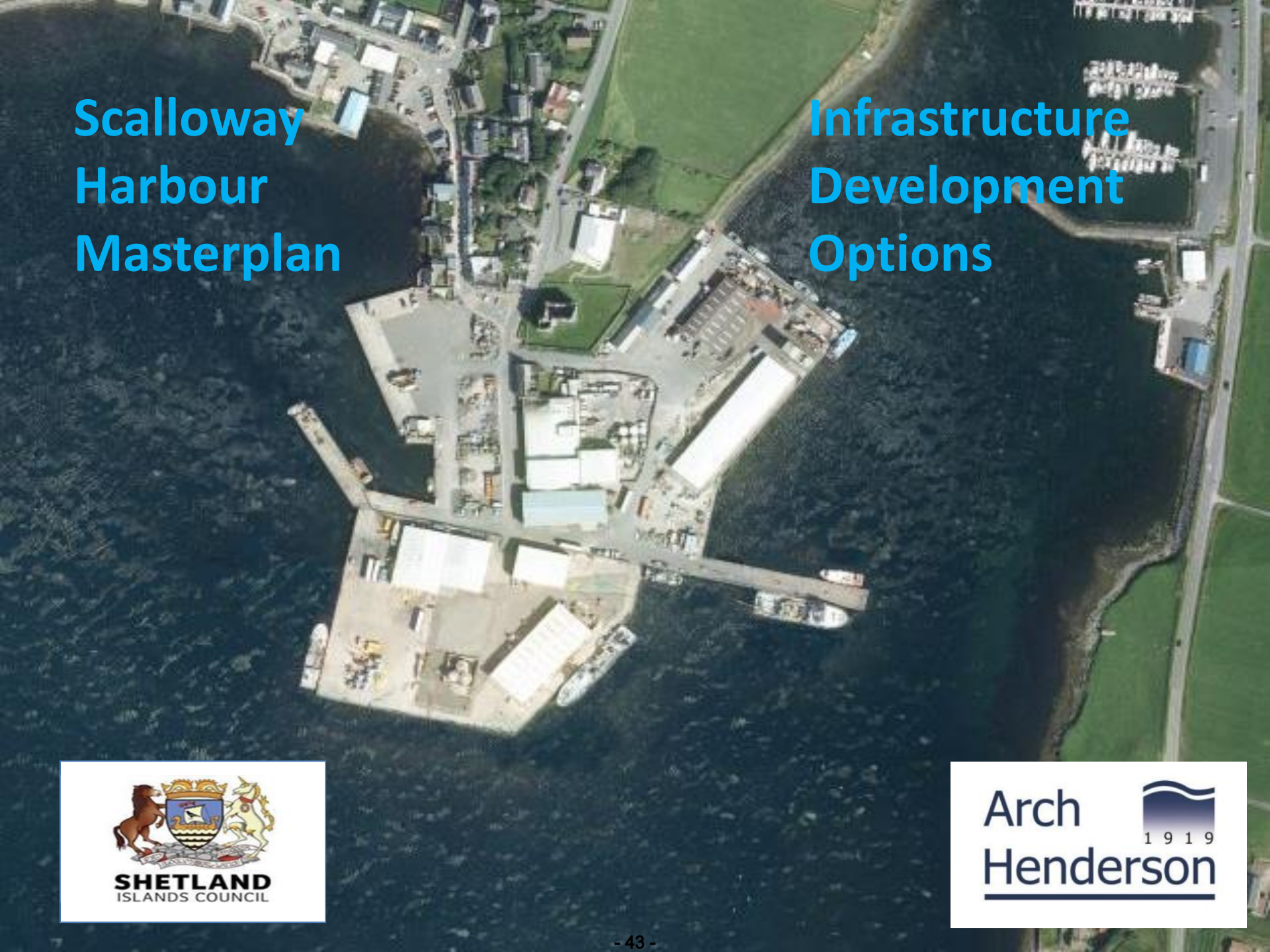
Appendix One: Arch Henderson Slide Pack – "Scalloway Harbour Masterplan – Infrastructure Development Options".

Background Documents:

None

Scalloway Harbour Masterplan

Infrastructure Development Options



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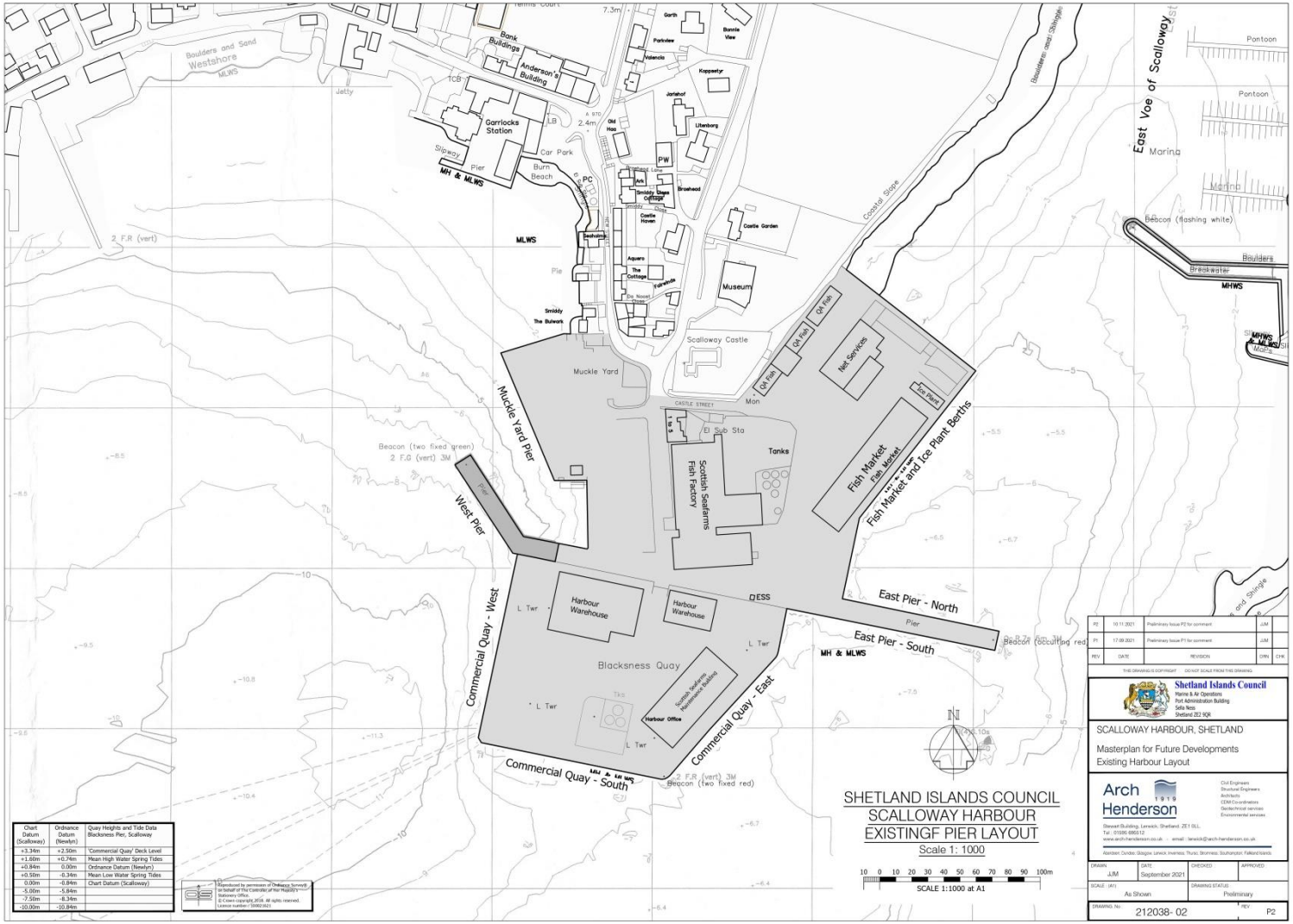

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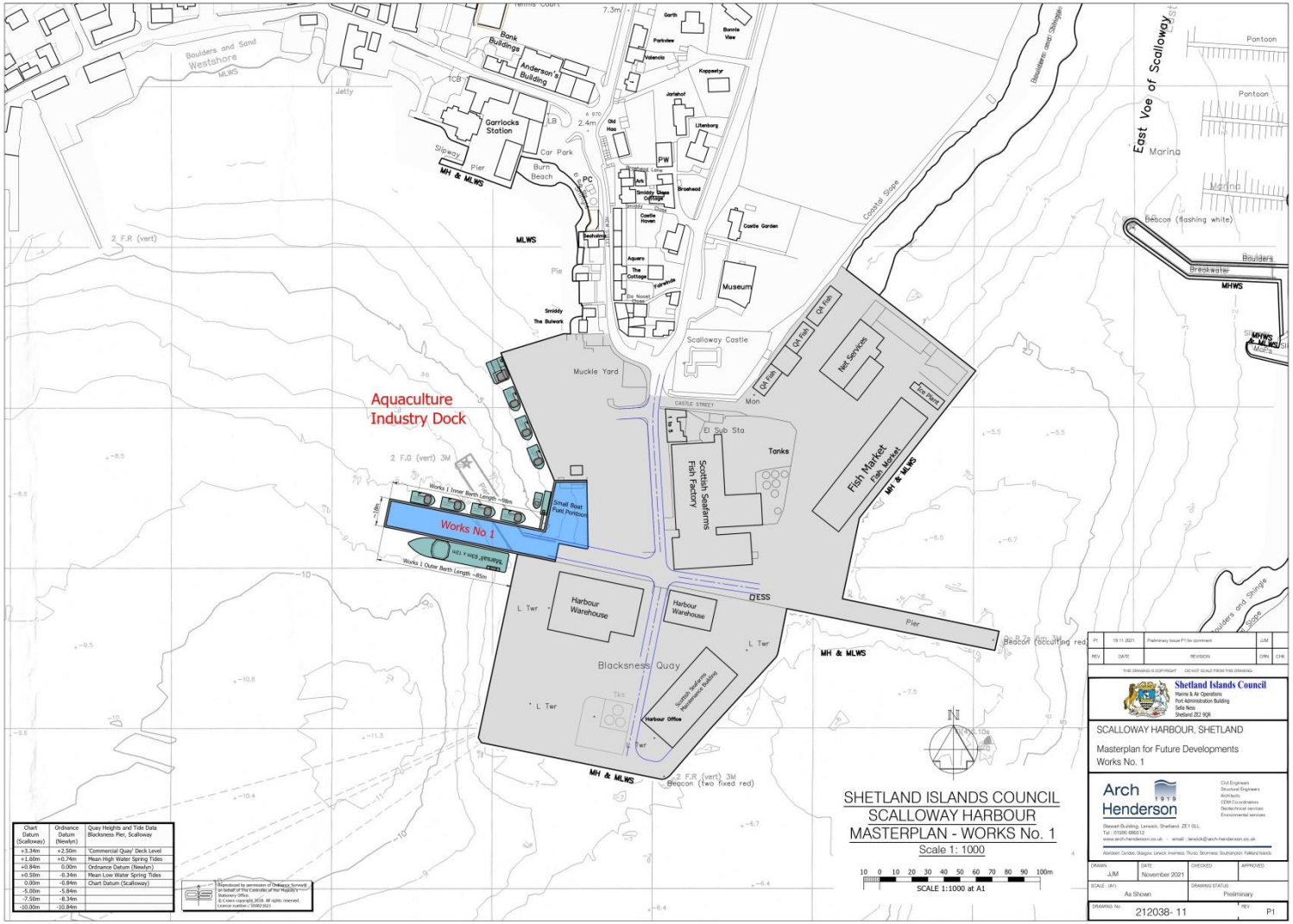

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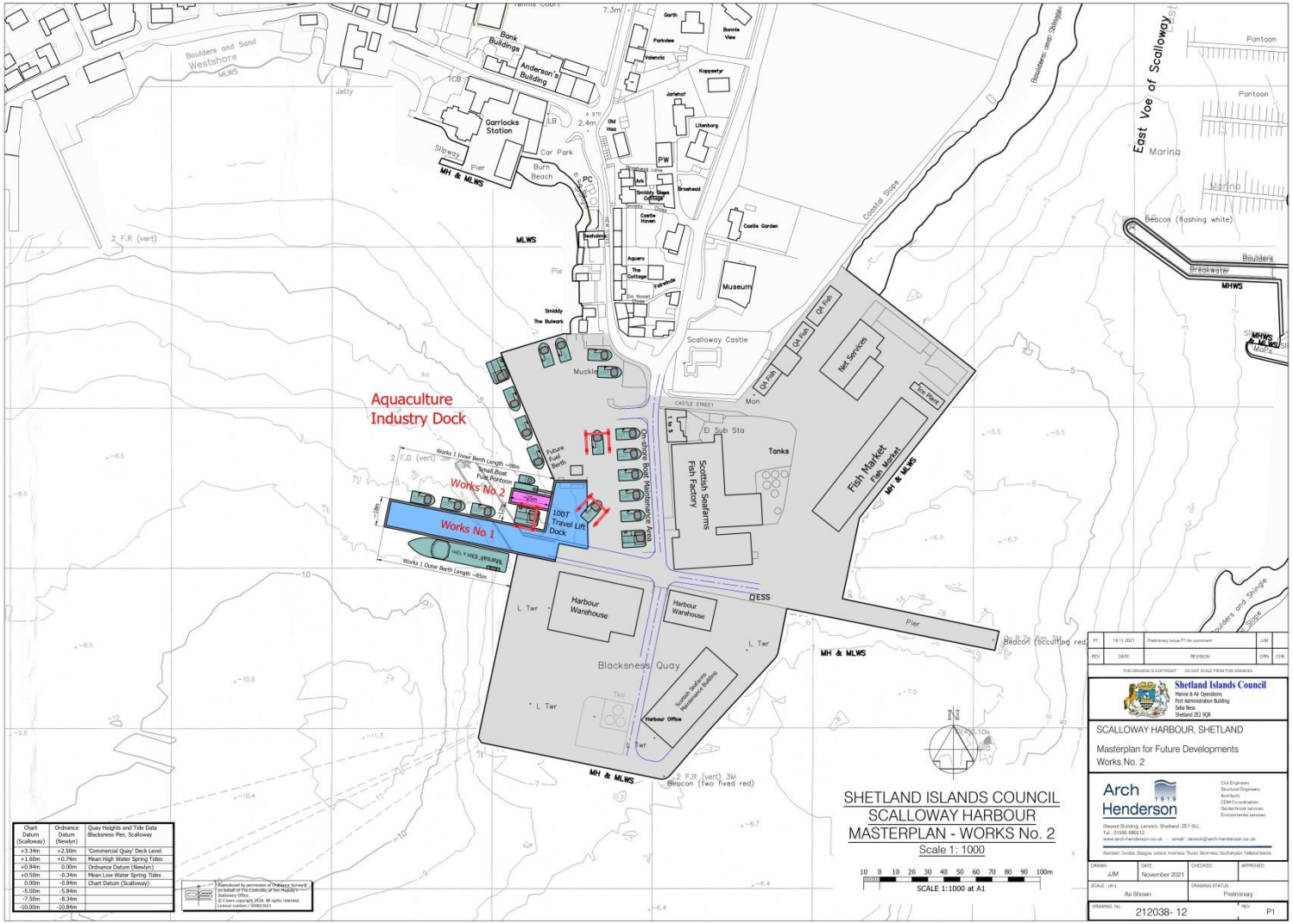

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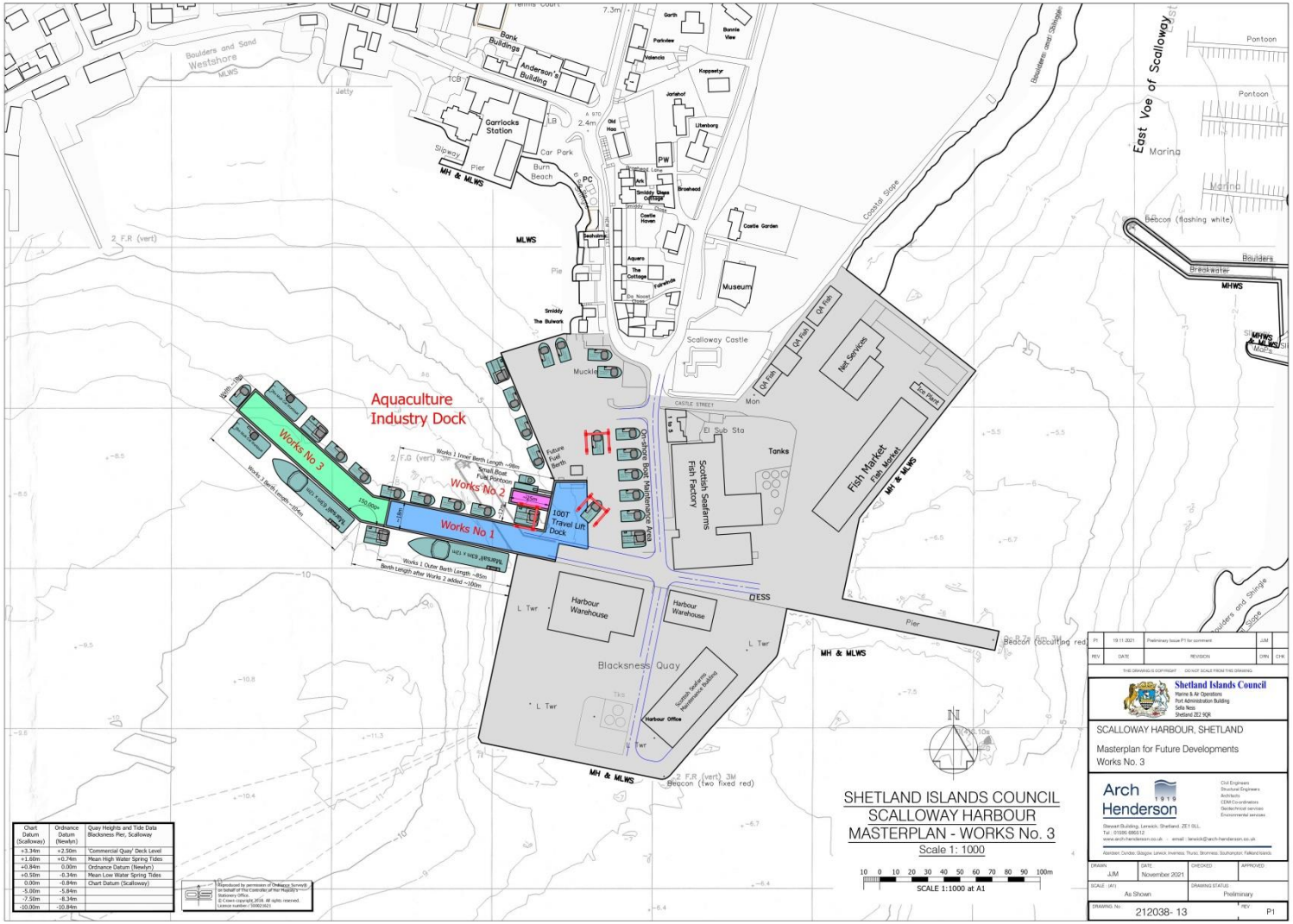

Chart Datum (Scalloway)	Ordnance Datum (Newlyn)	Quay Heights and Tide Data Blacksness Pier, Scalloway
+3.34m	+2.50m	'Commercial Quay' Deck Level
+1.60m	+0.74m	Mean High Water Spring Tides
+0.84m	0.00m	Ordnance Datum (Newlyn)
+0.50m	-0.34m	Mean Low Water Spring Tides
0.00m	-0.84m	Chart Datum (Scalloway)
-5.00m	-5.84m	
-7.50m	-8.34m	
-10.00m	-10.84m	

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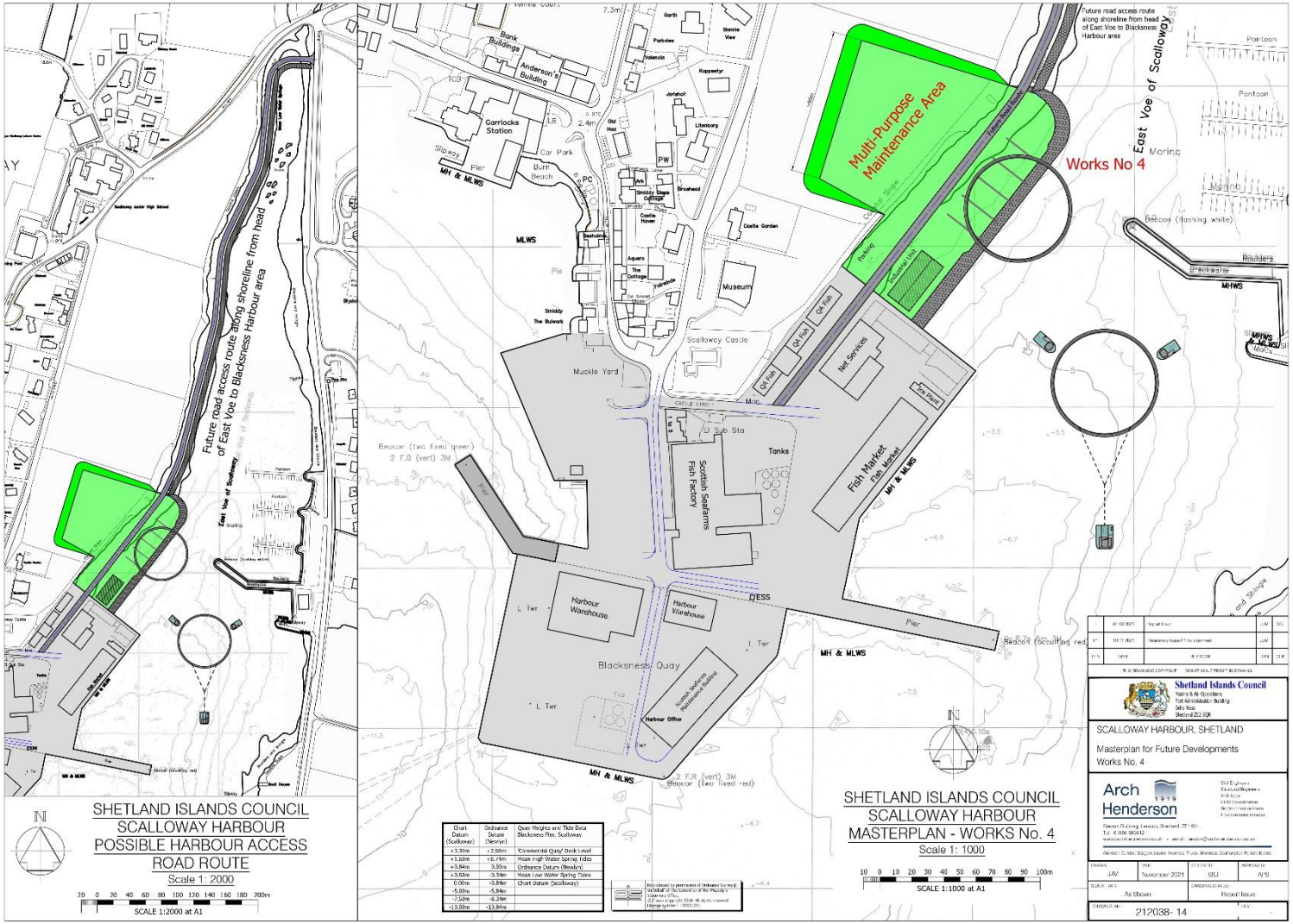

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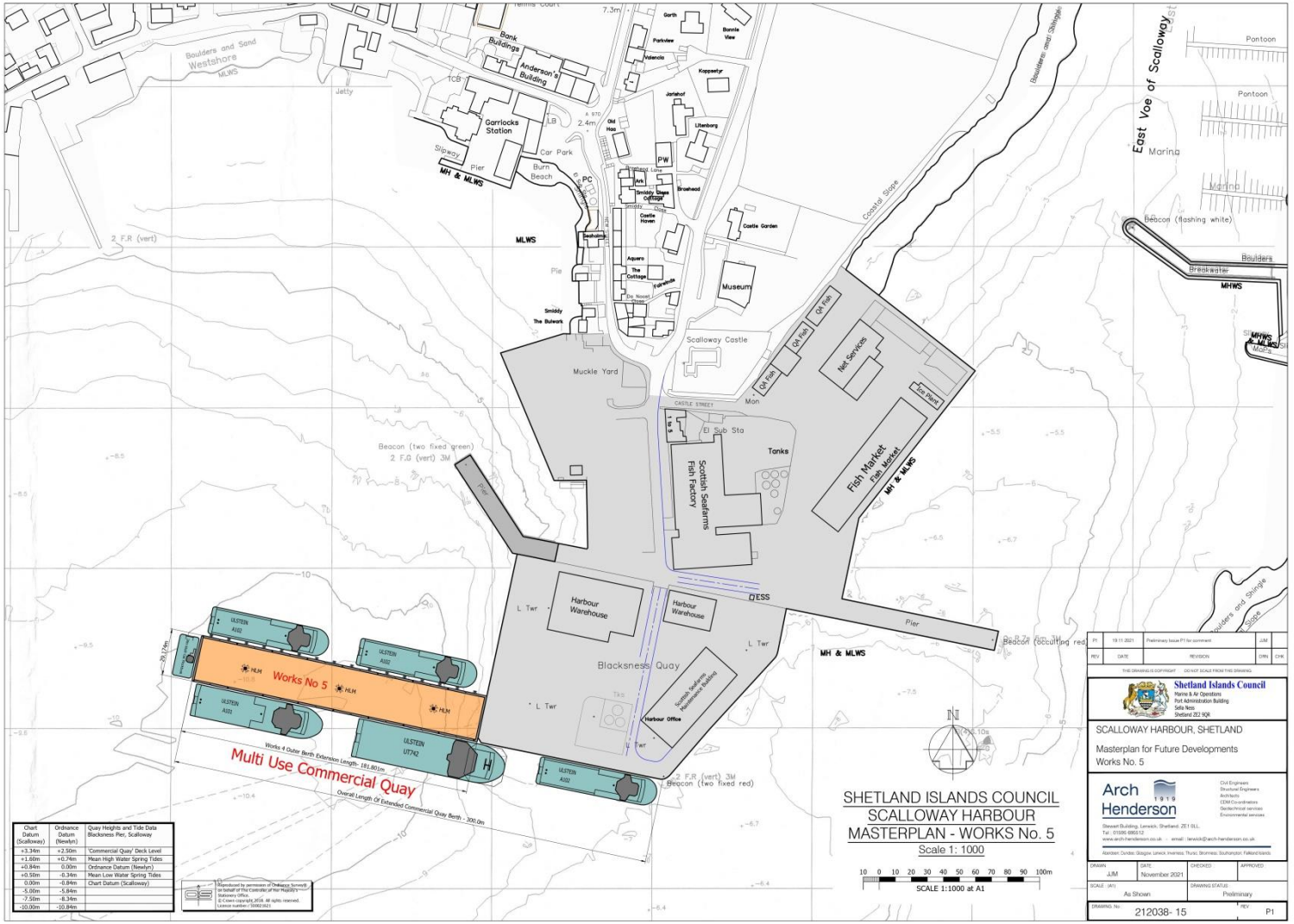

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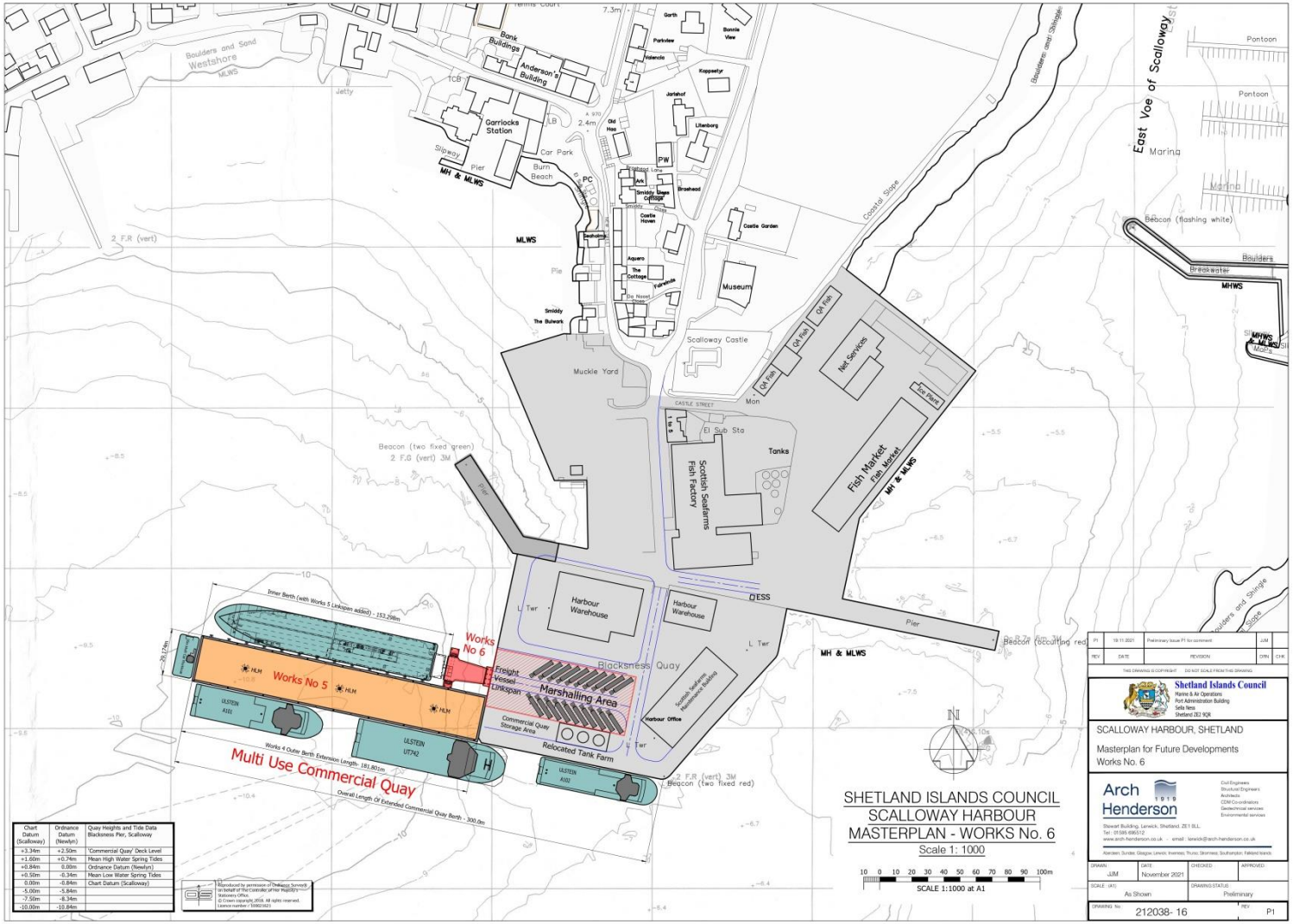

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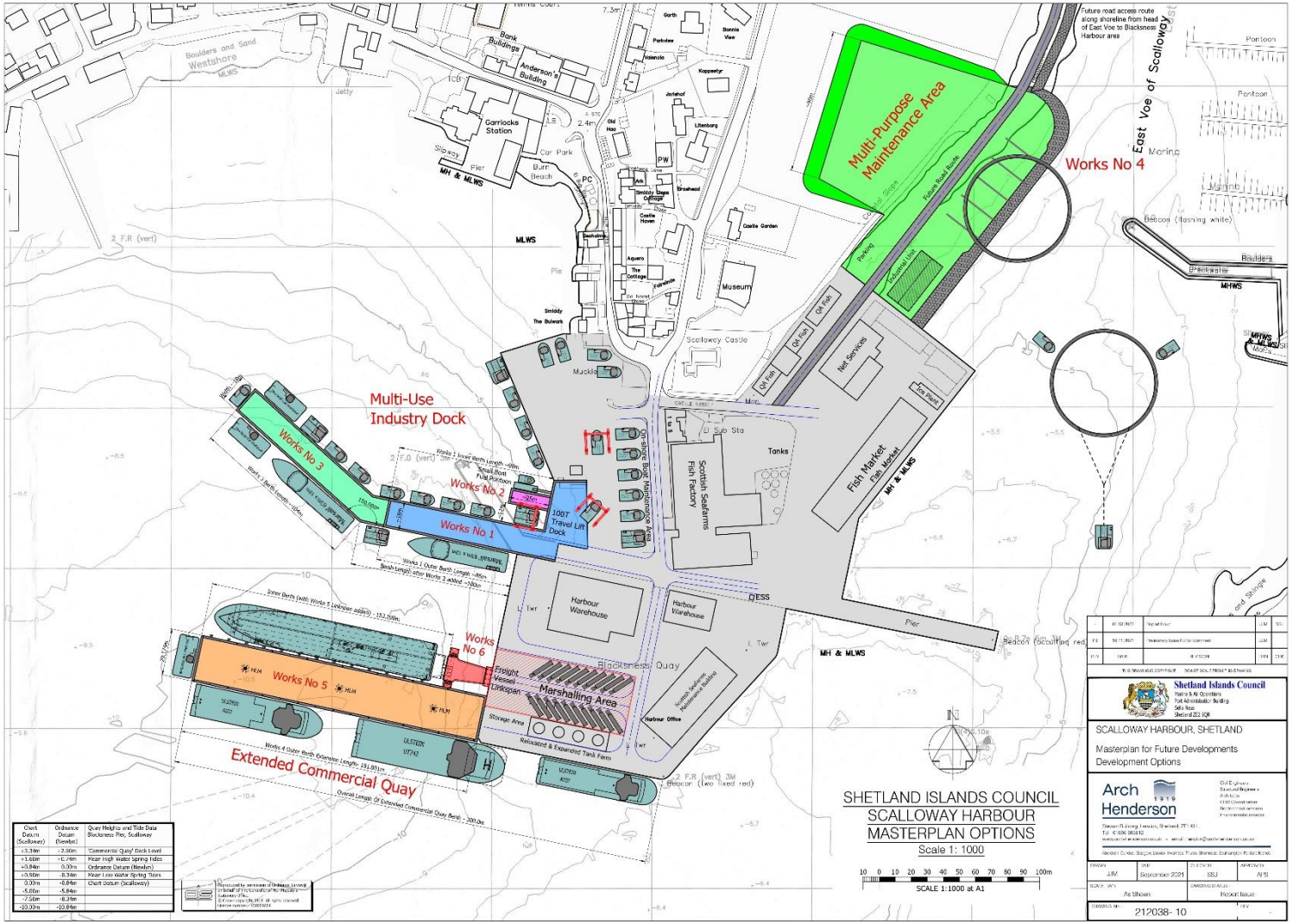

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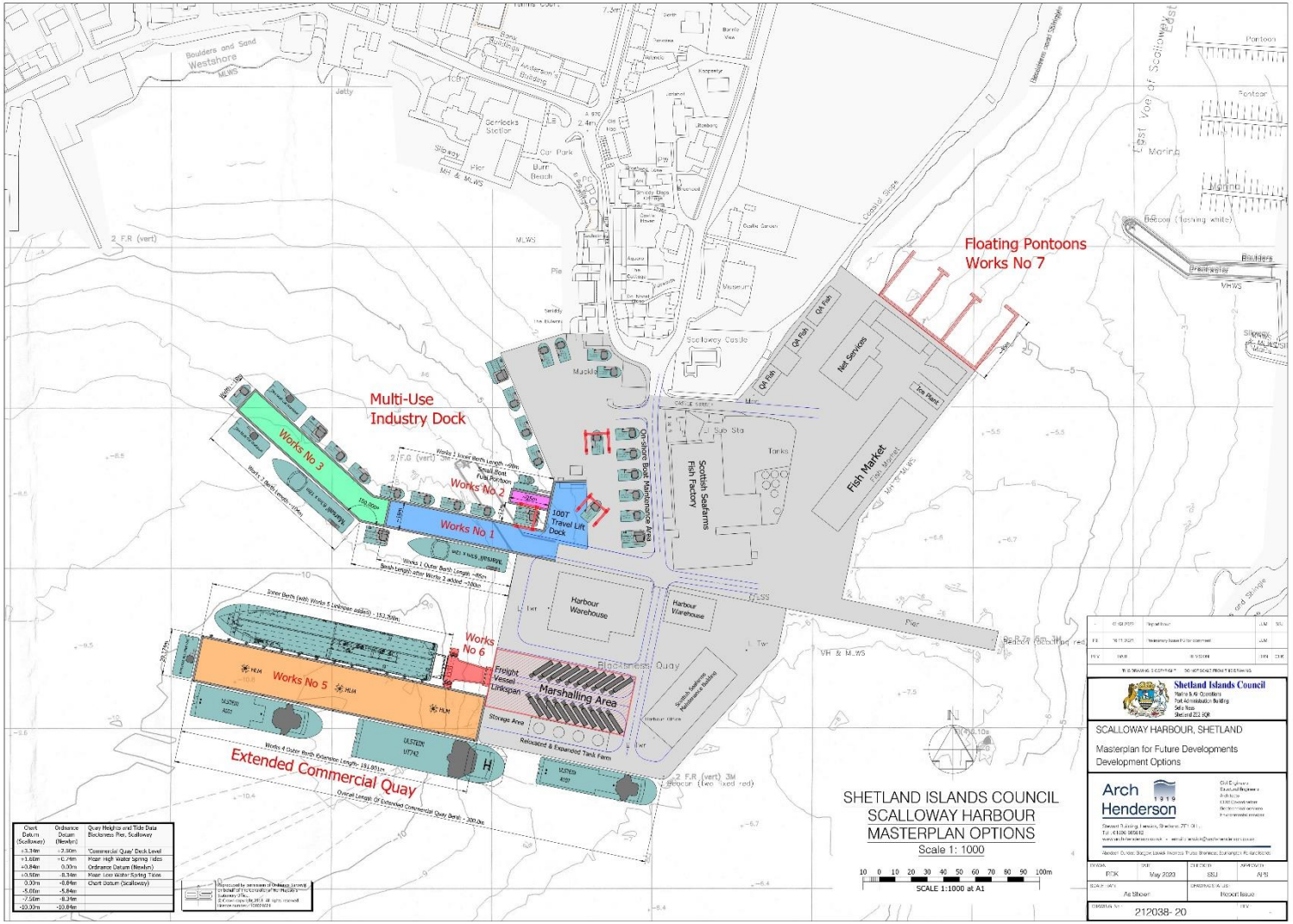

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Works	Scalloway W01	Scalloway W02	Scalloway W03	Scalloway W04	Scalloway W05
Quay & Access Construction	217m main solid sheet pile face; berth return to house fueling area; infill volume = 30,0000m3 (from SIC Quarry).	25m x 10m wide solid finger pier; combi-wall installation likely required for boat hoist loading; infill volume = 2,500m3 (from SIC Quarry).	235 of main solid quay face, extending W01; infill volume = 22,0000m3 (from SIC Quarry).	1.5Ha of new land from the cut and fill reclamation exercise; cut and fill volume is circa 50,000m3.	398m of new solid quay face; 300m south quay berth; infill volume = 68,000m3 (from SIC Quarry); 0.5Ha of quay space created.
SI & Consents (1)	£110,000.00	£32,500.00	£110,000.00	£30,000.00	£162,500.00
Fees (2)	£335,000.00	£75,000.00	£225,000.00	£75,000.00	£400,000.00
Quay Construction	£7,209,755.00	£1,348,887.50	£6,512,350.00	£1,644,000.00	£11,265,425.00
Contingency 10%	£720,975.50	£134,888.75	£651,235.00	£164,400.00	£1,126,542.50
Total Quay Construction	£7,930,730.50	£1,483,776.25	£7,163,585.00	£1,808,400.00	£12,391,967.50
Grand Total	£8,375,730.50	£1,591,276.25	£7,498,585.00	£1,913,400.00	£12,954,467.50

SHETLAND ISLANDS COUNCIL

Cost Summary

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Shetland Islands Council

Agenda Item

4

Meeting(s):	**Harbour Board**	**22 November 2023**
Report Title:	**Harbour Board Business Programme – 2023/2024**	
Reference Number:	**PH-11-23F**	
Author / Job Title:	**Andrew Inkster – Executive Manager Ferry & Airport Operations and Port Infrastructure.**	

1.0 Decisions / Action required:

That the Harbour Board:

1.1 CONSIDERS the business planned for Harbour Board 2023/2024;

1.2 ADVISES the Director of Infrastructure Services of any changes required and new items to be included on the Business Programme.

2.0 High Level Summary:

2.1 The purpose of this report is to facilitate discussion on the Business Programme of the Board for the financial year 1st April 2023 to 31st March 2024 including items where the date is still to be determined in Appendix 1.

2.2 The Business Programme is presented to the Harbour Board at least quarterly to ensure that it is kept up to date incorporating new items as work programmes across the Council are taken forward.

3.0 Corporate Priorities and Joint Working:

3.1 Planning and Performance Management are key aspects of Best Value and features of the Councils Corporate Plan, “Our Ambition – 2021 – 2026”.

3.2 “Our Ambition” - SECTION 4 - MONITORING AND REPORTING

"We will monitor and report progress on this plan through our Change Programme and Performance Management Framework". Business Planning is part of that framework.

4.0 Key Issues:

4.1 A range of business scheduled or to be scheduled over the coming year in consultation with the Board is attached at Appendix 1.

4.2 The Harbourmasters Report, Quarterly Performance Report and Business Programme reporting will be brought to the Board periodically so that the Board's oversight role can be effectively discharged.

4.3 Any other reports needing Board decision will be scheduled as required in consultation with the Chair. At this stage only a limited number of matters requiring Board decision beyond the review of annual charges and 2023/24 budget setting have been identified.

4.4 Members are also asked to consider any other particular items of business that should be added to the programme.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :	
6.1 Service Users, Patients and Communities:	The Business Programme provides the community and other stakeholders with important information regarding the planned business for the coming year. The Business Programme complements the Council's Corporate and Directorate Plans and the Shetland Partnership Plan.
6.2 Human Resources and Organisational Development:	None arising directly from this report. Any implications for staff arising from individual reports in the Business Programme will be addressed through the work on those reports.
6.3 Equality, Diversity and Human Rights:	None arising directly from this report. Any implications in this regard arising from individual reports in the Business Programme will be addressed through the work on those reports.
6.4 Legal:	The Business Programme supports the governance framework of the Council which is underpinned by statute.
6.5 Finance:	None arising directly from this report. Any financial implications arising from individual reports in the Business Programme will be addressed through the work on those reports.
6.6 Assets and Property:	None arising directly from this report. Any implications in this regard arising from individual reports in the Business Programme will be addressed through the work on those reports.
6.7 ICT and new technologies:	None arising directly from this report. Any implications in this regard arising from individual reports in the Business Programme will be addressed through the work on those reports.
6.8 Environmental:	None arising directly from this report. Any implications in this regard arising from individual reports in the Business Programme will be addressed through the work on those reports.

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; aligning the Council's Business Programmes 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 PPMF. The Business Programme supports each Committee/Board's role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations.	
Previously considered by:	N/A	

Contact Details:
Andrew Inkster – Executive Manager Ferry & Airport Operations and Port Infrastructure.

Email: *andrew.inkster@shetland.gov.uk*

Appendices:

Appendix 1 – Harbour Board Business Programme 2023/24

Background Documents:

None

Appendix One - Harbour Board Meeting Dates and Business Programme 2023/24

Date / Type of Meeting	Agenda Item	Referred/Delegated
24 May 2023 Ordinary	Harbour Masters Report	D
	22/23 Q4 Performance Report	D
	Business Programme Update	D
12 September 2023 Ordinary	Harbour Masters Report	D
	Sella Ness Tug Jetty – Strategic Outline Case.	
	23/24 Q1 Performance Report	D
	Business Programme Update	D
22 November 2023 Ordinary	Harbour Masters Report	D
	Scalloway West Pier Developments – Strategic Outline Case	
	23/24 Q2 Performance Report	D
	Business Programme Update	D
06 March 2024 Ordinary and Budget Setting	Budget Proposals	R
	Harbour Masters Report	D
	23/24 Q3 Performance Reports	D
	Business Programme Update	D

Planned Business still to be scheduled

None

End.