

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

**Present:**

D Leask	S Leask
R McGregor	A Manson
D Sandison	R W Thomson

**Apologies:**

D Anderson	R Thomson
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**In Attendance:**

J Smith, Director of Infrastructure Services  
P Fraser, Executive Manager - Finance  
A Inkster, Executive Manager - Ferry and Airport Operations & Port Infrastructure  
G Maitland, Executive Manager – Harbourmaster  
C Christey, Team Leader – Port Engineering  
B Clifton, Team Leader Deputy Harbourmaster  
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 12 September 2023 were approved on the motion of Mr McGregor, seconded by Mr Sandison.

12/23

**Harbour Board Performance Report - Quarter 2 2023/24**

The Harbour Board considered a report by the Executive Manager - Ferry and Airport Operations & Port Infrastructure (PH-12-23-F) that presented updates on activity and performance of the Infrastructure Directorate relating to the responsibilities of the Harbour Board for Quarter 2 of 2023/24.

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

During questions reference was made to the following matters:

- Tanker Movements reduced – The Director of Infrastructure Services provided an overview of the current position, advising that East of Shetland production continued to decline and the Brent field would come to the end of its life next year. Although the Ninian field will continue for some years there is a decline in volumes. He advised that West of Shetland had a longer life but there was a rollover of maintenance that had been deferred due to Covid resulting in a longer shutdown during the summer for the Claire and Magnus fields. In the longer term there should be robust production and an evaluation from Clair field was ongoing in terms of their export route. He advised however that it was not possible to be precise on future tanker movements.
- Oil decommissioning – The Director of Infrastructure Services advised that the Council does provide support through the Lerwick Port Authority (LPA) in decommissioning works, picking up business through the LPA. The Board was advised that a seminar had been arranged to allow Enquest to expand on their planned work which in turn informs management of the workforce required by the Council. He advised that the LPA also update the Council from time to time and he would make contact to seek if that update could be done in the New Year.
- Harbour Account – the Director of Infrastructure Services confirmed that during budget setting it had been indicated there would be a shortfall in the Harbour Account.
- Tourist Cruise Ships – The Director of Infrastructure Services agreed that there is a potential business income stream, for the harbour account, from cruise ship visits but not at Sullom Voe. He said however that other ports within the authority are multipurpose and that their use, over time, does need to change. It was acknowledged that North Atlantic cruising is popular but there are limits to what scale of vessels can be accommodated but there is interest in Scalloway, Baltasound, Foula and Cullivoe. The Director of Infrastructure Services confirmed that the depths at Scalloway and Collafirth are good and there was a need to engage with the market to see what vessels might be brought in. He added that this was a valuable income stream but not necessarily a significant one.

During debate, the importance of the Harbour Account was reiterated and that any potential revenue opportunities should be explored. It was also stated that there needs to be investment put into harbour facilities for the future and it was important for the Board to plan budgets accordingly as opposed to the Harbour Account effectively bearing the risk of the overall Council budget. It was agreed that the Council should actively look to attract small scale cruise ships and that there are great opportunities to be had as long as they can be accommodated with shore side facilities.

## **Decision**

The Harbour Board NOTED the updates on activity in Quarter 2 of 2023/24 and on plans and priorities for the rest of this year.

13/23

### **Harbourmasters Report**

The Harbour Board considered a report by the Executive Manager - Harbourmaster (PH-13-23-F) that presented information on the necessary management and operational mechanisms in place to fulfil the Board's function as duty holder.

The Executive Manager – Harbourmaster introduced the main terms of the report.

Officers responded to a number of questions, in the following terms:

- **Staffing Levels** –It was confirmed that there was currently one vacancy in Scalloway, otherwise the service was fully staffed.
- **Review of Port Marine Safety Code (PMSC)** – In regard to the English/Scottish Law matter, the Board was advised that Capt. Auld, Designated Person, was making enquiries with the British Port Association (BPA), and that the Harbourmaster had been approached and he expected feedback next week on the duty holder wording in Scots Law.
- **Training for Pilots for dangerous cargo related to the Space Port in Unst** - The Board was advised that should dangerous cargoes need to be brought in to Baltasound to support the Space Port in Unst, then additional training for Pilots may be required. The Board was advised that it is possible that some cargo will come into the port. The Harbourmaster explained that an Emergency Plan and Pollution Plan would have to be created and Officers would have to Risk Assess the operation, the type of vessels that may be used and whether pilotage is needed. He advised that consideration would be given to those issues in order to support the Space Port Operation.
- **Toft Linkspan** – The Harbourmaster explained the situation that led to the incident at that Toft Linkspan and confirmed all the circumstances would be considered by the investigation.

There being no further questions, or debate, the Board noted the report.

### **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.

14/23

### **Strategic Outline Case – Scalloway West Pier Developments**

The Harbour Board considered a report by the Executive Manager Ferry & Airport Operations and Port Infrastructure (PH-14-23-F) that presented Members with an opportunity to comment on recent work carried out to establish options for the redevelopment of Scalloway Harbour.

The Executive Manager Ferry and Airport Operations & Port Infrastructure introduced the main terms of the report and advised that the Board would be kept updated on progress through the quarterly performance updates.

There followed a number of questions and Officers responded as follows:

- In terms of whether there is sufficient funds in the Harbour Account to progress the level of development reported, the Director of Infrastructure Services advised on the need to work on the financial and commercial aspects of the business case and to understand the costs associated with this project. He commented on the work needed to understand the impacts on the Council in terms of cost and the impact on the community in terms of construction. The Director of Infrastructure Services said that the strategic question as to whether money could be diverted in the short term for longer term investments also had to be considered. The Director of Infrastructure Services indicated the work required between Economic Development, Ports and Harbours and the industry sectors, bearing in mind the industry sectors may not exist yet. He added that there would be an opportunity for the financial case to identify where funding may come from.
- With regard to the timeline for the proposals in work plan 1 and work plan 3 it was questioned whether there was a methodology to take advantage of progressing the work on both work plans at the same time. The Board was advised that both work streams can happen at the same time by putting the detail on what is needed in the short term whilst also looking at longer term aspirations. The Executive Manager Ferry and Airport Operations & Port Infrastructure said that there was benefit of having shovel ready projects in place for when funding does become available. The Executive Manager Ferry and Airport Operations & Port Infrastructure advised that preliminary discussions would be undertaken at the Asset Investment Group and he would update the Board through the next quarterly performance update.
- Concern was expressed in regard to the reducing income and the need to understand the possible income that would be generated from a proposed option before settling on that. The Executive Manager Ferry and Airport Operations & Port Infrastructure explained that the Strategic Outline Case is the broad brush approach and that each option would need more detail including industry cost versus income and that would be undertaken as the next stage for each and every option.
- It was suggested that once on the Council's Asset Investment Plan, the Harbour Board Members would be conflicted in that the Harbour Account is seen as the Harbour Board's money rather than the Council's. Concern was expressed that the project would be put on the shelf when Members would want to see it progress. The Director of Infrastructure Services advised that the fundamental difference to projects funded by the Harbour Account is that they have to be commercially viable and income generating but Council projects cost money but are investments for the benefit of the wider community.
- Officers were asked to consider if the proposals did not go far enough and that to do options one and two together and for the dredging to be done at the same time would mean that there is only one set of consents and although the fees and contingency figures would increase there was potential for spend to save. It was however suggested that if done separately the costs would also be higher and the new pier would be sterilised while the extension is added. This would avoid a situation where the Council discovers that the development is not big enough and it has to start all over again. It was suggested that thinking big was a good idea and this was the time to think big. The Executive Manager Ferry and Airport Operations & Port Infrastructure advised that for all the

reasons set out there was a process to follow and the points raised would be a key feature of the next stage of the process.

- Attention was drawn to the cost summary and the proposed figure for a worst case scenario. It was suggested that there be a sliding scale provided to ensure that quotes are not set that high or beyond, as a matter of course. The Executive Manager Ferry and Airport Operations & Port Infrastructure advised that the consultants use a benchmark for similar works and consider the inflationary increase, resources and manpower. He understood that there would be an element of optimism bias but he would ensure the points made are remembered.
- The Executive Manager Ferry and Airport Operations & Port Infrastructure advised on the next steps for considering the proposals and onward reporting through the Asset Investment Group for decisions by the relevant committees, with updates provided to the Harbour Board through the performance reports.

During debate, Members spoke in support of the approach taken and the comments in regard to thinking big in terms of carrying out options 1 and 3 at the same time, to ensure upfront costs are taken forward in a cost effective manner. It was acknowledged that the developments proposed would provide the fishing and aquaculture industry to grow and provide a means for bigger vessels and onshore infrastructure. It was also agreed that consideration be given to the sharing of estimated costs to ensure that a reasonable price is tendered.

The work done with Lerwick Port Authority in regard to the “land in Shetland campaign” was also acknowledged in terms of boosting the business case for increased facilities.

### **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.

15/23

### **Harbour Board Business Programme – 2023/2024**

The Harbour Board considered a report by the Executive Manager - Ferry and Airport Operations & Port Infrastructure (PH-11-23-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 business for the next meeting would include the Byelaws report and that the business programme for 2024/25 would include Scalloway and Sullom Voe Development Proposals within its quarterly performance report with a separate line for each port within the appendix.

There being no questions, or debate, the Board noted the report.

### **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 11.05am.

Chair