



## REPORT

**To: Special Harbour Board  
Shetland Islands Council**

**31 January 2008  
7 February 2008**

**From: Management Accountancy Service Manager  
Executive Services Department**

### **TABLE OF DUES 2008/09 REPORT NO: F-002-F**

#### **1.0 Introduction**

- 1.1 On 31 October 2007 (min ref: 144/07), the Shetland Islands Council approved the budget strategy to be adopted for the Harbour Account for the 2008/09 revenue estimates process.
- 1.2 Members agreed that the Harbour Account should continue to pursue efficiency savings and appropriate charging levels to restore a higher level of profitability at the Port of Sullom Voe by 2009/10.
- 1.3 The 2008/09 revenue estimates along with the Table of Dues for the Harbour Accounts to be proposed by the General Manager Ports & Harbours will be presented today. It is necessary to set the Dues at this meeting to give the customary six weeks notice of any changes.
- 1.4 This report has been considered by the Harbour User Panels who have an advisory role. The Harbour Panels were agreeable to the level of charges in the Table of Dues.
- 1.5 The key assumptions used in estimating expenditure are provision for 22 launch crew, 12 marine officers, 50 tug crew, an adhoc helicopter service and remote meteorological office service, together with ongoing maintenance and upkeep of the harbour.

#### **2.0 Links to Corporate Priorities**

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so we can sustain the services we want to provide and help develop our economy, in particular, to keep revenue budgets within sustainable limits.

### 3.0 Review of Charging Structure

- 3.1 The proposed charging system for Sullom Voe, to be levied from 1 April 2008, is presented as Appendix A; it incorporates charges for all services. Appendix B sets out the charges for all other Ports and Harbours.
- 3.2 A consolidated Sullom Voe Port charge, which includes harbour, mooring, pilotage and boarding and landing elements, has now been established. In addition to its usefulness as a tool for comparing the Council's charges with that of our major competitors, it has also simplified the charging process within the Ports and Harbours Service. It is recommended that the Council increase the charge for 2008/09 by 8% to meet the increased cost of supplies and the viability of the Port. The consolidated charge for a segregated ballast tanker visiting the harbour in 2008/09 is proposed to be £0.72 per GT.
- 3.3 Legally the Council is required to stipulate separate charges for each of the chargeable elements and proposals are set out in the Table of Dues (attached as Appendix A). A separate agreement is in place concerning shipping dues paid by the vessel importing Schiehallion cargo.
- 3.4 There are a couple of changes to charges, which have been introduced this year to increase fairness in charging. These are under Scale D – Fresh Fish/Farmed Fish/Shellfish landed/Aggregates. Essentially the charges for fresh fish will be “per £1.00 value *ad valorem*” as opposed to “per £1.00 value”. This does not represent any actual change to the charge but merely emphasises the basis of the charge. Farmed fish and farmed shellfish will be “per tonne” as opposed to “per £1.00 value”. These changes are to be reviewed in 2008/09 by officials and the industry representatives.
- 3.5 In general, other than that set out in paragraphs 3.3 it is proposed to adjust the charges for non-oil related traffic and for goods dues by 3.5%.

### 4.0 Conclusions

- 4.1 In summary, this report sets out the proposed Harbour Charges for 2008/09 as put forward by the General Manager Ports & Harbours.
- 4.2 A review of charges at Sullom Voe has been undertaken and the proposals are detailed in Appendix A. The charges proposed for all the Council's Harbours (i.e. not just Sullom Voe) are detailed in Appendix B.
- 4.3 A consolidated charge has been established which includes a charge for ship dues, mooring, pilotage and boarding and landing. This charge is

£0.72 per GT for segregated ballast tankers and £0.88 for non-segregated. This does not include towage charges.

- 4.4 The Charge Equalisation Reserves which were set up to enable the phased closure of the Port (then expected around 2000/2001) without distorting charge levels unreasonably, has now been eliminated. The Port now requires as a minimum to operate without drawing on any Reserves. Significant cost savings have been made at the Port in recent years and also further implemented during the integration of Towage services into Port and Harbour operations. Charge setting in the future will predominantly be influenced by the volumes of oil passing through the Terminal in the absence of a mechanism to cushion the impact of a continued volume decline.
- 4.5 Changes have been made to charging under Scale D - Fresh Fish/Farmed Fish/Shellfish landed/Aggregates to increase the fairness of charging. These changes are to be reviewed in 2008/09 by officials and industry representatives.

## **5.0 Policy and Delegated Authority**

- 5.1 In terms of Section 16 of the Council's Scheme of Delegation, the Harbour Board will consider all proposals for the setting of dues and recommend accordingly to the Council.

## **6.0 Recommendations**

- 6.1 I recommend that: the Harbour Board considers and agrees the Tables of Dues contained in Appendices A and B;
- 6.2 subject to the above, these estimates should be forwarded for consideration by the Council at the final budget-setting meeting on the 7 February 2008.

**Date:** 23 January 2008  
**Ref:** HKT/E/1/2008 (P&H)

**Report No:** F-002-F



**SHETLAND ISLANDS COUNCIL**

**TABLE OF DUES TO BE LEVIED AT SULLOM VOE**

**FROM 1ST APRIL 2008  
(Harbours Act 1964)**

**DEFINITION**

**1. Segregated Ballast Tanker**

- 1.1 A tanker holding an International Oil Pollution Certificate showing the ship to have segregated ballast tanks in full compliance with Regulation 13 of MARPOL. In addition the ship must be operated in this manner.

**CONSOLIDATED CHARGE**

**2. Consolidated Charge**

- 2.1 The consolidated charge for segregated ballast tankers entering the Port of Sullom Voe will be £0.72 for segregated ballast tankers and £0.87 for LPG/Other vessels. This charge is made up of the following elements, ship dues, pilotage, mooring and boarding and landing.

Example - Consolidated Charge for segregated ballast tankers is made up of the following:

Shipping Dues	- applied per visit	£0.59
Mooring Charge	- applied per visit	£0.03
Pilotage Charge	- applied (£0.035 x 2)	£0.07
B & L Charge	- applied (£0.015 x 2)	£0.03

Total Consolidated Charge	<u>£0.72</u>
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**RATES AND CONDITIONS OF TOWAGE – SULLOM VOE AREA**

**3. Cost per tug vessel movement on or off jetties.**

<b>Gross Tonnage</b>	<b>Arrival/Departure Per Tug</b>
0 up to but not including 10,000	£3329.00
10,000 up to but not including 65,000	£4074.00
65,000 up to but not including 100,000	£6141.00
over 100,000	£8617.00

## **4. TARIFF**

### **4.1 Cancellation**

A charge of 10 per cent of the above rates will apply if tugs depart the tug jetty and are cancelled before making fast to vessel

### **4.2 Aborted Berthings or Sailings**

A charge of 50 per cent of the above rates will apply if a movement is unable to be completed after a tug or tugs have been made fast, or have commenced assistance

### **4.3 Push Up**

A charge of £482.00 per tug per hour or part thereof will be levied if a tug or tugs are required to push-up on a vessel during periods of extreme weather conditions

### **4.4 Escorting Charges**

Minimum charge of £1291.00 for 3 hours and £482.00 per hour per tug thereafter

### **4.5 Standby Charge**

A charge of £482.00 per tug per hour or part thereof will be levied if tugs are not used within an hour of order time.

### **4.6 Firefighting and Oil Dispersal Duties**

Within the Terminal and approaches will be charged at a minimum of £1291.00 per 3 hours and £482.00 per hour per tug thereafter plus cost of firefighting foam and oil dispersant liquids.

### **4.7 Late Order Charges**

A surcharge of 15 per cent may be charged if less than 12 hours notice is given in writing.

**ALL TOWAGE UNDERTAKEN SUBJECT TO UNITED KINGDOM STANDARD  
CONDITIONS FOR TOWAGE AND OTHER SERVICES (REVISED 1986)  
COPIES OF WHICH ARE AVAILABLE ON REQUEST**

**SHIPS DUES**

**Conditions**

1. Ship Dues shall apply to all vessels entering the limits of any of the Council's harbours except in circumstances mentioned at (2), (3) and (4) below. These rates shall also be charged by way of berth rents where a Council pier is used in any location outside the Council's harbour areas. Vessels will be allowed to overstay the four-day period in port without additional charge if the harbour is closed, or if cargo/unberthing is suspended due to adverse weather conditions, or if the vessel is permitted to wait alongside until a second crude oil type becomes available. For the avoidance of doubt, if for operational reasons, the Terminal requires the berth to be vacated, then the above will NOT apply.
2. Ship Dues will not be levied on any vessel, which enters a harbour area in order to enable a pilot to board in difficult weather conditions, and subsequently has to depart as a result of the pilot not being able to board. Pilotage and Boarding and Landing charges will however apply in accordance with section 2 (ii) of the schedule of Pilotage Charges.
3. If a vessel is required to leave the harbour by the Harbourmaster for any reason unconnected with defects in the vessel, or the vessel's operation, no ship dues will be levied on the subsequent re-entry. Please note this concession does not apply to pilotage, boarding and landing or mooring boats.
4. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
6. Craft based at Sullom Voe and operated by the Oil Industry for the sole purpose of pollution control shall be exempted from Harbour Dues provided they occupy berths designated by the Harbourmaster. When berthed other than at a berth designated for the purpose by the Harbourmaster the full Harbour Dues will be payable.
7. With reference to the four-day period in section 1 above, the following times will be subtracted from the overall time in port:
  - a) Tankers that for operational reasons, are called to the pilot station in advance of bad weather conditions, a fixed period of 12 hours.
  - b) Tankers that are required to move berth for two or more types of crude oil, a fixed period of three hours per move.
8. Ships dues are inclusive of a fee for garbage waste disposal

**SCALE A -  
VESSELS PER ENTRY AND STAY PER FOUR-DAY PERIOD OR PART THEREOF**

VESSELS ENGAGED IN THE PROVISION OF SERVICES, SUPPLY OF MATERIALS  
OR EXPORT OF PRODUCTS FROM THE SULLOM VOE OIL TERMINAL

Per gross ton	- segregated ballast tankers	£0.59
	- LPG/Other	£0.71

**ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR**

Per gross ton	£0.41
Barges – Gross Tonnage by calculation or certificate	£0.41

Live Fish Carriers

Vessels carrying live fish can apply for an annual composite rate charge equivalent to 40 trips x gt rate

Fish Feed Ships

Vessels regularly involved in the transport of salmon feed using SIC pier and harbours can apply for an annual composite rate charge equivalent to 40 trips x gt rate.

For vessels primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish can apply for an annual rate based on the gt bands below:-

Up to 15	£167.11
16 gt to 100 gt	£334.22
101 gt to 150 gt	£1671.11
151 gt to 200 gt	£2335.27
201 gt to 300 gt	£3342.22
301 gt to 400 gt	£4456.30
401 gt to 500 gt	£5570.37

**SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR per 4 day period**

Up to 70 Metre Cage	£33.50
70 Metre Cage	£34.34
80 Metre Cage	£39.25
90 Metre Cage	£44.16
100 Metre Cage and over	£49.07

MINIMUM CHARGE PER ENTRY AND STAY	£6.70
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## **SCALE B -**

### **COMPOUNDED ADVANCE ANNUAL CHARGES COVERING USE OF ALL COUNCIL PIERS AND HARBOURS**

1. A seasonal compound annual fee, payable in advance, will be charged for each pleasure craft berthed within a Harbour area, but not within an established Marina.

The following seasonal fee covers 1 April to 30 September, inclusive: -

a) Exceeding 15m overall length	£91.34
b) Exceeding 10m and up to 15m	£67.00
c) Up to 10m	£42.62

Charge per calendar month between 1 October and 31 March inclusive, in addition to section 1 above: -

a) Exceeding 15m overall length	£22.85
b) Exceeding 10m and up to 15m	£16.75
c) Up to 10m	£10.67

For registered fishing vessels and salmon farm tenders

a) Up to and including 8m overall length	£26.94
b) In excess of 8m overall length, per metre or part of overall length	£19.01

Vessels regularly providing services within a Council harbour (over 8 metres overall length) - per gross ton	£30.16
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The compounded charge herein referred to shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A

## **GOODS DUES**

### **Conditions:**

9. (i) Goods dues shall apply to all goods discharged or loaded over one of the Council's piers or handled in the fish market, or to any transfer of goods from craft to craft, craft to shore and from shore to craft which takes place within the limits of a Council harbour but which does not involve the use of a pier except as in (ii) below. Goods dues SHALL NOT apply to goods carried on scheduled ferry

services operated or subsidised by the Council. Goods dues SHALL NOT apply in respect of oil or gas loaded into tankers over the oil jetties in Sullom Voe.

- (ii) Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are required to pay a due of £136.41 annually. Where a Council pier or landing place is used, the full tariff is applicable.

### **SCALE C - RATES ON FISHING GEAR**

Vessels storing nets on any pier, outwith designated net mending areas	
Per net per day	£32.15

However, where nets are stored in bins as provided by the Council the following bin rates apply: -

Per Glass Fibre Bin per annum	£116.59
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Per Small Metal Bin (1.925m x 1.925m) per annum	£254.53
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Per Large Metal Bin (1.925m x 2.60m) per annum	£288.21
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The above rates are inclusive of insurance and shall be applied to pro rata on a daily basis as appropriate.

Where insufficient bins are available to meet demand, charges are abated for nets left in the designated storage areas to those applicable to a large metal storage bin during the period until a bin is available.

Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit - £68.54 per net for the first seven days, thereafter the rates for use of hard standing areas will apply.

Where excessive waste net materials are left behind after use of the net mending area vessels will be charged for collection and disposal of the materials.

Minimum charge per hour	£29.57
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### **SCALE D - RATES ON GOODS**

Fresh fish and shellfish - per £1.00 value ad valorem	£0.025
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Farmed Fish - per tonne	£7.00
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Farmed Shellfish – per tonne	£3.50
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Any fish or shellfish landed outwith a Council pier and stored in the Fish market – per £1.00 value ad valorem	£0.025
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Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below:-

6 month disc	£59.00
12 month disc	£107.64

Vessels as above who land mackerel through Scalloway Fish Market will be eligible to apply for a 6 or 12 month disc as above

\* This exemption will not apply to fish/shellfish being landed through the Fish Market other than as stated above

Fishermen, vessel owners and agents are advised that if the value of fish consigned through a Shetland Islands Council port is not declared within 1 calendar month of landing, a charge of £2.69 per box will be levied in lieu of the published dues.

Tractors, lorries, machinery and motor cars, (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne £6.28

#### Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's) £0.15

Salmon Feed - per tonne £1.23

Salmon Nets (from/to cages) per net £18.75

Ice – per tonne £1.56

Water - per tonne £1.60

Fuel/Gas Oil/Diesel £1.56

Live Animals £0.33

Any other goods not specified above, per tonne £1.60

Minimum charge on any one item £6.70

#### Water/Power Bollards

Electricity – when electricity is supplied from the power bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply. Rates available on application

Water – when water is supplied from the water bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply. Rates available on application.

## **SCALE E - RATES FOR USE OF HARD STANDING AREA**

Short Term - per square metre per day £0.15

Long Term (min 120 days) - per square metre per day £0.06  
(NB: Long Term Storage rates only apply on receipt of a written request)

Trailers/Containers parked on harbour property not engaged in loading/discharging of goods unless a written request for long term storage is received shall be liable for the following charge

Per day £3.75  
Minimum charge £5.36

However, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m<sup>2</sup> per 1000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above rate.

## **SALMON CAGES UNDER CONSTRUCTION**

Storage of parts before construction commences – as hard standing rate above.

Whilst construction takes place - £59.12 per day plus hard standing charge for parts.

Charges for building aquaculture cages in harbour waters will be based on the area times an assumed GROSS TONNAGE. Therefore charges will be levied as per Scale A plus hard standing charge for parts.

## **CHARGES FOR HARBOUR CRAFT AND PLANT**

10. A daily hire rate for any of the following plant can be negotiated at time of hire.

Hire of the SULLOM SPINDRIFT/SULLOM SHOORMAL/ SULLOM SPRAY per hour or part thereof	£257.18
Hire of the Sullom 'A', 'B' or 'C' per hour or part thereof	£91.18
Hire of the Marine Travel Lift per hour or part thereof	£113.62
Hire of Fork Lift Truck per hour or part thereof	£33.70

## **SCALE F – SHIP TO SHIP TRANSFER OF OIL**

1. Ship-to-ship transfers of oil at a Sullom Voe Terminal jetty, excluding bunker transfers:-

(a)	Import vessel(s) per gross cargo tonne	£0.49
(b)	Export Vessel	Free of Charge

The above includes Ship Dues/Pilotage/Boarding and Landing/Mooring/Normal Towage. Any other services will be charged as detailed in the Table of Dues.

2. Where an export tanker loads crude ex shore tankage before or after a ship-to-ship transfer:-

(a)	Import vessel(s) per gross cargo tonne	£0.49
(b)	Export vessel will be berthed and moved once	Free of Charge

Thereafter the export vessel will attract Ship Dues/Pilotage/Boarding and Landing/departure towage (as published by Shetland Towage Ltd) and any other harbour charges as detailed in the Table of Dues.

## **SULLOM VOE HARBOUR AREA**

### **SCHEDULE OF MOORING RATES**

**Effective from 1st April 2008**

1. At any one of the oil loading jetties, per mooring operation

-	segregated ballast tankers	£0.03
-	LPG/Other	£0.04

A 'mooring operation' shall be any occasion on which the services of one or more mooring boats are required for the purposes of mooring. Where a vessel is required to shift from one jetty to another the above rates will apply for each separate mooring.

At any other jetty - per mooring boat per hour or part thereof £92.99

At any jetty but not requiring a mooring boat

**SULLOM VOE HARBOUR AREA**  
**SCHEDULE OF PILOTAGE CHARGES**  
**(PILOTAGE ACT 1987)**

**Effective from 1st April 2008**

1. The following charge is payable for piloting a vessel inwards or outwards in the Harbour Area and for each piloted movement within the harbour: -

Per gross ton	- segregated ballast tankers	£0.035
	- LPG/Other	£0.04
Minimum charge per act of pilotage		£86.04
2. A charge of £52.80 per hour or part thereof shall be applicable in the following cases: -
  - (i) when a pilot is requested for the departure, moving or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, move or arrival;
  - (ii) when a pilot is requested and the requirement is cancelled after the pilot has set out to undertake pilotage;
  - (iii) for detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered, and
  - (iv) when a pilot is in attendance on board a vessel berthed alongside during periods of severe weather.
3. Vessels, which are being towed, by a vessel under pilotage and any vessel being led within the Harbour Area by a vessel which is under pilotage shall pay pilotage dues as if the pilot were on board.
4. Marine Officers of the Shetland Islands Council undergoing training may from time to time accompany the pilot but such trainees shall not be considered to be assistants to the pilot and no extra charge shall accrue to any vessel in respect of such trainees.

5. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
6. In calculating pilotage charges a fraction of a gross ton shall be reckoned as one gross ton.

## **SULLOM VOE HARBOUR AREA**

### **SCHEDULE OF BOARDING AND LANDING CHARGES**

#### **(PILOTAGE ACT 1987)**

**Effective from 1 April 2008**

1. For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee of: -
 

Per gross ton - segregated ballast tankers	£0.015
- LPG/Other	£0.02
Minimum charge per act of pilotage	£86.04
2. If the pilot launch is detained under any of the circumstances as mentioned in paragraph two of the scale of charges for pilotage a charge shall apply as follows: -
 

For each hour or part thereof	£268.36
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3. When a helicopter is used to board or land the Pilot all charges incurred in respect of aircraft usage, including abortive missions, will be charged to the ship's account. In addition, as a launch is required for safety cover, the normal boarding and landing fee will be charged.
4. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
6. Vessels which cannot provide regulation boarding equipment and in particular those with forward leading accommodation ladders, may receive or land their pilots by helicopter, if a helicopter is available. In such cases all charges incurred in respect of aircraft usage, including abortive missions will be charged to the ships account.

7. Special rates are applicable for the performance of duties outside those normally associated with pilotage and these are available on request from the General Manager – Ports and Harbours Operations.

The Shetland Islands Council reserve the right to apply discretionary rates to any charge in the Table of Dues on application.



**SHETLAND ISLANDS COUNCIL**

**TABLE OF DUES TO BE LEVIED AT ALL PIERS AND HARBOURS**

**FROM 1ST APRIL 2008  
(Harbours Act 1964)**

**DEFINITION**

**SHIPS DUES**

**Conditions**

- 1.** Ship Dues shall apply to all vessels entering the limits of any of the Council's harbours except in circumstances mentioned at (2) and (3) below. These rates shall also be charged by way of berth rents where a Council pier is used in any location outside the Council's harbour areas. Vessels will be allowed to overstay the four-day period in port without additional charge if the harbour is closed, or if cargo/unberthing is suspended due to adverse weather conditions.
- 2.** Ship Dues will not be levied on any vessel, which enters a harbour area in order to enable a pilot to board in difficult weather conditions, and subsequently has to depart as a result of the pilot not being able to board. Pilotage and Boarding and Landing charges will however apply in accordance with section 2 (ii) of the schedule of Pilotage Charges.
- 3.** If a vessel is required to leave the harbour by the Harbourmaster for any reason unconnected with defects in the vessel, or the vessel's operation, no ship dues will be levied on the subsequent re-entry. Please note this concession does not apply to pilotage, boarding and landing or mooring boats.
- 4.** An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
- 5.** In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
- 6.** Ships dues are inclusive of a fee for garbage waste disposal.

**SCALE A -  
VESSELS PER ENTRY AND STAY PER FOUR-DAY PERIOD OR PART THEREOF**

**VESSELS CALLING AT SCALLOWAY HARBOUR IN EXCESS OF 300 GROSS TONNAGE (INCLUSIVE OF PILOTAGE)**

Per gross ton	
£0.50	
Passengers disembarking per person - (tourist traffic/passenger liners only)	£2.00

**ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR**

Per gross ton	£0.41
Barges – GrossTonnage by calculation or certificate	£0.41

**Live Fish Carriers**

Vessels carrying live fish can apply for an annual composite rate charge equivalent to 40 trips x gt rate

**Fish Feed Ships**

Vessels regularly involved in the transport of salmon feed using SIC pier and harbours can apply for an annual composite rate charge equivalent to 40 trips x gt rate.

For vessels primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish can apply for an annual rate based on the gt bands below:-

Up to 15 gt	£167.11
16 gt to 100 gt	£334.22
101 gt to 150 gt	£1671.11
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201 gt to 300 gt	£3342.22
301 gt to 400 gt	£4456.30
401 gt to 500 gt	£5570.37

**SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR**

Per 4 day period

Up to 70 Metre Cage	£33.50
70 Metre Cage	£34.34
80 Metre Cage	£39.25
90 Metre Cage	£44.16
100 Metre Cage and over	£49.07

MINIMUM CHARGE PER ENTRY AND STAY	£6.70
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**SCALE B -  
COMPOUNDED ADVANCE ANNUAL CHARGES COVERING USE OF ALL COUNCIL  
PIERS AND HARBOURS**

1. A seasonal compound annual fee, payable in advance, will be charged for each pleasure craft berthed within a Harbour area, but not within an established Marina.

The following seasonal fee covers 1 April to 30 September, inclusive: -

a)	Exceeding 15m overall length	£91.34
b)	Exceeding 10m and up to 15m	£67.00
c)	Up to 10m	£42.62

Charge per calendar month between 1 October and 31 March inclusive, in addition to section 1 above: -

a)	Exceeding 15m overall length	£22.85
b)	Exceeding 10m and up to 15m	£16.75
c)	Up to 10m	£10.67

For registered fishing vessels and salmon farm tenders

a)	Up to and including 8m overall length	£26.94
b)	In excess of 8m overall length, per metre or part of overall length	£19.01

Vessels regularly providing services within a Council harbour (over 8 metres overall length) - per gross ton	£30.16
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The compounded charge herein referred to shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A

## **GOODS DUES**

**Conditions:**

7. (i) Goods dues shall apply to all goods discharged or loaded over one of the Council's piers or handled in the fish market, or to any transfer of goods from craft to craft, craft to shore and from shore to craft which takes place within the limits of a Council harbour but which does not involve the use of a pier except as in (ii) below. Goods dues SHALL NOT apply to goods carried on scheduled ferry services operated or subsidised by the Council. Goods dues SHALL NOT apply in respect of oil or gas loaded into tankers over the oil jetties in Sullom Voe.
- (ii) Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are

required to pay a due of £136.41 annually. Where a Council pier or landing place is used, the full tariff is applicable.

### **SCALE C - RATES ON FISHING GEAR**

Vessels storing nets on any pier, outwith designated net mending areas Per net per day	£32.15
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However, where nets are stored in bins as provided by the Council the following bin rates apply: -

Per Glass Fibre Bin per annum	£116.59
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Per Small Metal Bin (1.925m x 1.925m) per annum	£254.53
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Per Large Metal Bin (1.925m x 2.60m) per annum	£288.21
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The above rates are inclusive of insurance and shall be applied to pro rata on a daily basis as appropriate.

Where insufficient bins are available to meet demand, charges are abated for nets left in the designated storage areas to those applicable to a large metal storage bin during the period until a bin is available.

Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit - £68.54 per net for the first seven days, thereafter the rates for use of hard standing areas will apply.

Where excessive waste net materials are left behind after use of the net mending area vessels will be charged for collection and disposal of the materials.

Minimum charge per hour	£29.57
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### **SCALE D - RATES ON GOODS**

Fresh fish and shellfish - per £1.00 value ad valorem	£0.025
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Farmed Fish - per tonne	£7.00
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Farmed Shellfish - per tonne	£3.50
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Any fish or shellfish landed outwith a Council pier and stored in the Fish market – per £1.00 value ad valorem	£0.025
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Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below.

6 month disc	£59.00
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12 month disc	£107.64
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Vessels as above who land mackerel through Scalloway Fish Market will be eligible to apply for a 6 or 12 month disc as above

\*This exemption will not apply to fish/shellfish being landed through the Fish Market other than as stated above

Fishermen, vessel owners and agents are advised that if the value of fish consigned through a Shetland Islands Council port is not declared within 1 calendar month of landing, a charge of £2.69 per box will be levied in lieu of the published dues.

Tractors, lorries, machinery and motor cars, (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne £6.28

#### Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's) £0.15

Salmon Feed - per tonne £1.23

Salmon Nets (from/to cages) per net £18.75

Ice – per tonne £1.56

Water - per tonne £1.60

Fuel/Gas Oil/Diesel £1.56

Live Animals £0.33

Any other goods not specified above, per tonne £1.60

Minimum charge on any one item £6.50

#### Water/Power Bollards

Electricity – when electricity is supplied from the power bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply. Rates available on application

Water – when water is supplied from the water bollards a minimum charge of £5.36 will apply over a seven day period.

Where staff are required outwith normal working hours an additional charge will apply. Rates available on application.

## **SCALE E - RATES FOR USE OF HARD STANDING AREA**

Short Term - per square metre per day £0.15

Long Term (min 120 days) - per square metre per day £0.06  
(NB: Long Term Storage rates only apply on receipt of a written request)

Trailers/Containers parked on harbour property not engaged in loading/discharging of goods unless a written request for long term storage is received shall be liable for the following charge

Per day £3.75

Minimum charge £5.36

However, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m<sup>2</sup> per 1000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above rate.

## **SALMON CAGES UNDER CONSTRUCTION**

Storage of parts before construction commences – as hard standing rate above.

Whilst construction takes place - £59.12 per day plus hard standing charge for parts.

Charges for building aquaculture cages in harbour waters will be based on the area times an assumed GROSS TONNAGE. Therefore charges will be levied as per Scale A plus hard standing charge for parts.

## **CHARGES FOR HARBOUR CRAFT AND PLANT**

8. A daily hire rate for any of the following plant can be negotiated at time of hire.

\* Hire of the Scalloway Harbour Launch per hour or part thereof £72.00

\* Hire of Fork Lift Truck per hour or part thereof £33.70

\* Hire of power washers per hour or part thereof £15.42

\* These items are based at Scalloway Harbour.

**SCALLOWAY HARBOUR AREA**  
**SCHEDULE OF PILOTAGE CHARGES**  
**(PILOTAGE ACT 1987)**

**Effective from 1 April 2008**

1. The following charge is payable for piloting a vessel less than 300 Gross Tonnage inwards or outwards in the Pilotage District to or from either an anchorage, buoy or berth and for each piloted movement within the harbour: -  

Per act of pilotage	£29.85
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2. Vessels in excess of 300 Gross Tonnage entering Scalloway Harbour shall pay the following charge, which is a proportion of a composite harbour charge levied on all such vessels: -  

Per gross ton	£0.09
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3. A charge of £27.39 per hour or part thereof shall be applicable in the following cases: -
  - i) When a pilot is requested for the departure, shifting or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, shift or arrival;
  - ii) when a pilot is requested and the request is cancelled after the pilot has set out to undertake pilotage, and
  - iii) for detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered.
4. Vessels that are being towed by a vessel under pilotage and any vessel being led within the Pilotage District by a vessel, which is under pilotage, shall pay pilotage dues as if the pilot were on board.
5. Marine Officers of the Shetland Islands Council undergoing training may from time to time accompany the licensed pilot but such trainees shall not be considered to be assistants to the pilot and no extra charge shall accrue to any vessel in respect of such trainees.
6. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.

7. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
8. Special rates are applicable for the performance of duties outside those normally associated with pilotage and these are available on request from the General Manager – Ports and Harbours Operations.

## **SCALLOWAY HARBOUR AREA**

### **SCHEDULE OF BOARDING AND LANDING CHARGES**

#### **(PILOTAGE ACT 1987)**

**Effective from 1 April 2008**

1. For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee of: -  
  
£72.00 per hour or part thereof for use of the pilot cutter plus, outside normal working hours, there shall be an additional charge for labour involved. Rates available on application.
2. If the pilot launch is detained by virtue of any of the circumstances in paragraph three of the scale of charges for pilotage a charge shall apply as follows: -  
  
For each hour or part thereof      £72.00
3. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
4. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.

The Shetland Islands Council reserves the right to apply discretionary rates to any charge in the Table of Dues on application.









## REPORT

To: **Special Harbour Board  
Shetland Islands Council**

**31 January 2008  
7 February 2008**

From: **Management Accountancy Service Manager  
Executive Services Department**

### **PORTS AND HARBOUR ESTIMATES – 2008/09 REPORT NUMBER: F-001-F**

#### **1.0 Introduction**

- 1.1 On 31 October 2007 (min ref: 144/07), the Shetland Islands Council approved the budget strategy to be adopted for the Harbour Account for the 2008/09 revenue estimates process.
- 1.2 Members agreed that the Harbour Account should continue to pursue efficiency savings and appropriate charging levels to restore a higher level of profitability at the Port of Sullom Voe by 2009/10.

#### **2.0 Links to Corporate Priorities**

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to prioritising and planning so we can sustain the services we want to provide and help develop our economy, in particular, to keep revenue budgets within sustainable limits.

#### **3.0 2008/09 Estimates Compared to Ceiling**

##### **3.1 Support and Recharged Ledgers**

##### **3.1.1 Ports & Harbours**

Appendix A(1) compares the 2008/09 Support Ledger estimates put forward by the General Manager Ports and Harbours against

the ceiling set by the Council. The position is summarised in the following table:

Table 1 Ports & Harbours Support Ledger	2008/09 Ceiling £000	2008/09 Budget £000	2008/09 Variance £000
Income	-13.2	-16.3	3.0
Employee Costs	823.0	857.7	-34.7
Operating Costs	222.8	232.5	-9.7
Net Controllable Expenditure	1032.6	1073.9	-41.4
Financing Costs	17.7	17.7	0.0
Net Recharges	-1050.3	-1091.6	41.4
Total Net Expenditure	0.0	0.0	0.0

3.1.2 Table 1 shows that there is an adverse variance in Net Controllable Departmental expenditure on the Support Ledger of £0.041m. This is due to the ceiling being reduced by inflation + 1% in line with the approved Council budget strategy. However annual wage awards will be due in 2008/09 resulting in an adverse variance.

3.1.3 Appendix A(2) compares the 2008/09 Recharged Ledger estimates put forward by the General Manager Ports & Harbours against the ceiling set by the Council. The position is summarised Table 2 below:

Table 2 Ports & Harbours Recharged Ledger	2008/09 Ceiling £000	2008/09 Budget £000	2008/09 Variance £000
Income	-27	-46	19
Employee Costs	592	608	-16
Operating Costs	3100	5338	-2238
Net Controllable Expenditure	3665	5900	-2235
Financing Costs	0	0	0
Net Recharges	-3665	-5900	2235
Total Net Expenditure	0	0	0

3.1.4 The overall Net Departmental controllable expenditure is £2.235m higher than the ceiling for 2008/09. The majority of this (£1.9m) is due to an increase in the Council's jetty maintenance contract with

BP, which is wholly funded by BP. The income for which is shown in the Harbour Account. The remaining increase is on the tugs boats electricity costs. These vessels now have shore power instead of using generators to power the vessel when lying alongside the tug jetty (£0.348m). All costs in relation to the Harbour are charged to the Harbour Account.

## 3.2 Harbour Account

### 3.2.1 Ports & Harbours

Appendix A(3) compares the 2008/09 Harbour estimates put forward by the General Manager Ports & Harbours against the ceiling set by the Council. The position is summarised in the following table:

Table 3 Ports & Harbours Harbour Ledger	2008/09 Ceiling £000	2008/09 Budget £000	2008/09 Variance £000
Income	(15,271)	(12,915)	(2,356)
Income Jetties Contract	(1,471)	(3,385)	1,914
Employee Costs	5,368	5,416	(48)
Operating Costs	1,342	1,200	142
Transfer Payments	77	79	(2)
Net Controllable Expenditure	(9,955)	(9,605)	(349)
Financing Costs	286	421	(136)
Net Recharges	4,669	6,850	(2,181)
Total Net (Income)/Expenditure	(5,000)	(2,334)	(2,666)

3.2.2 Table 3 shows that there is an unfavourable variance on the Harbour Ledger of £2.666m against the ceiling which was set at achieving a £5m net income in line with the long term financial strategy. This has not been achieved with reduced Harbour and Towage income resulting from reduced throughput. The current financial plans of the Council assumed a recovery in performance to £5m of income on the Harbour by 2008/09, however, the budget for 2008/09 suggests that it will only generate income of £2.334m.

3.2.3 The increase in income from the Jetties Contract is offset by the increase in the net recharges (where the costs are entered from the Recharged Ledger). This is wholly funded by BP.

3.2.4 The Ports and Harbours service is being reviewed and reports will be coming forward throughout 2008/09 to continue to reduce

costs on the Harbour operation in order to meet the long term financial plan and make the operation sustainable into the future.

- 3.2.5 Appendix B(1) and B(2) compare the 2007/08 estimates to the ceiling by cost centre for the Ports & Harbours service.

### **3.3 Review of Charges**

- 3.3.1 A separate report on the Table of Dues is being presented to the Harbour Board today and as such does not form part of this report. However it should be noted that Sullom Voe Harbour charges are proposed to increase by 8% and income arising from that level of charging is included in these estimates.

## **4.0 Financial Implications**

- 4.1 Ports & Harbour's Support and Recharged Services are over the net controllable ceilings by £0.041m and £2.235m respectively. The Harbour estimates show an unfavourable performance against the target income generation level of £5m for 2008/09, with net income expected to be £2.334m, some £2.666m under this target. This is a significant shortfall against the assumptions included in the Council's financial planning. Any future projections will need to take account of this shortfall and its impact.

## **5.0 Policy and Delegated Authority**

- 5.1 In terms of Section 16 of the Council's Scheme of Delegation, the Harbour Board will be responsible for monitoring current budgets and approving future budgets for submission to the Council for approval.

## **6.0 Conclusions**

- 6.1 In summary this report sets out the proposed Harbour estimates for 2008/09 financial year, as put forward by the General Manager Ports & Harbours detailed in Appendices A(1), A(2), A(3), B(1) and B (2). These estimates have been compared against the ceilings set by the Council's budget strategy and explanations of any major variances from ceiling have been given.
- 6.2 The budgets put forward by the General Manager Ports & Harbours on the Support Ledger is marginally over ceiling (£0.041m), on the Recharged Ledger are over the target (£2.235m) mainly due to the increased size of the Jetties Maintenance contract. The Harbour Account is budgeted to generate £2.666m less than the planned target of £5m. This shortfall will have to be taken into account in future financial projections.

- 6.3 A review of charges is discussed in a separate report titled "Harbour Dues 2008/09".

## **7.0 Recommendations**

- 7.1 I recommend that the Harbour Board consider and accept the 2008/09 estimates contained in Appendices A(1), A(2), A(3) and B(1), B(2);
- 7.2 subject to the above, these estimates should be forwarded for consideration by the Council at the final budget-setting meeting on the 7 February 2008.

Date: 23 January 2008  
Our Ref: HKT/E/1/2008(P&H)

Report No: F-001-F





**SUPPORT : 2008/09 ESTIMATE COMPARED TO 2008/09 CEILING**

**PORTS & HARBOURS**

	<b>CEILING 2008/09 £</b>	<b>BUDGET 2008/09 £</b>	<b>FAV/(ADVERSE) VARIANCE £</b>
<b>INCOME</b>			
Client Receipts	-	(650)	650
Financing	(13,144)	(15,518)	2,374
Grants	-	-	-
Reimbursements	(102)	(100)	(2)
Rents	-	-	-
<b>TOTAL INCOME</b>	<b>(13,246)</b>	<b>(16,268)</b>	<b>3,022</b>
<b>EXPENDITURE</b>			
<b>Employee Costs</b>			
Allowances	25,833	28,019	(2,186)
Basic Pay	608,244	630,070	(21,826)
Bonus	-	-	-
National Insurance	52,068	53,530	(1,462)
Other	20,751	21,259	(508)
Overtime	15,180	15,461	(281)
Pension Contributions	100,918	109,365	(8,447)
Sub-Total (Employee Costs)	822,993	857,704	(34,711)
<b>Operating Costs</b>			
Administration	36,172	37,350	(1,178)
Agency Payments	-	4,000	(4,000)
Property and Fixed Plant	88,856	86,042	2,814
Supplies and Services	27,768	34,240	(6,472)
Transport & Mobile Plant	70,033	70,861	(828)
Sub-Total (Operating Costs)	222,829	232,493	(9,664)
Transfer Payments	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>1,045,822</b>	<b>1,090,197</b>	<b>(44,375)</b>
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>1,032,576</b>	<b>1,073,929</b>	<b>(41,353)</b>
Financing Costs	17,704	17,704	-
Recharges In/Out	(1,050,280)	(1,091,633)	41,353
<b>TOTAL SUPPORT</b>	<b>-</b>	<b>-</b>	<b>-</b>

**RECHARGED LEDGER : 2008/09 ESTIMATE COMPARED TO CEILING**

**PORTS & HARBOURS**

	<b>CEILING 2008/09 £</b>	<b>BUDGET 2008/09 £</b>	<b>FAV/(ADVERSE) VARIANCE £</b>
<b>INCOME</b>			
Client Receipts	(19,380)	(23,500)	4,120
Financing	(7,140)	(22,000)	14,860
Grants	-	-	-
Reimbursements	-	(50)	50
Rents	-	-	-
<b>TOTAL INCOME</b>	<b>(26,520)</b>	<b>(45,550)</b>	<b>19,030</b>
<b>EXPENDITURE</b>			
<b>Employee Costs</b>			
Allowances	39,862	46,786	(6,924)
Basic Pay	359,382	371,028	(11,646)
Bonus	-	-	-
National Insurance	35,978	37,231	(1,253)
Other	2,733	2,928	(195)
Overtime	97,895	90,480	7,415
Pension Contributions	56,132	59,209	(3,077)
Sub-Total (Employee Costs)	591,983	607,662	(15,679)
<b>Operating Costs</b>			
Administration	18,353	19,767	(1,414)
Agency Payments	103,216	1,156,975	(1,053,759)
Property and Fixed Plant	530,218	700,886	(170,668)
Supplies and Services	150,024	276,554	(126,530)
Transport & Mobile Plant	2,298,076	3,183,578	(885,502)
Sub-Total (Operating Costs)	3,099,887	5,337,760	(2,237,873)
Transfer Payments	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>3,691,869</b>	<b>5,945,422</b>	<b>(2,253,553)</b>
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>3,665,349</b>	<b>5,899,872</b>	<b>(2,234,523)</b>
Financing Costs	-	-	-
Recharges In	6,977	4,600	2,377
Recharges Out	(3,672,326)	(5,904,472)	2,232,146
<b>TOTAL RECHARGED</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SHETLAND ISLANDS COUNCIL  
2008/09 REVENUE ESTIMATES**

**APPENDIX A(3)**

**HARBOUR ACCOUNT : 2008/09 ESTIMATE COMPARED TO CEILING**

**PORTS & HARBOURS**

	<b>CEILING 2008/09 £</b>	<b>BUDGET 2008/09 £</b>	<b>FAV/(ADVERSE) VARIANCE £</b>
<b>INCOME</b>			
Client Receipts	(1,606,205)	(3,432,152)	1,825,947
Financing	(1,003,472)	(762,560)	(240,912)
Harbour Charges	(14,132,299)	(12,102,608)	(2,029,691)
Reimbursements	(102)	(10)	(92)
Rents	-	(2,500)	2,500
<b>TOTAL INCOME</b>	<b>(16,742,078)</b>	<b>(16,299,830)</b>	<b>(442,248)</b>
<b>EXPENDITURE</b>			
<b>Employee Costs</b>			
Allowances	527,218	479,727	47,491
Basic Pay	3,488,223	3,523,378	(35,155)
Bonus	129,529	134,273	(4,744)
National Insurance	389,465	389,053	412
Other	24,386	27,131	(2,745)
Overtime	253,124	251,504	1,620
Pension Contributions	555,999	610,948	(54,949)
Sub-Total (Employee Costs)	5,367,942	5,416,014	(48,072)
<b>Operating Costs</b>			
Administration	182,738	187,664	(4,926)
Agency Payments	9,045	9,000	45
Property and Fixed Plant	398,786	475,345	(76,559)
Supplies and Services	225,682	147,099	78,583
Transport & Mobile Plant	525,787	380,483	145,304
Sub-Total (Operating Costs)	1,342,038	1,199,591	142,447
Transfer Payments	77,410	79,000	(1,590)
<b>TOTAL EXPENDITURE</b>	<b>6,787,390</b>	<b>6,694,605</b>	<b>92,785</b>
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(9,954,688)</b>	<b>(9,605,225)</b>	<b>(349,463)</b>
Financing Costs	285,573	421,119	(135,546)
Recharges In/Out	4,669,115	6,850,420	(2,181,305)
<b>TOTAL HARBOUR ACCOUNT</b>	<b>(5,000,000)</b>	<b>(2,333,686)</b>	<b>(2,666,314)</b>

**HARBOUR ACCOUNT : 2008/09 ESTIMATE COMPARED TO CEILING**

**MARINE OPERATIONS DEPARTMENT**

**Cost Centre Summary**

		<b>CEILING</b>	<b>BUDGET</b>	<b>UNDER/(OVER)</b>
		<b>2008/09</b>	<b>2008/09</b>	<b>2008/09</b>
		<b>£</b>	<b>£</b>	<b>£</b>
PRM0150	Canteen Service	24,804	27,205	(2,401)
PRM2002	Transfer to Funds	(1,400,760)	(1,400,760)	-
PRM2100	Sullom Voe	(6,544,752)	(5,163,861)	(1,380,891)
PRM2101	B & L Sullom Voe	(37,821)	(175,486)	137,665
PRM2102	Pilotage Sullom Voe	(622,219)	(644,107)	21,888
PRM2103	Mooring Sullom Voe	(273,955)	(275,981)	2,026
PRM2110	Marine Officers	1,159,397	1,044,227	115,170
PRM2111	Launch Crews	1,099,035	1,151,445	(52,410)
PRM2112	Towage Crews	(2,550,510)	(1,356,299)	(1,194,211)
PRM2116	Pollution Control	56,601	57,902	(1,301)
PRM2120	SOTEAG	13,497	12,130	1,367
PRM2121	SVA	77,410	79,000	(1,590)
PRM2122	SVOSAG	11,023	11,280	(257)
PRM2140	Nav Aids/Comms - SV	234,110	229,714	4,396
PRM2141	Buildings - SV	176,965	176,161	804
PRM2142	Pilot Boats - SV	276,566	266,605	9,961
PRM2143	Mooring Boats - SV	92,411	63,863	28,548
PRM2144	Workboats - SV	48,903	47,262	1,641
PRM2145	Vehicles - SV	93,801	98,449	(4,648)
PRM2146	Plant - SV	91,649	87,683	3,966
PRM2147	Sellaness Tug Jetty	108,028	96,786	11,242
PRM2148	Tug Boats - SV	1,410,713	1,892,564	(481,851)
PRM2150	Jetties/Spur Booms - SV*	-	-	-
PRM2200	Blacksness	334,766	218,251	116,515
PRM2201	B & L Scalloway	(5,175)	(7,000)	1,825
PRM2202	Pilotage Scalloway	(12,371)	(10,640)	(1,731)
PRM2205	Nav Aids Scalloway	135,423	128,504	6,919
PRM2206	Pilot Boat Scalloway	22,047	5,640	16,407
PRM2207	Workboat Scalloway	54,497	53,177	1,320
PRM2208	Vehicles Scalloway	3,846	5,077	(1,231)
PRM2300	Baltasound	261,913	279,483	(17,570)
PRM2301	Collafirth	24,255	43,401	(19,146)
PRM2302	Toft	9,337	18,148	(8,811)
PRM2303	Garth & Graven Pier	20,811	19,836	975
PRM2310	Billister	6,949	13,959	(7,010)
PRM2312	Cullivoe	118,456	115,717	2,739
PRM2313	Easterdale	4,527	4,410	117
PRM2314	Fair Isle	14,806	13,360	1,446
PRM2315	Hamnavoe	8,236	12,661	(4,425)
PRM2316	Melby Pier	3,140	3,347	(207)
PRM2317	Mid Yell	44,111	46,770	(2,659)
PRM2318	Out Skerries	99,490	98,808	682
PRM2319	Symbister	235,779	211,618	24,161
PRM2320	Toogs	6,466	6,500	(34)
PRM2321	Uyeasound	9,030	8,674	356
PRM2322	Vaila/Grutness	16,517	11,146	5,371
PRM2323	West Burrafirth	38,088	39,555	(1,467)
PRM2324	Humber Inflatable	75	62	13
PRM2325	Orkney Spinner	24	19	5
PRM2326	Avon Searider	59	49	10
		<b>(5,000,000)</b>	<b>(2,333,686)</b>	<b>(2,666,314)</b>

\* Note: Jetties/Spur Booms wholly funded by Sullom Voe Terminal Operators.  
The budget for 2008/09 is £3,385,177

**RECHARGED LEDGER : 2007/08 ESTIMATE COMPARED TO CEILING**

**MARINE OPERATIONS DEPARTMENT**

**Cost Centre Summary**

		<b>CEILING</b>	<b>BUDGET</b>	<b>UNDER/(OVER)</b>
		<b>2007/08</b>	<b>2007/08</b>	<b>CEILING</b>
		<b>£</b>	<b>£</b>	<b>£</b>
VRM3200	Port Engineering Services	615,401	629,310	(13,909)
VRM3205	Nav Aids Sullom Voe	34,758	33,765	993
VRM3206	Radar Sullom Voe	18,072	14,796	3,276
VRM3207	VHF Radio Sullom Voe	11,974	9,000	2,974
VRM3210	Maintenance Workshop	63,948	67,369	(3,421)
VRM3211	Helicopter Hangar	3,428	1,237	2,191
VRM3212	Meteorological Office	2,502	2,141	361
VRM3213	Long Term Store	2,800	2,301	499
VRM3214	Crew Accommodation	7,259	6,425	834
VRM3215	Pollution Store	16,486	14,303	2,183
VRM3221	Sullom Shoormal	42,906	40,331	2,575
VRM3222	Sullom Spindrift	45,560	38,824	6,736
VRM3223	Sullom Spray	40,754	38,819	1,935
VRM3225	Dunter	220,409	260,127	(39,718)
VRM3226	Shalder	199,619	360,477	(160,858)
VRM3227	Stanechakker	154,274	223,207	(68,933)
VRM3228	Tirrick	268,974	314,577	(45,603)
VRM3229	Tystie	220,409	252,992	(32,583)
VRM3230	Sullom A	13,198	7,039	6,159
VRM3231	Sullom B	13,198	7,039	6,159
VRM3232	Sullom C	13,198	7,039	6,159
VRM3235	Vehicles Sullom Voe	31,246	34,963	(3,717)
VRM3236	Boat Hoist	2,994	(1,231)	4,225
VRM3237	Small Plant	5,146	4,400	746
VRM3239	Sullom Shearwater	16,606	14,687	1,919
VRM3240	Tug Jetty	47,948	52,578	(4,630)
VRM3250	Jetty 1*	539,561	369,159	170,402
VRM3251	Jetty 2*	314,352	1,403,834	(1,089,482)
VRM3252	Jetty 3*	146,020	369,159	(223,139)
VRM3253	Jetty 4*	188,109	942,535	(754,426)
VRM3254	Construction Jetty*	27,709	28,000	(291)
VRM3255	Spur Booms*	12,083	12,210	(127)
VRM3257	Jetties Maintenance Contract*	-	-	-
VRM3261	Nav Aids Scalloway	10,886	8,525	2,361
VRM3262	Offices & Stores Scalloway	31,098	27,966	3,132
VRM3263	Fish Market	32,323	4,929	27,394
VRM3264	Piers Scalloway	68,071	55,627	12,444
VRM3266	Vehicles Scalloway	1,851	3,082	(1,231)
VRM3267	Lyrie	15,695	13,958	1,737
VRM3270	Baltasound Pier Maintenance	13,373	34,297	(20,924)
VRM3271	Collafirth Pier Maintenance	7,891	28,297	(20,406)
VRM3272	Toft Pier Maintenance	2,983	11,359	(8,376)
VRM3273	Garth Pier Maintenance	8,503	7,250	1,253
VRM3280	Billister Pier Maintenance	795	7,666	(6,871)
VRM3282	Cullivoe Pier Maintenance	41,270	60,046	(18,776)
VRM3283	Easterdale Pier Maintenance	1,450	1,263	187
VRM3284	Fair Isle Pier Maintenance	7,665	6,554	1,111
VRM3285	Hamnavoe Pier Maintenance	2,008	6,273	(4,265)
VRM3286	Melby Pier Maintenance	63	56	7
VRM3287	Mid Yell Pier Maintenance	6,490	14,123	(7,633)
VRM3288	Out Skerries Pier Maintenance	7,549	6,534	1,015
VRM3289	Symbister Pier Maintenance	44,722	24,789	19,933
VRM3290	Toogs Pier Maintenance	312	207	105
VRM3291	Uyeasound Pier Maintenance	2,876	2,381	495
VRM3292	Vaila/Gruting Pier Maintenance	11,411	4,408	7,003
VRM3293	West Burrafirth Pier Maintenance	12,140	13,470	(1,330)
		<b>3,672,326</b>	<b>5,904,472</b>	<b>(2,232,146)</b>





## **REPORT**

**To: Special Harbour Board 31 January 2008**

**From: Port Engineer, Ports and Harbours Operations**

**Report No: P&H-07-08-F**

**Subject: Revised Permit To Work Arrangements, Sullom Voe Terminal  
- Further Legal Advice**

### **1 Introduction**

- 1.1 A report (P&H-04-08-F) was submitted to the Harbour Board on 10 January 2008, regarding the transfer of Permit to Work coordination on the SVT jetties, from BP to the Shetland Islands Council.
- 1.2 Concerns were expressed at this meeting, that full legal consideration had not been given to the issue, and whether the transfer would increase liability on the Council's part.
- 1.3 Following a discussion with Legal Services and Safety and Risk Management, this report seeks to advise and reassure Members of the Board.

### **2 Background**

- 2.1 A Permit to Work System is basically a clearly defined set of procedures that must be followed, to allow a piece of work to be carried out. Items for consideration in such a system will include a clear definition of the work required, risk assessment, energy isolation, hazardous materials, adjacent work and any other factors that may present a hazard to the operatives. When a permit to work is issued, it will authorise the operative(s) to work on the specified piece of plant for a pre-determined period of time.

### **3. Proposed Arrangements – Legal Advice**

- 3.1 A meeting was held on Tuesday 15 January to discuss the legal issues pertaining to the transfer of control. Present at the meeting were representatives from Ports and Harbours, Safety and Risk Management and Legal Services.

3.2 The full details of the transfer were explained, and the following advice was given:

3.2.1 Safety and Risk Management – Safety

It is the opinion of the Councils Safety Manager, that the proposals contained in the original report on this subject are to be welcomed. They will allow Shetland Islands Council to fully meet its obligations under the Health and Safety at Work etc. Act 1974, with regard to engineering maintenance on the SVT jetties.

3.2.2 Safety and Risk Management – Insurance

Representatives from the Insurance Section were unavailable for the meeting; however, they have advised that the Council would be better able to defend any claims made against it following the transfer of control.

3.2.3 Legal Services

The advice given by Legal Services, is that the proposed transfer of the control of permits to work on the SVT jetties, will not increase Shetland Islands Councils liability in either Health and Safety or Commercial risk aspects. The Council is already liable for the work it undertakes on its own equipment, by its own staff, and the fact that BP currently issues permits to work, in no way reduces this liability.

It should be noted, that this matter was given full consideration by Legal Services during the agenda management process for the original report. Consultation between Legal Services and the Safety and Risk Section took place at that time, and no concerns were expressed by either party.

3.2.4 Health and Safety Executive Guidance

The Health and Safety Executive publish guidance on permit to work systems, in HSG250. This guidance will be followed in the implementation of the new system.

**4. Links to Corporate Priorities**

4.1 This report concerns changes to the permit system for carrying out maintenance on the jetties at Sullom Voe and would contribute to the Corporate Improvement Plan target of "providing a safe and healthy workplace for all employees".

**5 Financial Implications**

5.1 There are no expenditure implications as a result of this report.



## **6 Policy and Delegated Authority**

- 6.1 The Harbour Board has full delegated authority for the oversight and decision making in respect of the management and operation of the Council's Harbour undertakings in accordance with overall Council policy and the requirements of the Port Marine Safety Code as described in Section 16 of the Council's Scheme of Delegations. As the terms of this report relates to operational matters there are no policy implications.

## **7 Recommendation**

- 7.1 I recommend that the Harbour Board note the contents of this report.