



Shetland Islands Council

REPORT

To: Harbour Board

03 March 2010

From: Harbour Master / Head of Service

Report No: P&H-07-10-F

Subject: New Business

1. Introduction

- 1.1. This report is to brief and inform Members of the New Business within Ports and Harbours Operations.

2. Link to Council Priorities

- 2.1. The report promotes the ideals from the Corporate Plan of sustainable economy.

3. Risk Management

- 3.1. This report is for information only and there are no new identified risks associated with this report.

4. New Business

- 4.1. At the time of composing this report, there have been no Ship-to-Ship (StS) transfers since the last Harbour Board. However it is believed that the same company will carry out further operations in the near future. Initial enquiries on future StS operations have also been received from other interested parties and are currently being followed up.
- 4.2. A visit to a number of oil companies in the London area was made on 23 and 24 November 2009, to further advertise and promote the port as a StS location. The meetings were positive and follow up visits are now required. It is hoped that meetings can be scheduled for late March 2010.
- 4.3. Work is progressing in partnership with Economic Development Unit, to secure new business for Shetland Islands Council Ports and Harbours Operations, in relation to the proposed Total gas plant. This includes work involved with facilitating the build process, use of Ports and Harbours land

and offices and into the future with the provision of services for supplies and standby boats.

- 4.4. There has been a lot of interest expressed in the Sella Ness industrial estate land by a number of different companies. Officials from both Ports and Harbours and the Economic Development Unit, have been promoting and encouraging interested parties to consider developing their businesses in the vicinity of Sella Ness and the industrial estate. Should any of these interested parties succeed, it is hoped that some of the money raised will contribute to the income of the Harbour Account.
- 4.5. The Operations Manager – Ports, is progressing on arrangements to attend the Glasgow Fishing Exhibition and promotional visits to selected off shore operators.

4 Financial Implications

- 4.1 This report is for noting only. There are no financial implications arising from this report.

5 Policy and Delegated Authority

- 5.1 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 the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations. However, this report is for information only and there are no policy and Delegated Authority issues to be addressed.

6 Recommendations

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

24 February 2010
Our Ref: RM/LAB RO-NB

Report No: P&H-07-10-F



REPORT

To: Harbour Board

From: Harbour Master

Report No: P&H-16-10-F

Subject: Ports Project Monitoring Report

05 March 2010

1 Introduction

- 1.1 The most up to date information on all projects is incorporated in this report.
- 1.2 Budget Information is attached as Appendix A.

2 Links to Corporate Plan

- 2.1 Projects in this report would make contributions to the Council's priorities of strengthening rural areas and supporting the local economy.

3 Risk Management

- 3.1 The contents of this report are for noting only. Each project has been assessed prior to commencement. There are therefore no new risks raised in this report.

4 Reserve Fund Programme Areas

4.1 Dock Symbister – RCM 2309

- 4.1.1 As previously agreed, no further work will be done on the project until a decision is reached on the location of the new Whalsay ferry terminal.

4.2 Tug Replacement Programme - RCM 2313

- 4.2.1 General work appears to be proceeding smoothly and is being supervised by on site superintendents.
- 4.2.2 Both tugs have now been successfully launched and moved to a lay-by berth for finishing off.
- 4.2.3 Work is progressing well on tug build number 2.

4.2.4 Some photographs of the progress will be provided at the meeting as Appendix B.

4.2.5 Work on applying for the Safe Manning Document is ongoing.

4.2.6 The project currently remains on budget with delivery of the first tug expected by early April 2010.

4.3 Uyeasound – RCM 2314

4.3.1 The facility is now complete and in service with an identified under spend.

4.3.2 A number of small items remain on the snagging list, which should be completed before the end of the defects period on 22 April 2010.

4.4 Walls – RCM 2316

4.4.1 Due to an under spend on the Uyeasound Pier Project, additional monies have been identified that will enable both marine site investigation and design work to proceed this financial year.

4.4.2 The site-based part of the marine site investigation is complete. Laboratory testing of samples is underway and a report on the findings of the site investigation should be available in March 2010.

4.4.3 Funding for Walls Pier was approved by Members in the Capital programme for 2010/11. It is intended that a Contractor be appointed in autumn 2010 to allow preliminary site works to be undertaken and materials to be ordered in preparation for piling work beginning in early 2011.

4.4.4 Land acquisition is currently being progressed by the Council's Asset and Properties Unit. Work is ongoing in preparation for a planning application, which should be ready for submission in March 2010.

4.5 Water Main Scalloway RCM 2315

4.5.1 Tender documents and drawings are substantially complete. An advert seeking expressions of interest from Contractors will be advertised in the media in the near future.

4.5.2 Works are still anticipated to commence on site by summer 2010.

4 Harbour Account

4.1 Plant, Vehicles and Equipment – PCM 2101

4.1.1 In consultation with the Fleet Management Unit, three workshop vehicles will be replaced this year.

4.1.2 A replacement forklift has been ordered.

- 4.1.3 The remaining funds will be used to purchase small items of plant required for the workshop, including a new compressor and last cleaning cabinet.

It is anticipated that the budget will be fully utilised.

4.2 Navigational Aids – PCM 2104

- 4.2.1 Replacement buoys and LED lights have now been ordered for the harbour.
- 4.2.2 The Navigator internal telephone-switching device in VTS has now been replaced.
- 4.2.3 It is expected that this budget will be fully utilised this year.

5 **Revenue Projects**

5.1 Sullom Voe Terminal Jetty Maintenance Contract

- 5.1.1 Discussions are taking place with BP, to ensure programmed works are acceptable, and can be resourced.
- 5.1.2 Work on this year's element of the Contract will begin in earnest around the end of March or early April 2010.

6 **Other Business**

6.1 Scalloway Dredging – RCM 2208

- 6.1.1 This item is subject to a separate report.

6.2 Fetlar Breakwater GCY7214

- 6.2.1 Mathematical wave modelling has been completed and the shorter of the two breakwaters tested has been taken through to the final design.
- 6.2.2 Design is nearing completion and consents are being applied for following the decision to proceed with the shorter breakwater.
- 6.2.3 At its meeting of 28 October 2009, the Council approved their contribution to the funding of this project (Min. Ref. 142/09). A fresh application for European Regional Development Fund (ERDF) contribution was made and a sum of £300k has been approved.
- 6.2.4 Currently the project lies with the Transport section. However, some level of involvement of Ports and Harbours staff is likely. The breakwater will support a limited berthing facility for small craft that is likely to fall under the remit of Ports and Harbours.

6.3 Ports & Harbours Projects

6.3.1 Projects currently underway – 2009 / 2010 Financial Year

Underway			Annual Capital Budget
Tug Replacement Programme.	RCM 2313	Vessels due to be delivered first quarter 2010. Underspend from last year now included to bring total to	£13,246,794
Essential Maintenance		Ports & Harbours – Reserve Fund	
Water Main, Scalloway	RCM 2315	Tender package to be ready by January. £10K has been reallocated to RCM2316	£40,000
Peerie Dock	RCM 2309	Slippage from 08/09 to allow preliminary investigation prior to appointment of conservation engineer	£7,000
		Sub Total	£47,000
Service Improvements		Ports & Harbours – Reserve Fund	
Uyeasound Pier.	RCM 2314	Project effectively complete. £30K has been re-allocated to RCM 2316	£74,000
Walls Pier	RCM 2316	Marine site investigation approved. Estimate a further £50K required. Reallocation authorised of £30K from RCM2314, £10K from RCM2315 with remaining shortfall to come from PCM2101.	£140,000
		Sub Total	£214,000
		Reserve Fund Total	£261,000
Maintenance		Maintenance – Harbour Account	
Plant, Vehicles & Equipment.	PCM 2101	Maintenance – Harbour Account	£150,000
Navigational Aids.	PCM 2104	Maintenance – Harbour Account	£70,000
Dredging Consents, Scalloway.	RCM 2208	Surveys completed, consents are being progressed.	£0
		Harbour Account Total	£220,000

6.3.2 Future Years of Capital Programme

PORTS & HARBOURS - RESERVE FUND & HARBOUR ACCOUNT PROPOSED FUNDING FOR 2010-2014					
PORTS & HARBOURS – NEW TUGS					
Project	Approved Budget for 2010/11	2011/12	2012/13	2013/14	Total Project Costs
New Tugs	361,500				14,034,000

PORTS & HARBOURS - RESERVE FUND					
Essential Maintenance					
Project	Approved Budget for 2010/11	2011/12	2012/13	2013/14	Total Project Costs
Water Main, Scalloway	250,000				250,000
Fish Market Roof, Scalloway			150,000		150,000
Old Breakwater, Symbister			150,000		150,000
Skerries Pier				100,000	100,000
Sub Total	250,000	0	300,000	100,000	650,000
PORTS & HARBOURS - RESERVE FUND					
Service Improvements					
Project	2010/11	2011/12	2012/13	2013/14	Total Project Costs
Scalloway Dredging	3,000,000				3,000,000
West Pier Scalloway			5,000,000		5,000,000
Sella Ness Pier				7,000,000	7,000,000
Walls Pier	1,400,000	2,000,000			3,400,000
Sub Total	4,400,000	2,000,000	5,000,000	7,000,000	18,400,000
Reserve Fund Total	4,650,000	2,000,000	5,300,000	7,100,000	19,050,000

PORTS & HARBOURS - HARBOUR ACCOUNT					
Maintenance					
Project	2010/11	2011/12	2012/13	2013/14	Total Project Costs
Plant, Vehicles & Equip	70,000	70,000	70,000	70,000	280,000
Nav Aids - Sullom Voe	70,000	70,000	70,000	70,000	280,000
Tug Jetty CP System		200,000			200,000
Harbour Account Total	140,000	340,000	140,000	140,000	760,000

Note: Funding has been approved for 2010/11.

2011 onwards projects have not yet been approved.

6.3.3 Projects Requiring Consideration

Projects Requiring Consideration

Peerie Dock, Symbister

Administration Building, Sella Ness

Refurbishment of fire doors, lighting, suspended ceilings and flooring.

7 Revenue – Significant Maintenance in Other Areas

- 7.1 The passenger landing facility for Fair Isle has been designed and ordered from a local fabrication company. It is planned to have it installed by early spring 2010, ready for the cruise ship season. The Engineering Manager Ports visited Fair Isle on 19 February 2010 to meet with local island representatives and conduct a site inspection.

8 Financial Implications

- 8.1 This report is for information only. There are no financial implications arising from this report.

9 Policy and Delegated Authority

- 9.1 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 the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations. However, this report is for information only and there are no Policy and Delegated Authority issues to be addressed.

10 Recommendations

- 10.1 I recommend that the Harbour Board note the areas of progress.

25 February 2010
Our Ref: RM/LAB RO-PP

Report No: P&H-16-10-F

PORTS & HARBOURS - CAPITAL PROGRAMME

Appendix A

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2101	Plant, Vehicles & Equipment Equipment Works Contract	150,000	150,000 0	4,898 65,522	145,102 (65,522)
		Project Total	150,000	150,000	70,420	79,580

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2104	Navigational Aids, Sullom Voe Works Contract Equipment Transport Hired & Contracted Svs	70,000	0 70,000 0	2,846 0 10,287	(2,846) 70,000 (10,287)
		Project Total	70,000	70,000	13,133	56,867

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2309	Peerie Dock, Symbister External Consultants	0	7,000	5,644	1,356
		Project Total	0	7,000	5,644	1,356

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2313	Tugs for Sellaness Works Contract Hire/Rent Property Other repair & Maintenance Equipment Purchase Travel Subsistence External Consultants Recharges	11,152,000	13,066,910 0 0 0 0 0 0 0 179,884	9,127,143 17,575 2,843 560 11,855 2,511 163,127 0	3,939,767 (17,575) (2,843) (560) (11,855) (2,511) (163,127) 179,884
		Project Total	11,152,000	13,246,794	9,325,614	3,921,180

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2314	Uyeasound Harbour Works Equipment Purchase Miscellaneous Travel Costs Transport Hired & Contracted Svs Printing Other Government Grant		215,223 0 0 0 0 0 0 (141,223)	197,537 15 327 171 135 68 (141,223)	17,686 (15) (327) (171) (135) (68) 0
		Project Total	0	74,000	57,030	16,970

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2315	Scalloway Water Main Works	50,000	40,000	0	40,000
		Project Total	50,000	40,000	0	40,000

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2316	Walls Pier Works External Consultants	100,000	50,000 90,000	0 558	50,000 89,442
		Project Total	100,000	140,000	558	139,442

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 23rd February 2010 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2101	Plant, Vehicles & Equipment	150,000	150,000	70,420	79,580
Harbour Account	PCM2104	Navigational Aids, Sullom Voe	70,000	70,000	13,133	56,867
Reserve Fund	RCM2309	Peerie Dock, Symbister	0	7,000	5,644	1,356
Debt Charges on Harbour Account	RCM2313	Tugs for Sellaness	11,152,000	13,246,794	9,325,614	3,921,180
Reserve Fund	RCM2314	Uyeasound Harbour	0	74,000	57,030	16,970
Reserve Fund	RCM2315	Salloway Water Main	50,000	40,000	0	40,000
Reserve Fund	RCM2316	Walls Pier	100,000	140,000	558	139,442
SUMMARY		Projects Total	11,522,000	13,727,794	9,472,399	4,255,395



REPORT

To: Harbour Board

03 March 2010

From: Head of Service

Report No: P&H-10-10-F

Subject: Port Operations Report

1 Introduction

- 1.1 This report provides an overview of port operations since the issue of the last Port Operations Report.

2 Pilotage

2.1 Sullom Voe

- 2.1.1 Since the issue of the last Port Operations Report, pilotage operations have been mainly routine with no major incidents.

2.2 Scalloway

- 2.2.1 During January/February there were two acts of Pilotage.
- 2.2.2 There are ten authorised pilots for Scalloway. These are the ten pilots who are also authorised for Sullom Voe.
- 2.2.3 Details of ship visits to Scalloway are shown in Appendix A. Up to date figures will be provided to the next meeting.

2.3 Small Piers and Harbours

- 2.3.1 Appendix B shows the current actual income for small piers and harbours.

3 Staffing – Port Operations

- 3.1 Appendix C gives the staffing position as at 31 January 2010 showing a total of 132 staff.

4 Port Operations

4.1 Sullom Voe

4.1.1 Appendix D shows the exports and imports at the Port of Sullom Voe.

4.1.2 Appendix E is an abstract of weather delays for November and the cumulative totals for 2009.

4.1.3 Appendix J shows the Summary Net Controllable Expenditure for period (1st April to 31st December 2009)

4.2 Scalloway

4.2.1 Appendix F shows the fish landing statistics for Scalloway.

4.2.2 Appendix G shows the cargo statistics for Scalloway.

4.2.3 Appendix H shows the summary management accounts for Scalloway.

4.3 Small Piers and Harbours

4.3.1 Appendix I shows the summary management accounts for other small piers and harbours.

5 Shipping Standards

The following incidents have occurred since the last report.

5.1 Ship Incidents

5.1.1 On 21 January 2010 the Buckie fishing vessel, the Vela, grounded when entering Scalloway Harbour for shelter. At the time the N.5 buoy was unlit and this had been reported earlier that day. However weather conditions prevented repairs being carried out until the following day.

5.2 Pollution Incidents

5.2.1 There were no incidents during this period.

6 Sullom Voe Harbour Oil Spill Plan

6.1 The Scalloway Oil Spill Plan has been re-approved by the MCA for a further five years, to 25 January 2015.

7 Fishing 2010 Exhibition

- 7.1 The Economic Development Unit have agreed to undertake coordination of this event and are currently advertising for expressions of interest from local companies in participating in a Shetland Stand at the exhibition.
The LPA has indicated that it is interested in being on the Shetland Stand, subject to costs.

7 Policy and Delegated Authority

- 7.1 The Harbour Board has full delegated authority for oversight and decision making in respect of the management and operation of the Council's harbour undertaking 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 Delegation. The purpose of this report is to inform members on port operations which fall within the responsibility of the General Manager of Ports & Harbours Operations and does not seek any decision. However, this report is for information only and there are no Policy and Delegated Authority issues to address.

8 Financial Implications

- 8.1 There are no financial implications arising from this report.

9 Recommendation

- 9.1 This report is for noting.

SCALLOWAY 2009
Number of Vessels and GT Totals

APPENDIX A

	UK	UK	FOREIGN	FOREIGN	STANDBY/	STANDBY/	COMMERCIAL	COMMERCIAL	UK	UK	FOREIGN	FOREIGN	CRUISE	CRUISE
	COMM	COMM	COMM	COMM	OIL RELATED	OIL RELATED	(DISC RATE)	(DISC RATE)	FISHING	FISHING	FISHING	FISHING	SHIPS	SHIPS
	VISITS	GT	VISITS	GT	VISITS	GT	VISITS	GT	VISITS	GT	VISITS	GT	VISITS	GT
JANUARY	2	14	1	803	3	2923	2	4128	4	892	1	204	0	0
FEBRUARY	2	299	9	7914	1	680	1	2064	1	145	4	2196	0	0
MARCH	2	153	4	1965	2	1353	1	2064	13	2543	0	0	0	0
APRIL	2	142	1	1785	2	1341	0	0	4	1117	0	0	0	0
MAY	4	3558	8	1109	8	8447	2	4128	6	944	0	0	0	0
JUNE	6	437	8	2410	8	9505	0	0	9	1964	0	0	0	0
JULY	3	527	4	4173	5	3949	0	0	7	1480	0	0	0	0
AUGUST	2	170	0	0	3	6464	0	0	4	775	0	0	0	0
SEPTEMBER	2	165	0	0	5	6102	0	0	4	687	0	0	0	0
OCTOBER	3	434	2	4510	5	3635	0	0	9	2255	0	0	0	0
NOVEMBER	0	0	0	0	0	0	0	0	13	2490	0	0	0	0
DECEMBER	4	3057	0	0	2	9062	0	0	1	164	0	0	0	0
	32	8956	37	24669	44	53461	6	12384	75	15456	5	2400	0	0

SCALLOWAY 2009
Number of Vessels and GT Totals

APPENDIX A

SALMON	UK	UK	FOREIGN	FOREIGN	SIC	LIFE	L/HOUSE				
CAGES	YACHT	YACHT	YACHT	YACHT	VESSEL	BOAT	TUG& MISC		TOTAL		TOTAL
VISITS	VISITS	GT	VISITS	GT	VISITS	VISITS	VISITS		VISITS		GT
11	0	0	0	0	0	0	2		26		8964
12	0	0	0	0	0	0	2		32		13298
5	0	0	0	0	0	0	4		31		8078
0	0	0	0	0	0	0	3		12		4385
0	0	0	1	0	0	0	1		30		18186
0	1	0	0	0	0	2	0		34		14316
0	0	0	1	12	1	0	1		22		10141
1	0	0	0	0	0	0	1		11		7409
0	0	0	0	0	0	0	2		13		6954
0	0	0	0	0	0	0	4		23		10834
0	0	0	0	0	0	0	3		16		2490
0	0	0	0	0	0	0	0		7		12283
29	1	0	2	12	1	2	23		257		117338

**Small Piers/Harbours - Income Received
April 2009 to January 2010**

APPENDIX B

	Baltasound	Collafirth	Cullivoe	Fair Isle	Hamnavoe	Mid Yell	Out Skerries	Symbister	Toft	Uyeasound	Walls	West Burrafirth	Scalloway
Metered Water Charge	(25.73)	0	0	0	0	0	0	0	0	0	0	0	(12,865.04)
Equipment and Plant Hire	0	0	0	0	0	0	0	0	0	0	0	0	(3,478.96)
SalmonTender Dues	(929.71)	0	0	0	0	0	0	0	0	0	0	0	0
Comp Annual Dues	0	(2,696.16)	(2,665.00)	0	(1,065.06)	(1,180.80)	(708.48)	(13,039.24)	(924.96)	(1,080.76)	(686.84)	(488.72)	(22,686.11)
Fish Landing Dues	0	(49.93)	(53,666.60)	0	0	(201.24)	(6.55)	(41.45)	(360.29)	0	0	(670.52)	(105,872.06)
Salmon Landing Dues	(1,012.13)	0	(17,856.75)	0	0	(3,531.91)	0	0	0	0	0	0	(73,447.14)
Hire of Net Bins	0	0	0	0	0	0	0	(223.71)	0	0	0	0	(2,534.17)
Storage Charges	(286.89)	0	0	0	0	(401.36)	0	0	0	0	(124.56)	(132.00)	(41,107.78)
Net Storage on Pier	0	0	0	0	0	0	0	0	0	0	0	0	0
Wharfage Charges	0	(42.12)	(66.30)	0	(6.73)	0	0	(345.18)	(76.22)	0	(56.49)	(99.22)	(11,880.70)
Staff Time Miscellaneous	(361.66)	0	0	0	0	0	0	0	0	0	0	0	0
Pleasure/Fishing Boat Dues	(952.44)	(1,054.73)	(945.42)	0	0	0	0	(510.38)	0	0	0	(218.51)	(7,143.91)
Ship Commercial Dues	(2,145.57)	0	(225.09)	(6.93)	0	(136.08)	0	(169.23)	(476.28)	0	0	(652.68)	(54,334.08)
Yacht Period Dues	(214.84)	0	0	0	0	(19.89)	0	(28.79)	0	0	0	(6.93)	(40.87)
Salmon Cages Dues	0	0	0	0	0	0	0	0	0	0	0	0	(35.54)
Cruise Ships	0	0	0	0	0	0	0	0	0	0	0	0	1388.80
Dues on Shellfish Landings	0	0	0	0	0	0	0	(215.28)	0	0	(739.42)	(215.28)	(1,027.04)
Metered Electricity	0	0	(4,484.07)	0	0	0	0	0	0	0	0	0	(9,479.44)
Income Harbour Activities	(5,928.97)	(3,842.94)	(79,909.23)	(6.93)	(1,071.79)	(5,471.28)	(715.03)	(14,573.26)	(1,837.75)	(1,080.76)	(1,607.31)	(2,483.86)	(344,544.04)
Phone Call Reimbursed	0	0	0	0	0	0	0	0	0	0	0	0	(22.04)
Sale of Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance Lease Income	0	0	(4,129.78)	0	0	(250.00)	0	(175.00)	0	0	0	0	(26,280.00)
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0	0	0	(1,000.00)
Income - Other	0	0	(4,129.78)	0	0	(250.00)	0	(175.00)	0	0	0	0	(27,302.04)
TOTAL INCOME	(5,928.97)	(3,842.94)	(84,039.01)	(6.93)	(1,071.79)	(5,721.28)	(715.03)	(14,748.26)	(1,837.75)	(1,080.76)	(1,607.31)	(2,483.86)	(371,846.08)

Staffing Position – 31 January 2010

<u>Post</u>	<u>Established Posts</u>	<u>Actual</u>	<u>Comments</u>
Harbour Master	1	1	
Marine Officer/Pilots	10	10	
VTS Operators	2	2	
Operations Manager – Ports	1	1	
Port Safety Officers	2	2	
Launch Crew Skippers	9	9	
Launch Crew Deckhands	13	12	
Tug – Masters	13	13	2 Acting UP
Tug - Chief Engineers	12	12	
Tug - 2 nd Engineers	8	7	
Tug - Mates	12	12	5 Temp contracts
Tug – Mate	1	1	(TUPE)
Tug - GPRs'	5	5	4 Temp contracts
Assistant Pier Masters (Scalloway)	3	3	
Full Time Harbour Assistant	1	1	
Part Time Harbour Assistants	9	8	
Administration Manager	1	1	
Senior Clerical Assistant	1	1	
Finance Assistants	5	3	
Clerical Assistant	3	2	
Cook	2	2	

Engineering Manager – Marine	1	1
Engineering Manager – Ports	1	1
Maintenance Planning Engineer	1	0
Engineering Supervisor	1	1
Electrical Engineer	3	2
Marine Engineer	3	3
Welder/Fabricator	2	2
Maintenance Engineer	1	1
Engineering Assistant	4	4
Apprentice – Electrical	1	1
Apprentice – Mechanical	1	1
General Assistant	2	2
Store Keeper	1	1
Storeman	1	1
Senior Stores Assistant	1	1
Stores Assistant	1	1
Driver	1	1
Total	140	132

Ports & Harbours Operations

Abstract of Weather Caused Delays at 30 November 2009

	Monthly Totals			Cumulative Totals		
	Days	Hours	Mins	Days	Hours	Mins
Berthing Suspension	04	45	00	30	10	30
Unberthing Suspension	00	00	00	00	00	00
Loading Suspension	00	00	00	00	13	06
Boatwork Suspension	02	15	12	03	11	12
Pilotage Suspension	00	00	00	00	06	00
Helicopter Usage	00	00	00	00	00	00
Tug/Pilot Standby	00	00	00	00	00	00
Total Disruption - all Causes	07	09	24	33	10	42
Actual Delays Due to Weather	01	16	48	07	20	12

**Fish Landing Statistics - Scalloway
2009/2010**

APPENDIX F

		APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH		TOTAL
FISH LANDINGS - SCALLOWAY															
Fish Landed Through Market (Boxes)		5121	5702	5319	4414	4982	5882	7351	8099	5627	0	0	0		52497
Fish Not Put Through Market (Boxes)		440	400	522	0	0	0	0	0	0	0	0	0		1362
Mackerel Landings		0	0	20	113.25	321	177.75	0	0	0	0	0	0		632
TOTAL NO OF BOXES - (Boxes)		5561	6102	5861	4527.25	5303	6059.75	7351	8099	5627	0	0	0		54491

		APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH		TOTAL
FISH LANDINGS - CULLIVOE															
Fish Landed Through Market (Boxes)		4258	5156	2570	1173	1885	1505	844	1505	0	0	0	0		18896
Fish Not Put Through Market (Boxes)		0	0	312	0	902	140	0	0	0	0	0	0		1354
Mackerel Landings		0	0	0	0	0	0	0	0	0	0	0	0		0
TOTAL NO OF BOXES - (Boxes)		4258	5156	2882	1173	2787	1645	844	1505	0	0	0	0		20250

SCALLOWAY															
DUES PAID ON FISH LANDINGS		PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD		
(Rate = £0.025 per £1.00 Value)		00/01	00/02	00/03	00/04	00/05	00/06	00/07	00/08	00/09	00/10	00/11	00/12		TOTALS
LHD Ltd		9882.36	4239.17	14611.17	5501.24	6613.40	9819.20	10211.05	12178.68	14752.04	14476.28	0	0		102284.59
Other (Consigned Fish)		0	0	686.40	723.14	756.38	0	1019.07	0	0	0	0	0		3184.99
Mackerel Landings		0	0	0	0	0	0	402.48	0	0	0	0	0		402.48
TOTAL FOR LEDGER PERIOD		9882.36	4239.17	15297.57	6224.38	7369.78	9819.20	11632.60	12178.68	14752.04	14476.28	0.00	0.00		105872.06

CULLIVOE															
DUES PAID ON FISH LANDINGS		PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD		
(Rate = £0.025 per £1.00 Value)		00/01	00/02	00/03	00/04	00/05	00/06	00/07	00/08	00/09	00/10	00/11	00/12		TOTALS
LHD Ltd		6603.37	8215.77	4350.63	5040.99	2751.14	4539.96	5623.26	2191.83	2769.66	7960.5	0	0		50047.11
Other (Consigned Fish)		0	0	0.00	0	0	946.05	1961.64	0	0	711.80	0	0		3619.49
TOTAL FOR LEDGER PERIOD		6603.37	8215.77	4350.63	5040.99	2751.14	5486.01	7584.90	2191.83	2769.66	8672.30	0.00	0.00		53666.60

**Scalloway Harbour
Wharfage Charges 2009/2010**

APPENDIX G

WHARFAGE - Imports		APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH		TOTAL (tonnes)
Inward - Tonnes (Misc)		692.000	0.000	30.000	1055.400	40.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		1817.400
Salmon Nets - Tonnes (In)		40.000	110.000	0.000	0.000	0.000	0.000	0.000	50.000	50.000	0.000	0.000	0.000		250.000
Fish Feed - Tonnes (In)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
TOTAL CARGO		732.000	110.000	30.000	1055.400	40.000	0.000	0.000	50.000	50.000	0.000	0.000	0.000		2067.400

WHARFAGE - Exports		APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH		TOTAL (tonnes)
Tonnes (Misc)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15.000	0.000	0.000	0.000		15.000
Ice Loaded		100.300	99.820	114.560	103.010	132.770	89.950	169.140	217.200	82.350	0.000	0.000	0.000		1109.100
Gas Oil Bunkers		182.728	209.536	955.411	0.000	271.007	755.841	0.000	0.000	1193.437	130.284	0.000	0.000		3698.244
Fish Feed		77.000	66.000	133.000	189.000	230.000	188.000	93.000	16.000	0.000	0.000	0.000	0.000		992.000
Salmon Nets		6.000	0.000	0.000	70.000	2.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		78.000
TOTAL		366.028	375.356	1202.971	362.010	635.777	1033.791	262.140	233.200	1290.787	130.284	0.000	0.000		5892.344

Other Small Piers/Harbours
(Part 2 - Harbours)
Summary Management Accounts - Revenue
April 2009 to Jan 2010

Appendix I

	Annual Budget 2009/2010	Actual April 2009 to January 2010	Variance (Adverse)/Favourable
All Income	(50,340)	(117,915.90)	67,575.90
Total Income	(50,340)	(117,915.90)	67,575.90
Employee Costs	28,705	23,766.74	4,938.26
Agency Payments	-	-	-
Property And Fixed Plant	77,567	55,678.34	21,888.66
Supplies and Services	7,655	144,005.29	(136,350.29)
Transport and Mobile Plant	145,660	43,283.44	102,376.56
Administration	-	-	-
Total Expenditure	259,587	266,733.81	(7,146.81)
Net Revenue			
Expenditure/(Income)	209,247	148,817.91	60,429.09

NB Financing Costs and Recharges are not included in the above figures, as these are dealt with separately at the year end. The above is "controllable costs".

SCALLOWAY HARBOUR
Summary Management Accounts - Revenue
April 2009 to Jan 2010

Appendix H

	Annual Budget 2009/2010	Actual April 2009 - January 2010	Variance (Adverse)/Favourable
Fish Landing Dues	(80,000)	(105,872.06)	25,872.06
Other Dues/Charges	(234,200)	(285,022.34)	50,822.34
Total Income	(314,200)	(390,894.40)	76,694.40
Employee Costs	148,339	124,063.61	24,275.39
Administration	23,225	9,296.70	13,928.30
Agency Payments	2,000	317.00	1,683.00
Property and Fixed Plant	109,449	82,198.86	27,250.14
Supplies & Services	12,300	33,219.98	(20,919.98)
Transport and Mobile Plant	39,994	18,814.74	21,179.26
Total Expenditure	335,307	267,910.89	67,396.11
Net Revenue			
Expenditure/(Income)	21,107	(122,983.51)	144,090.51

NB Financing Costs and Recharges are not included in the above figures, as these are dealt with separately at the year end. The above are "controllable costs"

Ports & Harbours Operations 2009/2010

Sullom Voe

Net Controllable Expenditure for Period April 2009 to January 2010

	EMPLOYEE COSTS	ADMINISTRATION	AGENCY PAYMENTS	PROPERTY & FIXED PLANT
Sullom Voe	-	11,211.22	-	202,815.69
B & L - SV	-	-	-	-
Pilotage - SV	-	-	-	-
Mooring - SV	-	-	-	-
Marine Officers	787,049.40	6,153.13	-	-
Launch Crews	503,285.98	2,844.91	-	319.88
Pollution Cont	-	-	-	-
SOTEAG	-	-	-	-
SVA	-	-	-	-
Canteen Servs	19,560.77	-	-	633.96
Port Engineering	399,634.76	3,868.55	-	340.44
VRM Recharge In	-	198.12	-	113,941.52
Pilot/Mooring Boats	-	154.88	-	14,921.45
Ports Recruitment	26.05	-	-	-
Support Servs	153,787.48	15.50	-	-
Port Ops - Man	446,906.09	26,913.38	-	523.71
Admin Building	-	-	-	37,346.39
Sub Total	2,310,250.53	51,359.69	-	370,843.04
Towage Crews	2,347,287.85	33,795.09	-	-
Tugs	-	6,188.74	-	151,374.84
Towage Management	-	864.42	8,987.00	-
Towage Total	2,347,287.85	40,848.25	8,987.00	151,374.84
OVERALL TOTAL	4,657,538.38	92,207.94	8,987.00	522,217.88

SUPPLIES & SERVICES	TRANSPORT & MOBILE PLANT	TRANSFER PAYMENTS	TOTAL EXPENDITURE (9 Months)	TOTAL INCOME (9 Months)
72,603.50	20,153.63	-	306,784.04	(4,221,031.41)
-	-	-	-	(240,856.90)
-	-	-	-	(459,375.78)
-	-	-	-	(179,136.52)
3,741.23	7,636.33	-	804,580.09	-
2,957.36	981.95	-	510,390.08	-
-	-	-	-	-
-	-	-	-	-
-	-	61,739.13	61,739.13	-
17,815.92	271.47	-	38,282.12	(24,305.33)
3,230.87	3,553.40	-	410,628.02	(865.68)
25,711.38	21,812.90	-	161,663.92	(9,366.00)
2,202.58	48,160.41	-	65,439.32	-
-	-	-	26.05	-
1,424.18	1,328.91	-	156,556.07	-
13,514.97	19,336.69	-	507,194.84	(183.88)
17,340.13	1,464.59	-	56,151.11	-
160,542.12	124,700.28	61,739.13	3,079,434.79	(5,135,121.50)
26,640.28	7,254.88	-	2,414,978.10	(3,221,578.59)
61,044.03	501,269.24	-	719,876.85	-
8,523.52	614.12	-	18,989.06	-
96,207.83	509,138.24	-	3,153,844.01	(3,221,578.59)
256,749.95	633,838.52	61,739.13	6,233,278.80	(8,356,700.09)

Appendix J

NET TOTAL (9 Months)	ANNUAL BUDGET (12 months)	ANNUAL BUDGET REMAINDER
(3,914,247.37)	(5,810,487)	(1,896,239.63)
(240,856.90)	(252,673)	(11,816.10)
(459,375.78)	(672,645)	(213,269.22)
(179,136.52)	(294,397)	(115,260.48)
804,580.09	1,055,598	251,017.91
510,390.08	1,118,651	608,260.92
-	1,500	1,500.00
-	650	650.00
61,739.13	80,580	18,840.87
13,976.79	28,067	14,090.21
409,762.34	629,972	220,209.66
152,297.92	257,766	105,468.08
65,439.32	139,885	74,445.68
26.05	17,000	16,973.95
156,556.07	234,715	78,158.93
507,010.96	709,491	202,480.04
56,151.11	107,748	51,596.89
<u>(2,055,686.71)</u>	<u>(2,648,579)</u>	<u>(592,892.29)</u>
		-
(806,600.49)	(1,534,794)	(728,193.51)
719,876.85	1,470,438	750,561.15
18,989.06	27,440	8,450.94
<u>(67,734.58)</u>	<u>(36,916)</u>	<u>30,818.58</u>
		-
		-
(2,123,421.29)	(2,685,495)	(562,073.71)



REPORT

To: Harbour Board

5 March 2010

**From: Head of Finance
Executive Services Department**

**REVENUE MONITORING (April 2009- January 2010)
PORTS & HARBOURS OPERATIONS
Report No: F-017-F**

1. Introduction

- 1.1 The purpose of this report is to provide Members with up-to-date revenue monitoring information for 2009/10.
- 1.2 This report also includes information requested by Members at the Special Harbour Board on 10th February 2010 in relation to increased budget requirement in the 2010/11 Harbour Estimates Report.

2. Links to Corporate Priorities

This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to reviewing financial performance relative to the Council's financial policies.

3. Risk Management

This is an information report therefore there are no risks associated with the recommendations.

4. Background

- 4.1 This report presents the overall Ports & Harbours revenue monitoring position as at the end of period 10 (January 2010) showing budgets both by service area and subjective category as Appendix A.
- 4.2 The information in Appendix A indicates that Ports & Harbours Operations overall have a negative variance of £423k as at period 10 against budgets set. Backpay provision has been highlighted to allow accurate analysis of progress against budgets. Also, Jetties & Spur Booms have been excluded as they are fully funded by BP and will therefore have an overall zero effect on figures.
- 4.3 The £423k negative variance is entirely due to the reduction in income to the Harbour in relation to lower tanker throughput now totalling £1.259m.

- 4.4 There are significant underspends and increased income, which are offsetting the reduction in tanker income, the largest of which are detailed as follows:

Underspends:

Ports Management - salary and operating costs	£ 61,000
Port Engineering - salary and overtime	£ 53,000
Sullom Voe Tugs - fuel	£150,000
Sullom Voe - operating costs	£ 51,000

Increased Income:

Cullivoe - fish landings	£ 22,000
Blacksness - fish/salmon landings & storage charges	£105,000
Sullom Voe - storage charges	£ 25,000
Towage - bunker surcharge	£ 19,000

- 4.5 At the Special Harbour Board on 10th February 2010 in relation to the Harbour Estimates 2010/11 Report, Members queried why the net departmental controllable expenditure on the recharged ledger was above the no growth projection for 2010/11 by £659k. Attached is Appendix B which shows the variances across the recharged ledger by area with explanation of increased budget requirement. A more detailed listing of the tugs by subjective to show specifically where there is additional budget requirement is also attached as Appendix C.

5. Financial Implications

This report is for information and therefore there are no financial implications arising directly from this report.

6. Policy & Delegated Authority

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 the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations.

7. Conclusion

- 7.1 The Appendix A to this report provides the most up-to-date financial information on harbour activities in 2009/10, which shows a negative variance of £423k on controllable budgets to period 10.
- 7.2 Appendices B & C to this report provide clarification to Members in relation to their request for further information on the Harbour Estimates 2010/11 Report, specifically on the recharged ledger growth above target.

8. Recommendation

I recommend that the Harbour Board note the information contained in this report.

Revenue Expenditure by Service

Controllable Budgets Only

	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/ Favourable
	£	£	£	£
Ports Management	988,468	834,729	728,121	106,608
Sullom Voe	-4,224,562	-3,939,371	-3,716,532	(222,839)
Scalloway	40,405	20,696	-120,498	141,194
Other Piers	216,475	166,416	155,827	10,589
Port Engineering Services	629,972	513,744	454,361	59,383
Transfer of Funds	2,526,279	0	0	0
Sub-Total	177,037	-2,403,786	-2,498,721	94,935
Backpay provision removed				-518,325
Ports & Harbours Total Variance				-423,390

Jetties & Spur Booms excluded from above as fully funded by BP

-206,113 169,905 -892,757 1,062,662

Revenue Expenditure by Subjective

Controllable Budgets Only

	Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance (Adverse)/ Favourable
	£	£	£	£
Basic Pay	4,659,370	3,882,812	3,369,621	513,191
Overtime	435,475	404,132	374,877	29,255
Other Employee Costs	2,048,499	1,689,725	1,599,728	89,997
Employee Costs (sub total)	7,143,344	5,976,669	5,344,226	632,443
Travel & Subsistence	171,020	135,506	111,262	24,244
Property Costs	1,075,118	746,987	691,533	55,454
Other Operating Costs	2,240,434	1,653,613	1,234,020	419,593
Operating Costs (sub total)	3,486,572	2,536,106	2,036,815	499,291
Transfer Payments (sub total)	2,606,859	60,435	61,739	-1,304
Income (sub total)	-13,059,738	-10,976,996	-9,941,501	(1,035,495)
Ports & Harbours Sub-Total	177,037	-2,403,786	-2,498,721	94,935
Backpay provision removed				-518,325
Ports & Harbours Total Variance				-423,390

Jetties & Spur Booms (BP Funded) excluded from above:

Travel & Subsistence	0	0	857	(857)
Property Costs	48,332	40,274	17,448	22,826
Other Operating Costs	2,086,765	2,080,639	1,265,031	815,608
Operating Costs (sub total)	2,135,097	2,120,913	1,283,336	837,577
Income (sub total)	-2,341,210	-1,951,008	-2,176,093	225,085
	-206,113	169,905	-892,757	1,062,662

Variance Amount	Service Area	Reason for Variance
£345,000	Tugs	Fuel and maintenance (£220k fuel) for two new tugs.
£168,000	Tugs	Mechanical/electrical top end overhaul for Dunter & Tystie
£61,000	Tugs	Drydock for Shalder & Stanekhakker
£25,000	Small Ports & Pier Maintenance	Re-fending Collafirth, Symbister & Scalloway. Re-fendering is cyclical, so once these piers are done, budgets will be reduced. New Fair Isle cruise ships pontoon. Uyeasound is a new asset with seabed rental, etc to pay for first time. There is a reduction of £54k over Cullivoe, Vaila & West Burrafirth which will help to cover these works. The other costs are attributed to increases in fuel, lubricant and licences, and cleaning material costs.
£22,000	Scalloway	Scalloway Fish Market needs a new condenser which is unavoidable.
£16,000	Port Engineering	
£6,000	Nav Aids/Radio/Radar	All assets are getting older and more maintenance intensive which results in some inevitable minor increases in costs
£3,000	Pilot Boats	
£5,000	Property Maintenance/Repair	
£2,000	Mooring & Work Boats	
£3,000	Tug Jetty	
£2,000	Vehicles	
£658,000	Total	

Ports & Harbours Estimates 2010/11
Tugs by Subjective

Report No: F-017 Appendix C

Cost centre			No growth projection (NGP)	New year annual budget	Variance over NGP Type desc
Cost centre	Desc	Ledger code			
VRM3225	Dunter	VRM32251421	20000	0	20,000 Dry Dock Contractors
VRM3225	Dunter	VRM32251423	10000	0	10,000 Dry Dock Parts
VRM3225	Dunter	VRM32251425	500	0	500 Dry Dock Sundries
VRM3225	Dunter	VRM32251426	30000	0	30,000 Slipping Charge
VRM3225	Dunter	VRM32251431	2000	2000	0 Vessel Spare Parts
VRM3225	Dunter	VRM32251440	109529	106500	3,029 Transport Fuel
VRM3225	Dunter	VRM32251442	3000	3000	0 Lubricants
VRM3225	Dunter	VRM32251446	136	0	136 Licence
VRM3225	Dunter	VRM32251448	16541	19337	-2,796 Transp/Moveable Plant Ins
VRM3225	Dunter	VRM32251470	945	0	945 Travel Costs
VRM3225	Dunter	VRM32251486	91920	271220	-179,300 Transport Hired & Contr S
					-117,486
VRM3226	Shalder	VRM32261421	0	25000	-25,000 Dry Dock Contractors
VRM3226	Shalder	VRM32261423	0	10000	-10,000 Dry Dock Parts
VRM3226	Shalder	VRM32261425	0	0	0 Dry Dock Sundries
VRM3226	Shalder	VRM32261426	0	10000	-10,000 Slipping Charge
VRM3226	Shalder	VRM32261431	2000	2000	0 Vessel Spare Parts
VRM3226	Shalder	VRM32261440	91856	71000	20,856 Transport Fuel
VRM3226	Shalder	VRM32261442	3750	3750	0 Lubricants
VRM3226	Shalder	VRM32261446	136	0	136 Licence
VRM3226	Shalder	VRM32261448	19643	16099	3,544 Transp/Moveable Plant Ins
VRM3226	Shalder	VRM32261470	0	900	-900 Travel Costs
VRM3226	Shalder	VRM32261486	35370	37320	-1,950 Transport Hired & Contr S
					-23,314
VRM3227	Stanechakker	VRM32271421	0	34000	-34,000 Dry Dock Contractors
VRM3227	Stanechakker	VRM32271423	0	10000	-10,000 Dry Dock Parts
VRM3227	Stanechakker	VRM32271426	0	10000	-10,000 Slipping Charge
VRM3227	Stanechakker	VRM32271431	1000	1000	0 Vessel Spare Parts
VRM3227	Stanechakker	VRM32271440	25720	24850	870 Transport Fuel
VRM3227	Stanechakker	VRM32271442	1500	1500	0 Lubricants
VRM3227	Stanechakker	VRM32271446	136	0	136 Licence
VRM3227	Stanechakker	VRM32271448	20765	15345	5,420 Transp/Moveable Plant Ins
VRM3227	Stanechakker	VRM32271470	0	900	-900 Travel Costs
VRM3227	Stanechakker	VRM32271486	40780	65750	-24,970 Transport Hired & Contr S
					-73,444
VRM3228	Tirrick	VRM32281431	2000	2000	0 Vessel Spare Parts
VRM3228	Tirrick	VRM32281440	91856	71000	20,856 Transport Fuel
VRM3228	Tirrick	VRM32281442	3750	3750	0 Lubricants
VRM3228	Tirrick	VRM32281446	136	0	136 Licence
VRM3228	Tirrick	VRM32281448	19643	16099	3,544 Transp/Moveable Plant Ins
VRM3228	Tirrick	VRM32281486	45470	34870	10,600 Transport Hired & Contr S
					35,136
VRM3229	Tystie	VRM32291421	20000	0	20,000 Dry Dock Contractors
VRM3229	Tystie	VRM32291423	10000	0	10,000 Dry Dock Parts
VRM3229	Tystie	VRM32291425	500	0	500 Dry Dock Sundries
VRM3229	Tystie	VRM32291426	30000	0	30,000 Slipping Charge
VRM3229	Tystie	VRM32291431	2000	2000	0 Vessel Spare Parts
VRM3229	Tystie	VRM32291440	109529	106500	3,029 Transport Fuel
VRM3229	Tystie	VRM32291442	3000	3000	0 Lubricants
VRM3229	Tystie	VRM32291446	136	0	136 Licence
VRM3229	Tystie	VRM32291448	16541	19337	-2,796 Transp/Moveable Plant Ins
VRM3229	Tystie	VRM32291470	945	0	945 Travel Costs
VRM3229	Tystie	VRM32291486	107670	261220	-153,550 Transport Hired & Contr S
					-91,736
VRM3241	UNV 471 (New Tug)	VRM32411440	0	106500	-106,500 Transport Fuel
VRM3241	UNV 471 (New Tug)	VRM32411442	0	3000	-3,000 Lubricants
VRM3241	UNV 471 (New Tug)	VRM32411486	0	44570	-44,570 Transport Hired & Contr S
VRM3242	UNV 472 (New Tug)	VRM32421440	0	106500	-106,500 Transport Fuel
VRM3242	UNV 472 (New Tug)	VRM32421442	0	3000	-3,000 Lubricants
VRM3242	UNV 472 (New Tug)	VRM32421486	0	44570	-44,570 Transport Hired & Contr S
					-308,140
Overall Total					-578,984



REPORT

To: **Harbour Board**

From: **Operations Manager - Ports**

Report No: **P&H-12-10-F**

Subject: **Burravoe/West Burrafirth Piers**

05 March 2010

1. Introduction

- 1.1 This report updates the Harbour Board on the status of the applications by the Burravoe and West Burrafirth Pier Trusts for responsibility for the Burravoe Pier and West Burrafirth Pier to be transferred to the Council.

2. Links to Corporate Priorities

- 2.1 Engage with community-based groups to identify projects that help to retain active rural populations.

3. Risk Management

- 3.1 The contents of this report are for noting only. Potential legal, engineering and financial risks have been addressed in accordance with the Council's Transfer of Ownership of Trust Piers Policy. There are therefore no new risks raised in this report.

4. Background

- 4.1 In anticipation of a request from the Burravoe Pier Trustees for transfer of responsibility of the Pier to the Council a Transfer of Ownership of Trust Piers Policy was agreed by the Harbour Board (Min. Ref.01/09) and adopted by full Council (Min. Ref.10/09). The policy became operational on 24 June 2009.
- 4.2 In June 2009 a request for transfer of responsibility was received from the Trustees, following which the Transfer of Ownership of Trust Piers Policy was implemented.

5. Status of Application

- 5.1 At this time the financial and engineering elements of the Transfer of Ownership of Trust Piers Policy have been satisfied. However, the title position is still under investigation and that issue requires to be resolved before formal acceptance of the request for transfer of ownership can be recommended. It is anticipated that this issue will be resolved by the next cycle of meetings.

6. West Burrafirth

- 6.1 It is understood that the Trustees of the West Burrafirth Slipway have expressed an interest in transferring ownership of the slipway to the Shetland Islands Council, but at this time no formal request has been received regarding transfer of ownership of the West Burrafirth Slipway to the Council.

7. Financial Implications

- 7.1 There are no financial implications arising from this report.

8. Policy and Delegated Authority

- 8.1 The Harbour Authority has full delegated authority of the oversight and decision making in respect of the management and operation of the Council's harbour undertakings in accordance with overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in section 16 of the Council's Share of Delegations.

9. Recommendations

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



Shetland Islands Council

REPORT

To: Harbour Board

05 March 2010

From: Harbour Master / Head of Service

Report No: P&H-08-10-F

Subject: Tall Ships Visit 2011

1. Introduction

- 1.1. This report is to inform and update Members on the Tall Ships event to be held in 2011 and of the involvement of Ports and Harbours.
- 1.2. The report is brought to Members attention at this early stage to allow Guest Harbours to provide accurate information to any enquiries received and to help with the advertising of the event.
- 1.3. The report also advises the Members of other ports actions with regard to Harbour Dues for the Tall Ships event in 2011 and to request that charges be waived for the visiting vessels and the use of a pilot boat and tug.

2. Link to Council Priorities

- 2.1. The report promotes the ideals from the Corporate Plan of tourism and marketing.
- 2.2. Under the priority area of marketing, the Corporate Plan states that, "We will develop, support and improve events, in and beyond Shetland, that build Shetland's reputation and reinforce confidence in the community, including particularly the Johnsmas Foy, and organise 'Shetland Hamefarin 2010' and 'Tall Ships 2011' as high quality, successful events."

3. Risk Management

- 3.1. There are no significant risks identified associated with this report.

4. Tall Ships

- 4.1. The Tall Ships event of 2011 is seen as a good way of promoting Shetland and is mentioned specifically in the Corporate Plan.

- 4.2. In 1999, over 74,000 visitors are reported to have enjoyed the Tall Ships event in Lerwick. The piers and harbours of the Council also saw visits from some of the ships in the event, with Russian sailors even reported as being treated to a banquet on the island of Vaila.
- 4.3. In 2011, the Tall Ships will race between Waterford, Greenock, Lerwick, Stavanger and Halmstad. The event starts in Waterford, Ireland on 30 June 2011 and finishes at Halmstad, Sweden on 08 August 2011.
- 4.4. Officers from Ports & Harbours attend the Tall Ships Liaison Committee to provide advice and help to promote the use of our smaller ports and facilities for the event.
- 4.5. Every year a Cruise in Company leg is included as part of the Tall Ships race. This leg is not a competitive event, rather a cruise to promote friendship and adventure. In 2011 the Cruise in Company leg is between Greenock and Lerwick. Ships have nine days between 12 July and 21 July 2011 to make this journey, which allows them to explore and visit any of the ports and harbours on their way to Lerwick. Guest harbours are nominated and include:

Campbeltown	Islay
Oban	Ullapool
Stornoway	Stromness
Kirkwall	Fair Isle
Scalloway	Cullivoe
Unst	Symbister

- 4.6. The ships may call at any port or harbour of their own choosing during the Cruise in Company leg. Ports that are designated as Guest Harbours are listed and promoted in official Tall Ships literature for the event. Some useful information on the Guest Harbours information is already on the official website (<http://www.tallshipsraceslerwick.com/>).
- 4.7. Many of the vessels taking part have small budgets and charity status. To maximize their ability to operate and provide an enjoyable experience to their crews, the vessels often prefer ports and harbours with no or minimal charging and have something for the crews to see or do when they arrive.

- 4.8. Tall Ships are divided into the following categories:

Class A	All square rigged vessels and all other vessels over 50m length overall (LOA)
Class B	Traditional rigged vessels with a LOA of less than 40m and with a length a waterline length (LWL) of at least 9.14m
Class C	Modern rigged vessels with a LOA of less than 40m and with a LWL of at least 9.14m not carrying spinnaker-like sails
Class D	Modern rigged vessels with a LOA of less than 40m and with a LWL of at least 9.14m carrying spinnaker-like sails
Notes:	Traditional rigged vessels (Class B) are defined as those vessels whose sail plan has a predominance of gaff sails
	Modern rigged vessels (Classes C and D) are defined as those vessels whose sail plan has a predominance of Bermudan sails
	Length overall (LOA) is the length between the forward end of the STEM post and the after end of the STERN post. It does not include the bowsprit, pulpit or any other extension at the bow or stern.

- 4.9. The main host ports, such as Lerwick, waive the harbour dues on all participating visiting vessels.
- 4.10. The local communities are planning events and attractions at each of the Guest Harbours in Shetland. As an example, Cullivoe is proposing to move the date of its 'Party on the Pier' to coincide with the visiting vessels.
- 4.11. Lerwick Port is the main Host Port for Shetland and all of the visiting vessels will be required to be in Lerwick from 21 July 2011 to 24 July 2011.
- 4.12. Lerwick Port Authority has requested the provision of a tug and pilot boat during the event with no charges being levied by either Shetland Islands Council, or the Lerwick Port Authority. This would repeat the cooperation and arrangement that occurred between the two ports during the last Tall Ships event in 1999.

5. Financial Implications

- 5.1. Should this report be approved there will be a loss of harbour dues from Tall Ships vessels calling at SIC ports and harbours and loss of hire charges for a tug and pilot launch.
- 5.2. It is difficult to quantify exactly the loss of Harbour Dues but, given that it is likely to be in the order of £400 to £800 for a tall ship and £8 to £80 for an average sized cruising yacht, potential loss of Harbour Dues income may likely be in the order of £3000 throughout all Shetland Islands Council port facilities.
- 5.3. The waiving of hire fees for a tug and pilot launch will be partly offset by the waiving of harbour dues and charges by Lerwick Port Authority.

- 5.4. There will be a financial benefit to both the community and Shetland as a whole through the general advertisement of our ports and harbours for future trade.

6. Policy and Delegated Authority

- 6.1. 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 the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations. A decision of the Council is required in relation to waiving vessel hire costs and harbour dues.

7. Recommendations

- 7.1 I recommend that the Harbour Board recommends to the Council:
- 7.1.1. that it waive the Harbour Dues for vessels directly participating in the Tall Ships Race during July 2011; and
 - 7.1.2. that should a tug and pilot launch be available, any hire costs to Lerwick Port Authority, be waived, for the use of a tug and pilot launch in relation to the Tall Ships event between 21 and 24 July 2011.

25 February 2010
Our Ref: RM/LAB RO-RO

Report No: P&H-08-10-F



Shetland Islands Council

REPORT

To: Harbour Board

05 March 2010

From: Harbour Master / Head of Service

Report No: P&H-09-10-F

Subject: MCA Consultation – Ship to Ship Transfer

1. Introduction

- 1.1. This report is to inform and update Members on the recently published Maritime and Coastguard Agency (MCA) consultation on draft Merchant Shipping (Ship-to-Ship Transfer) Regulations 2010.
- 1.2. This is the second consultation on these draft regulations. The first consultation ran for 12 weeks, from 15 May 2008 until 7 August 2008. This was reported to the Harbour Board on 29 May 2008 (Min. Ref. 15/08) and 16 August 2008 (Min. Ref. 21/08).
- 1.3. The port of Sullom Voe and the British Ports Association have been and are broadly in favour of the principle of carrying out ship-to-ship operations within the controlled environment of a harbour or port.

2. Link to Council Priorities

- 2.1. The report promotes the ideals from the Corporate Plan of Sustainable Economy with the specific goal of “Promoting Sullom Voe oil Terminal as a centre for ship-to-ship oil transfer, attracting new business in this area, wherever possible”.

3. Risk Management

- 3.1. The proposed new draft Merchant Shipping may constitute a risk to the business of ship-to-ship operations and the potential income the port may generate.

4. Consultation and Current Situation

- 4.1. The current consultation has updated the position of the previous proposed regulations.

- 4.2. The scope of the legislation has been refined in this consultation. The draft regulations no longer apply to any hazardous substances, but apply exclusively to cargo transfers or bunkering operations consisting wholly or mainly of oil.
- 4.3. The most significant change is the introduction of a proposed oil transfer licence and the deletion of any reference to a “programme of transfers” and to an “environmental consent”.
- 4.4. The draft statutory instrument and marine guidance note are attached as Appendix A and B respectively.
- 4.5. The MCA rationale and explanation is attached as Appendix C.
- 4.6. The MCA has drawn up the draft legislation whilst working closely with the International Maritime Organisation to develop international legislation that will complement UK national legislation.
- 4.7. The new international legislation, which will take the form of an amendment to the MARPOL Convention, will apply to ship-to-ship transfers carried out on or after 1 April 2012 in waters within the economic zone.
- 4.8. The existing National Contingency Plan (NCP), in meeting the UK Government’s obligations under the International Convention on Oil Pollution Preparedness, Response and Co-operation 1990 (the “OPRC Convention”) and by the implementation of the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998, requires harbour authorities to have oil pollution contingency plans which are compatible with the NCP. The port of Sullom Voe complies fully.
- 4.9. The current consultation would suggest that up to 6 ports in the UK may be authorised to carry out ship-to-ship operations.
- 4.10. Application for the licence would appear to have a cost impact, which is not entirely clear from the documentation, nor is the amount of additional environmental studies that may or may not be required.
- 4.11. There does not appear to be any current guidelines or clarity on the duration of an oil transfer licence should it become a requirement and whether a separate licence will be required for each operation or each type of cargo.
- 4.12. There is the possibility of a 2-year exemption for ports that already safely carry out ship-to-ship transfers. However the proposed criteria would mean that the port of Sullom Voe would not qualify for that exemption.
- 4.13. There is also some concern amongst the British port industry regarding the consultation requirements in order to obtain an oil transfer licence.

4.14. Replies to the MCA are required by 22 March 2010.

5. Financial Implications

- 5.1. Application for the oil transfer licence would appear to have a cost attached to it that is not entirely clear from the documentation.
- 5.2. There would be an adverse impact on the income generating capacity of the port should Sullom Voe fail to gain the approval under legislation if it is enacted as outlined in the consultation.

6. Policy and Delegated Authority

- 6.1. 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 the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations. There are no policy and Delegated Authority issues to be addressed.

7. Recommendation

I recommend that the Harbour Board recommends to the Council that the Harbour Master write to the MCA:

- 7.1. To clarify the procedures of the proposed Oil Transfer Licence;
- 7.2. To ensure that the Oil Transfer Licence does not have to be applied for prior to each individual operation; and
- 7.3. To request that the port of Sullom Voe, which has consistently set the standard for safe operations, not be disadvantaged by the new regulations, should they come into force

S T A T U T O R Y I N S T R U M E N T S

2010 No.

[21/01/10]

MARINE POLLUTION

**The Merchant Shipping (Ship-to-Ship Transfers) Regulations
2010**

<i>Made</i>	- - - -	<i>2010</i>
<i>Laid before Parliament</i>		<i>2010</i>
<i>Coming into force</i>	- -	<i>2010</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 130 of the Merchant Shipping Act 1995^(a):

Citation and commencement

1.—(1) These Regulations may be cited as the Merchant Shipping (Ship-to-Ship Transfers) Regulations 2010 .

(2) Subject to paragraph (3), regulations 3(2), 4, 5 and 7(2), and regulation 7(1) insofar as it relates to any of those provisions, come into force on [x + 6 months].

(3) Where a harbour authority has made an application under Regulation 5(1)(b) within two months starting on the date these Regulations come into force, the provisions mentioned in paragraph (2) do not come into force in respect of the harbour authority waters regulated or managed by that harbour authority until—

- (a) [x + 6 months], or
- (b) the making of the licence decision,

whichever is the later.

(4) The other provisions of these Regulations come into force on [x] 2010.

Interpretation

2. In these Regulations—

“application” means, except as provided otherwise by regulation 6(4) and in regulation 7(3), an application for an oil transfer licence submitted by a harbour authority to the Secretary of State under regulation 5(1);

“bunkering operation” means the transfer between ships of a substance consisting wholly or mainly of oil for consumption by the engines of the ship receiving the substance;

^(a) 1995 c.21.

“cargo transfer” means the transfer between two ships of a substance consisting wholly or mainly of oil which is transported by either or both of the ships for reward, but does not include—

- (a) a bunkering operation, or
- (b) a transfer of—
 - (i) cargo residues, or
 - (ii) ship-generated waste,as defined by regulation 2 of the Merchant Shipping and Fishing Vessels (Port Waste Reception Facilities) Regulations 2003(a);

“consolidation operation” means a cargo transfer carried out—

- (a) in harbour authority waters,
- (b) between two ships which normally carry out bunkering operations in the harbour authority waters in which the operation takes place,
- (c) with the prior consent of the harbour authority which regulates or manages the waters in which the operation takes place, and
- (d) for the purpose of rationalising cargo capacity;

“the consultation bodies” means—

- (a) such of—
 - (i) Natural England,
 - (ii) the Countryside Council for Wales,
 - (iii) Scottish Natural Heritage and
 - (iv) the Council for Nature Conservation and the Countrysideas the Secretary of State considers likely to have an interest in an application by reason of their responsibilities, and
- (b) any authority or other body the Secretary of State considers likely to have an interest in an application (whether by virtue of having specific environmental responsibilities under any enactment or otherwise);

“European site” means a “European site” as defined in regulations 2(1) and 10 of the Conservation (Natural Habitats, &c) Regulations 1994(b) and a “European offshore marine site” as defined in regulation 15 of the Offshore Marine Conservation (Natural Habitats &c) Regulations 2007(c);

“general lighthouse authority” has the meaning given to it in section 193 of the Merchant Shipping Act 1995(d);

“the Habitats Directive” means Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora(e);

“harbour authority” has the meaning given to it in section 57(1) of the Harbours Act 1964(f);

“harbour authority waters” means waters regulated or managed by a harbour authority, excluding any areas outside a harbour over which a harbour authority exercises control in accordance with the Pilotage Act 1987(g) by virtue of an order of the Secretary of State made under section 1(3)(a) of that Act;

(a) S.I. 2003/1809; the definition of “ship-generated waste” was amended by regulation 2(2)(b) of the Merchant Shipping and Fishing Vessels (Port Waste Reception Facilities) (Amendment) Regulations 2009 (SI 2009/1176)

(b) S.I. 1994/2716.

(c) S.I. 2007/1842.

(d) 1995 c.21.

(e) O.J. No. L 206, 22.7.92, p.7.

(f) 1964 c.40.

(g) 1987 c.21.

“licence decision” means the decision of the Secretary of State whether to grant an oil transfer licence and, if so, as to the terms on which to do so;

“lightening operation” means a cargo transfer carried out—

- (a) in harbour authority waters,
- (b) at the direction of a harbour authority which regulates or manages the waters in which the operation takes place, and
- (c) in order to reduce the draught of a ship, enabling it to move to shallower waters regulated or managed by that harbour authority;

“Natura 2000” has the meaning given to it by regulation 2(1) of the Conservation (Natural Habitats, &c) Regulations 1994;

“offshore installation” means—

- (a) an offshore installation within the meaning of section 44 of the Petroleum Act 1998^(a), which is not a ship, or
- (b) a renewable energy installation within the meaning of section 104 of the Energy Act 2004^(b);

“oil” has the meaning given to it by section 151 of the Merchant Shipping Act 1995; and

“oil transfer licence” means a licence granted to a harbour authority by the Secretary of State, enabling the harbour authority to authorise cargo transfers—

- (a) of a substance or substances specified in the licence,
- (b) in a specified location or locations, and
- (c) subject to any conditions specified in the licence.

Prohibited transfers

3.—(1) Subject to paragraph (3) and regulation 6, a cargo transfer or bunkering operation consisting wholly or mainly of oil must not be carried out in United Kingdom waters unless the ships carrying out the cargo transfer or bunkering operation are within harbour authority waters.

(2) Subject to paragraph (3) and (4) and regulation 8, a cargo transfer must not be carried out in harbour authority waters, except in accordance with an authorisation of the harbour authority which regulates or manages the waters in which the cargo transfer is carried out.

(3) Paragraphs (1) and (2) do not apply to a cargo transfer or bunkering operation—

- (a) between a ship and an offshore installation;
- (b) to or from a warship, naval auxiliary ship or other ship owned or operated by a State and used solely, for the time being, on government non-commercial service; or
- (c) carried out by or on behalf of a general lighthouse authority.

(4) Paragraph (2) does not apply to a cargo transfer which is—

- (a) a lightening operation; or
- (b) a consolidation operation.

Authorisation of cargo transfers

4.—(1) A harbour authority may only authorise a cargo transfer which is within the scope permitted by an oil transfer licence.

(2) The authorisation of a cargo transfer by a harbour authority is valid only if given—

- (a) on receipt of a written application for authorisation,
- (b) in advance of the cargo transfer, and

(a) 1998 c.17.

(b) 2004 c.20.

- (c) in writing.

Oil transfer licences

5.—(1) Before a harbour authority may obtain an oil transfer licence the harbour authority must—

- (a) determine, in accordance with the procedure in Schedule 1, whether the cargo transfers to be authorised pursuant to the licence would be likely to have a significant effect on any European site; and
- (b) apply for a the licence to the Secretary of State in accordance with the procedure in Schedule 2.

(2) In harbour authority waters where—

- (a) an oil transfer licence has effect, and
- (b) the harbour authority which regulates or manages those harbour authority waters becomes aware of circumstances which render the information provided in the application inaccurate to what is or may be a material extent,

the harbour authority must apply to the Secretary of State for an amended oil transfer licence.

(3) The harbour authority must make the application under paragraph (2) within 3 months of becoming aware of the circumstances referred to in that paragraph.

(4) A harbour authority applying for an amended oil transfer licence must use the procedure in Schedules 1 and 2, and for this purpose—

- (a) references in Schedules 1 and 2 to the oil transfer licence are to be taken as references to the amended oil transfer licence;
- (b) references in Schedules 1 and 2 to the application are to be taken as references to the application for the amended oil transfer licence; and
- (c) references in Schedules 1 and 2 to the licence decision are to be taken as references to the decision whether to issue an amended oil transfer licence.

(5) Where a harbour authority applies for an amended oil transfer licence under paragraph (2) the Secretary of State may—

- (a) issue an amended oil transfer licence in such terms as the Secretary of State considers appropriate;
- (b) decline to issue an amended oil transfer licence, leaving the existing oil transfer licence to continue in effect;
- (c) decline to issue an amended oil transfer licence and revoke the existing oil transfer licence.

Exemptions

6.—(1) Subject to paragraph (3), the Secretary of State may exempt a cargo transfer or bunkering operation from the provisions of regulation 3(1).

(2) The Secretary of State may make any such exemption subject to such conditions as the Secretary of State considers appropriate.

(3) Where the Secretary of State considers that a cargo transfer or bunkering operation is likely to have a significant effect on a European site, the Secretary of State must, before granting an exemption under paragraph (1), require the person applying for the exemption to provide sufficient information to enable the Secretary of State to carry out an appropriate assessment of the implications of the cargo transfer or bunkering operation for the European site, in view of the conservation objectives of the site.

(4) The procedure for the assessment referred to in paragraph (3) is the procedure for assessment of an application for an oil transfer licence in Schedules 1 and 2, and for this purpose—

- (a) references in Schedules 1 and 2 to the harbour authority are to be taken as references to the person who applied for the exemption;
- (b) references in Schedules 1 and 2 to the application are to be taken as references to the application for the exemption;
- (c) references in Schedules 1 and 2 to the oil transfer licence are to be taken as references to the proposed exempt cargo transfer or bunkering operation; and
- (d) references in Schedules 1 and 2 to the licence decision are to be taken as references to the decision whether to grant the exemption.

Offences

7.—(1) If a cargo transfer or bunkering operation is carried out in contravention of these Regulations, the owner, the manager and the master of each ship carrying out the cargo transfer or bunkering operation is guilty of an offence.

(2) A harbour authority which—

- (a) authorises a cargo transfer consisting wholly or mainly of oil without having complied with regulation 5(1);
- (b) fails to take all reasonable steps to prevent a cargo transfer which is neither—
 - (i) authorised under an oil transfer licence, nor
 - (ii) exempted under regulation 3(3) or (4); or
- (c) knowingly or recklessly provides false information in an application,

is guilty of an offence.

(3) A person who knowingly or recklessly provides false information to the Secretary of State in relation to an application for an exemption under regulation 6 is guilty of an offence.

(4) A person guilty of an offence under this regulation is liable on summary conviction to a fine not exceeding £25,000 and on conviction on indictment to a fine.

(5) Where a person is charged with an offence under paragraph (1), (2)(a) or (2)(b), it is a defence for the person charged to prove that the cargo transfer or bunkering operation was for one or more of the following purposes—

- (a) securing the safety of any ship;
- (b) preventing damage to any ship or cargo;
- (c) saving life;
- (d) preventing pollution,

unless the court is satisfied that the cargo transfer or bunkering operation was not necessary for any of those purposes and was not a reasonable step to take in the circumstances.

Transitional provision

8. Where at least one cargo transfer has been carried out within the same harbour authority waters each month for the twelve months prior to the date these Regulations come into force, regulation 3(2) does not apply in respect of cargo transfers in those harbour authority waters until either—

- (a) a licence decision has been made in respect of that harbour authority's application; or
- (b) the expiry of two years starting on the date these Regulations come into force,

whichever is sooner.

Signed by authority of the Secretary of State for Transport

Parliamentary Under Secretary of State
Department for Transport

SCHEDULE 1 Regulations 5(1)(a) and (4) and 6(4)

Initial determination of likely effects on European sites

1. The harbour authority must—

(a) determine; and

(b) provide to the Secretary of State a written statement with reasons stating,

whether the cargo transfers to be carried out under the requested oil transfer licence are likely to have a significant effect on any European site, either individually or in combination with other plans or projects.

2.—(1) If the harbour authority determines that the cargo transfers are not likely to have a significant effect on any European site the Secretary of State must, on receipt of the harbour authority's application, review that determination in the light of the environmental statement and any further information provided.

(2) If, following such review, the Secretary of State determines that the cargo transfers are likely to have a significant effect on any European site, the Secretary of State must give notice to the harbour authority to that effect.

3.—(1) If the harbour authority or the Secretary of State has determined that the cargo transfers are likely to have a significant effect on any European site, the procedure set out in Schedule 2 shall be modified as follows.

(2) Having considered the environmental statement provided in accordance with paragraph 1(1)(c) of Schedule 2, the Secretary of State must make an appropriate assessment of the implications of the proposed cargo transfers for the European site, in view of the conservation objectives of the site, for the purposes of Article 6 of the Habitats Directive.

(3) Before the Secretary of State may grant an oil transfer licence without concluding that the proposed cargo transfers will not adversely affect a European site, the Secretary of State must be satisfied that—

(a) there is no appropriate alternative to granting the oil transfer licence in the proposed terms, and

(b) the oil transfer licence must be granted in view of imperative reasons of overriding public interest which, subject to sub-paragraph (4), may be of a social or economic nature.

(4) Where the European site referred to in sub-paragraph (3) hosts a priority natural habitat type or a priority species as defined in Article 1 of the Habitats Directive, the reasons referred to in that sub-paragraph must be either—

(i) reasons relating to human health, public safety or beneficial consequences of primary importance to the environment; or

(ii) reasons which are, in the opinion of the European Commission, imperative reasons of overriding public interest,

and the Secretary of State may seek the opinion of the European Commission in connection with sub-paragraph (4)(ii).

(5) Where the Secretary of State considers that any adverse effects of the proposed cargo transfers on the integrity of a European site would be avoided by granting an oil transfer licence subject to conditions, the Secretary of State may not grant the licence except subject to those conditions.

(6) If, in spite of a negative assessment of the environmental implications for the European site and in the absence of alternative solutions, the Secretary of State decides to grant the oil transfer licence for imperative reasons of overriding public interest, the Secretary of State must—

(a) ensure that all compensatory measures necessary to ensure that the overall coherence of Natura 2000 are taken; and

(b) inform the European Commission of the compensatory measures adopted.

SCHEDULE 2 Regulations 5(1)(b) and (4) and 6(4)

Procedure for grant of oil transfer licence

Application

1.—(1) The application must contain—

- (a) a chart or map (or both) sufficient to identify the locations of the proposed cargo transfers to be carried out under the oil transfer licence and the extent of any onshore infrastructure alterations which the cargo transfers would involve;
- (b) a description of the proposed cargo transfers, including—
 - (i) the types of substances to be transferred;
 - (ii) the maximum quantities of each substance to be transferred in any single operation and/or within any specified time period;
 - (iii) the frequency of transfers; and
 - (iv) the types of ship to be used to carry out the transfers; and
- (c) an environmental statement in respect of the cargo transfers which—
 - (i) is in writing; and
 - (ii) contains the information specified in paragraph 2.

(2) The harbour authority must comply with any reasonable request made by the Secretary of State as to—

- (a) the format in which the harbour authority must provide the material referred to in sub-paragraph (1);
- (b) the number of copies of the material in that format that the harbour authority must provide to the Secretary of State.

(3) Until this has been done the Secretary of State need not deal further with, or exercise any functions under these Regulations in relation to, the application.

Environmental statement

2.—(1) The environmental statement must contain—

- (a) a description of any aspects of the environment likely to be significantly affected by the proposed cargo transfers, including—
 - (i) human beings, fauna and flora;
 - (ii) soil, water, air, climate and the landscape;
 - (iii) material assets and the cultural heritage; and
 - (iv) the interaction between any two or more of the things mentioned in sub-paragraphs (i) to (iii);
- (b) a description, complying with sub-paragraph (2), of any significant effects the proposed cargo transfers are likely to have on the environment resulting from—
 - (i) the nature of the activities to be carried out and the manner in which they are to be carried out;
 - (ii) the use of natural resources;
 - (iii) the emission of pollutants;
 - (iv) the creation of nuisances; or
 - (v) the elimination of waste;
- (c) a description of the forecasting methods used by the harbour authority to assess any effects that the proposed cargo transfers are likely to have on the environment;

- (d) a description of the measures envisaged to prevent or reduce, and where possible offset, any significant effects of the proposed cargo transfers on the environment, including, if appropriate, any changes proposed to the harbour authority's oil pollution emergency plan maintained in accordance with regulation 4 of the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation) Regulations 1998^(a);
 - (e) if applicable, an outline of the main alternatives to the proposed cargo transfers studied by the harbour authority and an indication of the main reasons for its choice, taking into account the environmental effects of those alternatives and the proposed cargo transfers;
 - (f) a non-technical summary of the information provided under paragraphs (a) to (e); and
 - (g) a description of any difficulties, such as technical deficiencies or lack of knowledge, encountered in compiling any information specified in paragraphs (a) to (e).
- (2) The description referred to in sub-paragraph (1)(b) must cover—
- (a) direct and indirect effects;
 - (b) secondary effects;
 - (c) cumulative effects;
 - (d) short-term, medium-term and long-term effects;
 - (e) permanent and temporary effects; and
 - (f) positive and negative effects.

Provision of further information

3.—(1) Where the Secretary of State reasonably considers that—

- (a) further information is required for the proper consideration of the likely environmental effects of the proposed cargo transfers, and
- (b) the harbour authority is or should be able to provide such information,

the Secretary of State must notify the harbour authority in writing of the matters on which further information is required.

(2) The Secretary of State need not deal further with, or exercise any functions under these Regulations in relation to, the application until any further information required in accordance with sub-paragraph (1) has been provided to the Secretary of State.

Consultation and publicity

4.—(1) The Secretary of State must either—

- (a) supply the documents set out in sub-paragraph (2) to the consultation bodies, or
- (b) direct the harbour authority to supply them to the consultation bodies.

(2) The documents referred to in sub-paragraph (1) are—

- (a) a copy of the application;
- (b) a copy of any further information supplied by the harbour authority to the Secretary of State under paragraph 3; and
- (c) a letter stating that any representations regarding the application should be made in writing to the Secretary of State, at an address specified in the letter, within 42 days from the date of the letter (or such longer period as may be agreed between the consultation bodies and the Secretary of State).

(3) The Secretary of State must either—

- (a) publicise the application by the method set out in sub-paragraph (4), or

^(a) S.I. 1998/1056.

- (b) direct the harbour authority to publicise the application by the method set out in sub-paragraph (4).
- (4) The method referred to in sub-paragraph (3) is—
 - (a) the publication, in two successive weeks, of a notice containing the information set out in sub-paragraph (5) in such newspapers or other publications as the Secretary of State considers appropriate, and
 - (b) such other steps as the Secretary of State considers appropriate.
- (5) The information referred to in sub-paragraph (4) is—
 - (a) the harbour authority's name and correspondence address;
 - (b) a statement that an environmental statement has been submitted in connection with an application for an oil transfer licence and that further information (if any) has been provided to the Secretary of State;
 - (c) a description of the proposed cargo transfers, including—
 - (i) the types of substances to be transferred;
 - (ii) the maximum quantities of each substance to be transferred in any single operation and/or within any specified time period;
 - (iii) the anticipated frequency of transfers; and
 - (iv) the types of ship to be used to carry out the transfers;
 - (d) the address of an office of the Secretary of State, or other place nominated by the Secretary of State, at which copies of the application and the further information (if any) may be inspected free of charge at all reasonable hours, within 42 days beginning with the date of publication of the notice;
 - (e) the address from which copies of the application and the further information (if any) may be obtained from the Secretary of State and, if a charge is to be made for a copy, the amount (not exceeding a reasonable charge for copying), of the charge; and
 - (f) a statement that any person wishing to make representations regarding the application and the further information (if any) should make them in writing to the Secretary of State at an address specified in the notice, within 42 days beginning with the date of publication of the notice.
- (6) The Secretary of State need not deal further with, or exercise any functions under these Regulations in relation to, the application until—
 - (a) the harbour authority has complied with any directions given in accordance with sub-paragraph (1)(b) or (3)(b); and
 - (b) the expiry of—
 - (i) the consultation period, including any extension agreed in accordance with sub-paragraph (2)(c); and
 - (ii) the period for the making of representations in accordance with sub-paragraph (5)(f).

Licence decision, notification and publication

5.—(1) In reaching a licence decision, the Secretary of State must—

- (a) have regard to—
 - (i) the application for the oil transfer licence;
 - (ii) the environmental statement;
 - (iii) any further information provided by the harbour authority pursuant to a notification under paragraph 3;
 - (iv) any representations received in accordance with the letter referred to in paragraph 4(2)(c); and

- (v) any representations received in accordance with the statement referred to in paragraph 4(5)(f); and
- (b) take into account the direct and indirect effects of the proposed cargo transfers on—
 - (i) human beings, fauna and flora;
 - (ii) soil, water, air, climate and the landscape;
 - (iii) material assets and the cultural heritage; and
 - (iv) the interaction between any two or more of the things mentioned in sub-paragraphs (i) to (iii).
- (2) The Secretary of State must send written confirmation of the licence decision to—
 - (a) the harbour authority;
 - (b) any consultation body which responded to the consultation in accordance with the letter referred to in paragraph 4(2)(c); and
 - (c) any person from whom the Secretary of State received representations in accordance with the statement referred to in paragraph 4(5)(f).
- (3) The written confirmation must include—
 - (a) the main reasons and considerations on which the licence decision was based, including any opinion of the European Commission on matters of overriding public interest obtained under paragraph 3(4) of Schedule 1;
 - (b) if the licence decision involves granting the oil transfer licence, a description of any measures that must be taken in consequence of the grant to avoid or reduce, and where possible offset, any environmental effects of the cargo transfers; and
 - (c) such maximum duration of the oil transfer licence, if any, as the Secretary of State considers appropriate.
- (4) The Secretary of State must ensure, as soon as possible after written confirmation is sent to the harbour authority pursuant to sub-paragraph (2)(a), that the licence decision is publicised in such manner as the Secretary of State considers appropriate.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations govern transfers consisting wholly or mainly of oil between ships, known as ship to ship transfers, within the seaward limits of the territorial sea of the United Kingdom.

Regulation 1(2) and (3) provide that the regulation of cargo transfers under *regulation 3(2)* takes effect either six months after the coming into force of the Regulations, or on the later making of a licence decision where a harbour authority has applied for an oil transfer licence within two months of the coming into force of the Regulations and the licence decision has not been made within the six-month period.

Regulation 3(1) prohibits ship to ship transfers consisting wholly or mainly of oil unless they are carried out within harbour authority waters.

Under *regulation 3(2) and (3)* ship to ship transfers of cargo consisting wholly or mainly of oil are subject to prior authorisation by the relevant harbour authority under an oil transfer licence granted by the Secretary of State, having considered the programme's likely impact on the environment by the procedure set out in *Schedules 1 and 2*. Where cargo transfers are likely to have a significant effect on a European site, the procedure implements Article 6 of Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (O.J. No. L 206, 22.7.92, p.7).

Regulation 3(4) excludes from the Regulations ship to ship transfers involving ships engaged in certain offshore activities, ships engaged at the relevant time on government non-commercial service and general lighthouse authorities.

Regulation 3(5) excludes from regulation 3(2) and 3(3) two categories of cargo transfers: transfers to lighten a ship to enable it to move to shallower waters and to consolidate cargo for bunkering operations.

Regulation 4 sets out requirements for the authorisation of regulated transfers pursuant to an oil transfer licence.

Regulation 5 sets out the procedure for an application for an oil transfer licence and for an amended oil transfer licence and requires a harbour authority to apply for an amendment to an existing licence within three months of becoming aware of a material change in circumstances.

Regulation 6 confers on the Secretary of State the power to grant exemptions from regulation 3(1).

Regulation 7 makes the contravention of certain provisions of the Regulations an offence.

Regulation 8 provides transitional arrangements under which, in respect of a harbour in which ship to ship cargo transfer operations have taken place regularly for a year prior to the coming into force of these Regulations, the harbour authority is not required to have an oil transfer licence in order to authorise cargo transfers for a maximum period of two years pending the obtaining of such a licence.

An impact assessment of the effect of these Regulations on the cost of business has been prepared and copies can be obtained from the Maritime and Coastguard Agency, Spring Place, 105 Commercial Road, Southampton SO15 1EG. A copy has been placed in the library of each House of Parliament.

Guidance on the Merchant Shipping (Ship-to-Ship Transfer) Regulations 2010

Notice to all Shipowners, Agents, Masters & Officers on Ships, Harbour Masters, Ship-to-Ship Transfer Operators and Bunkering Operators etc

This notice should be read with SI 2010 /xxxx

PLEASE NOTE:-

Where this document provides guidance on the law it should not be regarded as definitive. The way the law applies to any particular case can vary according to circumstances - for example, from vessel to vessel and you should consider seeking independent legal advice if you are unsure of your own legal position.

Summary

This notice sets out:

- new restrictions regarding transfers between ships of oil cargoes and bunker fuel in UK waters
- considerations for exemptions from the restrictions

1. Introduction

1.1 The Merchant Shipping (Ship-to-Ship Transfer) Regulations 2010 place restrictions on transfers between ships of cargo transfers (Ship-to-Ship(STS)) or bunkering operations consisting wholly or mainly of oil in UK waters.

1.2 The legislation is applicable within the United Kingdom's internal waters and territorial seas, namely those waters within the baseline and those waters extending to 12 nautical miles from the baseline.

2. Application

2.1 Transfers of oil cargoes or bunkering between ships are prohibited, unless the ships are within harbour authority waters (subject to exceptions described in Section 3).

2.2 Transfers of oil cargoes (including where bunker fuel is carried as cargo) between ships within harbour authority waters are subject to the following additional restrictions:

- a) The harbour authority must apply to the Secretary of State for an “oil transfer licence”.
 - b) An “oil transfer licence” application will include a determination of whether the cargo transfer is likely to have a significant effect on any European site, either individually or in combination with other plans or projects
 - c) If the harbour authority determines that the proposed cargo transfer is likely to have a significant effect on any European site, the harbour authority must carry out an appropriate assessment of its implications for the European site, in view of the conservation objectives of the site, for the purposes of Article 6 of the Habitats Directive.
 - d) Once an oil transfer licence has been granted by the Secretary of State, the harbour authority may only authorise a cargo transfer which is within the scope permitted by the oil transfer licence.
- 2.3 Schedule 1 of the Statutory Instrument provides detail concerning assessment of impact on European Sites. Schedule 2 provides detail concerning the procedure for grant of oil transfer license.

3. Exceptions

- 3.1 Transfers are not subject to the restrictions if they meet the following criteria:
- between a ship and an offshore installation;
 - to or from a warship, naval auxiliary ship or other ship owned or operated by a State and used solely, for the time being, on government non-commercial service.
 - Carried out by or on behalf of a general lighthouse authority in the UK.

4. Exemptions

- 4.1 In addition, exemptions to these restrictions will be considered on a case by case basis. Examples, including but not limited to those below may be exempted on a case by case basis.
- as part of seismic survey operations
 - as part of cable laying / pipe laying operations
 - operations involving offshore support vessels
 - bunker transfers outside statutory harbour areas for ships of restrictively deep draft
 - transfers operations in situations of *force majeure*
- 4.2 Any requests for exemptions must be communicated to the nearest Coastguard Rescue Co-ordination Centre.

More Information

Counter Pollution and Salvage
Maritime and Coastguard Agency
Bay 2/11
Spring Place
105 Commercial Road
Southampton
SO15 1EG

Tel : +44 (0) 23 8032 9525
Fax : +44 (0) 23 8032 9485
e-mail: meor.meor@mcga.gov.uk

General Inquiries: 24 Hour Infoline
infoline@mcga.gov.uk
0870 600 6505

MCA Website Address: www.mcga.gov.uk

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*An executive agency of the
Department for
Transport*

Summary: Intervention & Options

Department /Agency: Maritime & Coastguard Agency	Title: Impact Assessment of The Merchant Shipping (Ship-to-Ship Operations) Regulations 2010	
Stage: Consultation	Version: Draft	Date: 1 February 2010
Related Publications:		

Available to view or download at:

<http://www.mcga.gov.uk/c4mca/mcga07-home/shipsandcargoes/consultations/mcga-currentconsultations/cp-con-sts2010.htm>

Contact for enquiries: Toby Stone

Telephone: 023 80 329 525

What is the problem under consideration? Why is government intervention necessary?

The problem under consideration is how to prevent pollution from ships engaged in ship-to-ship transfers. Government intervention is required because cargo transfers, consisting wholly or partially of oil, and bunkering operations between ships at sea are currently unregulated in the UK. There is no statutory requirement for parties engaged in such transfers at sea to notify the UK authorities or have the necessary resources in place should a pollution incident occur. At present, there are no powers in place to prevent such operations taking place. The introduction of the proposed regulations would seek to bring these transfers within statutory harbour areas, where there already exists a statutory responsibility to have oil pollution contingency plans in place, thus reducing the risk and impacts of any potential spills.

What are the policy objectives and the intended effects?

The Policy Objectives are:

- To regulate cargo transfers, consisting wholly or partially of oil, and bunkering operations between ships within the UK 12 nautical mile territorial sea;
- To ensure that the impact of cargo transfers upon any European Sites under the Habitats Directive is considered and minimised, and ensure that oil transfers are recorded and monitored through a system of environmental consents to be issued by an appropriate authority; and
- To enable the UK to take action against unauthorised ship to ship transfers.

The intended effect is to ensure that the UK would have the ability to prevent ship to ship transfers within the 12 nautical mile limit if they are considered a risk to the environment, economy or local communities. The UK would also have the ability to prosecute those that carry out unauthorised transfers or do not carry out transfers within the terms permitted the licence.

What policy options have been considered? Please justify any preferred option.

Option 1: Do Nothing – Do not regulate transfer operations within UK territorial seas.

Option 2: Ban transfer operations in UK territorial seas (excluding statutory harbour areas).

Option 3: Ban transfer operations in UK territorial seas (excluding statutory harbour areas, and introduce the requirement for an Oil Transfer Licence within a harbour area where an oil transfer will not significantly impact upon European sites and has the environmental consent of the appropriate authority.

Option 3 is the preferred option as it would enable the UK to effectively meet the outlined policy objectives. Option 3 therefore reflects the proposed Regulations that are subject to consultation.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Within three years to ensure they meet the needs of the environment and industry.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

.....Date:

Summary: Analysis & Evidence

Policy Option: 2

Description: Ban transfer operations in UK territorial seas (excluding statutory harbour areas).

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' SHIP OPERATORS : It is assumed that all cargo transfer operations within UK territorial waters would take place within harbour areas as a result of Option 2. Ship operators would consequently incur additional port charges. The cost has been estimated at up to £9.6 million per year. PORTS/HARBOURS : A new port wishing to allow cargo transfers would have to update its oil spill contingency plan. The one-off cost has been estimated at around £0.03 million, assuming that 3 new ports would do this.
	One-off (Transition)	Yrs	
	£ 0.03 million	1	
	Average Annual Cost (excluding one-off)		
	£ 9.6 million	10	
			Total Cost (PV) £82.2 million

Other **key non-monetised costs** by 'main affected groups' **ENVIRONMENT**: It is considered that there could potentially be local environmental costs (e.g. air quality) and related health impacts as a result of additional transfers occurring in harbour areas. It has not been possible to monetise this cost.

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		
	£		
			Total Benefit (PV) £

Other **key non-monetised benefits** by 'main affected groups'. **ENVIRONMENT**: It is considered that bringing transfers within harbour areas could decrease the probability of a serious environmental incident occurring, and would ensure transfers take place within an area where response-facilities are available, reducing the costs to the UK of any incidents. It has not been possible to monetise this benefit.

Key Assumptions/Sensitivities/Risks 1.) It is assumed that ship operators would respond to Option 2 by conducting all transfers within harbour areas, and that the number of cargo transfers undertaken in future years would be the same as in 2009. However, it is possible that ship operators could instead choose to conduct cargo transfers outside UK territorial waters. Therefore, it is possible that the above estimates could overestimate the cost of Option 2 to ship operators. 2.) The estimated monetised costs rely on a number of assumptions (e.g. that the number of cargo transfers undertaken in future years would be the same as in 2009) and are therefore uncertain. 3) It is possible that some of the estimated monetised costs could be incurred by non-UK firms. Therefore, it is possible the above estimates could overestimate the cost to the UK. 4.) The Net Benefit below only includes the estimated monetised costs, and does not reflect the non-monetised costs and benefits that have been identified.

Price Base Year 2010	Time Period Years 10	Net Benefit Range (NPV) £ -82.2 million	NET BENEFIT (NPV Best estimate) £ -82.2 million
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What is the geographic coverage of the policy/option?		United Kingdom	
On what date will the policy be implemented?		TBC	
Which organisation(s) will enforce the policy?		MCA	
What is the total annual cost of enforcement for these organisations?		£ 0	
Does enforcement comply with Hampton principles?		Yes	
Will implementation go beyond minimum EU requirements?		n/a	
What is the value of the proposed offsetting measure per year?		£ n/a	
What is the value of changes in greenhouse gas emissions?		£ Not quantifiable	
Will the proposal have a significant impact on competition?		No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium Large
Are any of these organisations exempt?			

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)
Increase of £ 0	Decrease of £ 0	Net Impact	£ 0

Summary: Analysis & Evidence

Policy Option: 3

Description: Ban transfer operations in UK territorial seas (excluding statutory harbour areas, and introduce the requirement for an Oil Transfer Licence within a harbour area where an oil transfer will not significantly impact upon European sites and has the environmental consent of the appropriate authority.

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' SHIP OPERATORS : It is assumed that all cargo transfer operations within UK territorial waters would take place within harbour areas as a result of the proposed Regulations (Option 3). Ship operators would consequently incur additional port charges. The cost has been estimated at up to £9.6 million annually. PORTS/HARBOURS : 1.) A new port wishing to allow cargo transfers would have to update its oil spill contingency plan. The one-off cost has been estimated at around £0.03 million, assuming that 3 new ports would do this. 2.) In addition, all ports wishing to allow cargo transfers would have to conduct environmental impact assessments. The one-off cost has been estimated at around £0.6 million, assuming that a total of 6 ports would do this.
	One-off (Transition)	Yrs	
	£ 0.63 million	1	
	Average Annual Cost (excluding one-off)		
	£ 9.6 million	10	
			Total Cost (PV) £ 82.8 million
Other key non-monetised costs by 'main affected groups' ENVIRONMENT : It is considered that there could potentially be local environmental costs (e.g. air quality) and related health impacts as a result of additional transfers occurring in harbour areas. It has not been possible to monetise this cost.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		
	£		
			Total Benefit (PV) £
Other key non-monetised benefits by 'main affected groups' ENVIRONMENT : It is considered that bringing transfers within harbour areas could decrease the probability of a serious environmental incident occurring, and would ensure transfers take place within an area where response-facilities are available, reducing the costs to the UK of any incidents. In comparison with Option 2, Option 3 also guarantee that environmental impact assessments would be undertaken, providing an additional safeguard. The MCA expect that this would increase this benefit. However, it has not been possible to monetise this benefit.			

Key Assumptions/Sensitivities/Risks The key assumptions / sensitivities / risks are the same as for Option 2.

Price Base	Time Period	Net Benefit Range (NPV)	NET BENEFIT (NPV Best estimate)
Year 2010	Years 10	£ -82.8 million	£ -82.8 million

What is the geographic coverage of the policy/option?			United Kingdom	
On what date will the policy be implemented?			TBC	
Which organisation(s) will enforce the policy?			MCA	
What is the total annual cost of enforcement for these organisations?			£ 0	
Does enforcement comply with Hampton principles?			Yes	
Will implementation go beyond minimum EU requirements?			No	
What is the value of the proposed offsetting measure per year?			£ n/a	
What is the value of changes in greenhouse gas emissions?			£ Not quantifiable	
Will the proposal have a significant impact on competition?			No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?				

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)	
Increase of	£ 0	Decrease of	£ 0	Net Impact £ 0

Evidence Base (for summary sheets)

1. Background

- 1.1 Cargo transfers between ships (referred to as Ship-to-Ship (STS) Transfers) involve the transfer of oil, carried as cargo, from one tanker to another. It is an internationally recognised practice, which takes place worldwide. There are voluntary industry guidelines issued under the aegis of the International Chamber of Shipping (ICS) and the Oil Companies International Marine Forum (OCIMF), which set out the procedures to be followed when carrying out cargo transfers. Domestically, these transfer operations have a very good record, both in respect of safety and in respect of the environment.
- 1.2 Bunkering operations between ships (normally referred to as bunkering) involves the replenishment of bunker fuel for use by a ship receiving the transfer for propulsion of the engines. This can be considered as a lesser form of ship to ship transfer with usually much smaller volumes being transferred.
- 1.3 Routine cargo and bunkering transfers between ships are currently unregulated and ships can conduct transfers anywhere in the UK waters.
- 1.4 Current situation for Cargo Transfers (STS Transfers)
 - 1.4.1 Historically, STS transfers have been carried out in the UK territorial seas in locations off Southwold (Suffolk) and in Lyme Bay (Devon/Dorset), as well as in the Harbour Authority areas of Scapa Flow, Nigg and Sullom Voe. In recent years, there has been an increase in STS transfers in UK waters, brought about by new trading patterns within Europe and Russia, namely the noted increase in trade through European waters of Russian export blend crude oil and heavy fuel oil.
 - 1.4.2 The specific reason for the requirement to carry out the transfers is that the oil emanating from Baltic and Russian ports initially has to be shipped using relatively small tankers due to the shallow waters of the Baltic Sea and some of the approaches to the Northern Maritime Corridor ports. However, once this stage of the journey has been negotiated it is then more economically viable to transfer the oil into larger tankers for the onward journey to its eventual destination in either the Americas or the Far East. MCA data indicates that transfer operations tend to involve transfer of oil from a number of smaller vessels (around 2-6) into one larger vessel.
 - 1.4.3 MCA records show that from 2006 – 2008, less than 60 applications to complete ship to ship transfers were received by the MCA. However, the MCA had in excess of 200 applications in 2009. The operations have involved a total of 594 ship movements (this includes all receiving and discharging vessels). This substantial increase is mainly due to the current economic downturn as it is more profitable for companies to hold the product on the vessels until such time as the oil price peaks before transferring it to the receiving vessel for onward transit to the intended market. Ships are being repeatedly used as storage receptacles with the subsequent change in trading patterns.
 - 1.4.4 Cargo transfer operations are undertaken by manoeuvring two vessels to berth together. Pipelines are then connected between the vessels and the cargo transferred from one vessel to the other. If more than one vessel is involved in discharging oil then the first vessel will uncouple and move away before the process is repeated with the next discharging vessel. The number of vessels involved can vary from 2 (one discharging and one receiving) to 6 (one or two receiving and up to 5 discharging). Each transfer operation is independent and the MCA cannot predict the number of vessels that may be involved overall. Under the proposed Regulations, the MCA expect that this operation would instead take place within the sheltered confines of the harbour waters using similar methodology. The alternative would be for these operations to take place outside UK territorial waters.

1.5 Current Situation for Bunkering Transfers (Bunkering)

- 1.5.1 The majority of ports have the necessary facilities for bunkering transfers to be carried out within their statutory harbour areas resulting in the majority of all bunkering transfers being carried out within these harbour areas.
- 1.5.2 However, bunkering can take place outside of harbour areas. When this occurs, as with ship to ship transfers, there is no regulation currently in place to control the operation or impose sanctions should an incident occur.
- 1.5.3 No statistics exist as to the number of bunkering operations that currently take place within UK harbour areas as these are a daily operational occurrence. Of the 248 ship to ship transfer applications that were received during 2009, 23 were identified as bunkering operations.

1.6 Regulatory Background

- 1.6.1 One of the recommendations in the report 'Safer Ships, Cleaner Seas' overseen by Lord Donaldson of Lymington following the Braer incident, was that the Government should bring new Regulations into force as soon as practicable to control transshipments, such as cargo transfer and bunkering transfer operations.

1.7 The OPRC Regulations

- 1.7.1 All statutory harbour areas must comply with the International Convention on Oil Pollution Preparedness, Response and Co-operation Convention (OPRC) 1990 and the associated domestic legislation under the Merchant Shipping (OPRC) Regulations 1998.
- 1.7.2 The OPRC Regulations require ports and harbours to have a MCA approved oil spill contingency plan which includes a risk assessment and the provision of oil combating equipment commensurate to the identified risk. The plans are designed to ensure that trained personnel and the necessary equipment for responding to a spill are close at hand, and can be deployed in a timely manner. Were cargo transfers or bunkering transfers to be carried out in a statutory harbour area, the port / harbour would be required to give this due consideration as part of its oil spill contingency plan.
- 1.7.3 The OPRC Regulations do not apply to cargo or bunkering transfer operations which take place outside of statutory harbour areas. As a result, there are currently no statutory requirements placed on operators to have in place the necessary resources to respond to a pollution incident arising from their operations if they take place outside of statutory harbour areas. This means it would fall upon the government to initiate a response to an incident and use taxpayers money to undertake the clean up operation. It is also possible that those involved in the incident would not notify the authorities resulting in a delayed reaction and greater damage occurring to the marine and coastal environments as a result. If operations are carried within a port area there are more and better resources available to respond to an incident to mitigate and pollution.

1.8 The Habitats Directive

- 1.8.1 Council Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Flora (The Habitats Directive) has the aim of preserving, protecting and improving the quality of the environment, including the conservation of natural habitats and of wild fauna and flora.
- 1.8.2 The proposed Merchant Shipping (ship-to-ship operations) Regulations, which reflect Option 3 as described in Section 3 of this impact assessment, would implement the Habitats Directive in respect of the granting of oil transfer licences.. . When applying for an oil transfer licence the Harbour Authority would be required to consider whether the transfer operation(s) proposed under the licence would constitute a significant threat or have a significant effect on any European designated conservation site. They would have to show that this has been taken into consideration prior to an Oil Transfer Licence being awarded.

2. Why Intervention is Required.

- 2.1 The problem under consideration is how to prevent pollution from ships engaged in ship-to-ship transfers. New trading patterns in Europe and Russia, associated with growing markets for Russian export blend crude oil, have meant an increased number of cargo transfers occurring in UK waters in recent years, with further growth expected. MCA statistics show that since 2006 the number of ship-to-ship transfers taking place in UK waters has greatly increased (see paragraph 1.4.3). This has led to a proportional increase in the risk to the UK from a major oil pollution incident arising as a result of a cargo transfer. The MCA has recorded 6 incidents of collisions and 2 incidents of oil spills during ship-to-ship transfers during 2009. The UK has been fortunate that these incidents have been minor. The sudden recent increase in ship-to-ship operations is linked to the economic downturn as explained in paragraph 1.4.3. There are no current trends indicating a downturn in this activity.
- 2.2 Although the UK has successfully controlled ship-to-ship transfers in UK waters through voluntary measures and guidelines for a number of years, and industry has effectively self regulated, the increase in operations and incidents has led to the need for the UK to further protect its coastline and waters from oil pollution incidents. The introduction of the proposed Regulations would ensure that all transfers within the UK's 12 nautical mile territorial sea limit take place within harbour areas where additional resources are available to combat any pollution incidents that may occur.
- 2.3 The proposed Regulations would ensure that no unauthorised transfers take place and would be an effective tool to prevent the 'rogue' operators that can currently carry out transfers, and operate outside of the voluntary guidelines, within UK waters without fear of sanctions. Although the MCA know that operations have been undertaken without the MCA being notified, no records of such operations are kept. When such a situation occurs, communication is undertaken with the operator to ensure they are informed of the MCA process for ship to ship transfers.
- 2.4 The Government has maintained an interest in the transfer activities that take place off of the coast and is aware that the recent history and record of the transfers has been good. However, the number of transfers taking place has increased as has the potential for a hazardous incident to occur. This increase in marine traffic around the coastline and rise in number of ship-to-ship transfers taking place has led the government to believe that the time is now right to introduce legislation to further control ship-to-ship transfers and minimise the potential for and impact of a marine pollution incident taking place.
- 2.5 The recent interest of the national media and general public in this issue has further strengthened the view that now is the correct time to introduce regulation before a major incident occurs, and before the level of transfers taking place result in numerous small incidents that collectively have a larger effect than their individual impacts.
- 2.5 Much of the UK coastline and marine environment is of international importance and as such needs protection from the threat posed from increased transfer of oil around the coast. By introducing the proposed Regulation to reinforce the Habitats Directive and ensure that appropriate environmental considerations are made, the UK can maintain the highest level of protection for its unique flora and fauna.

3 Policy Options

- 3.1 The policy options under consideration are as follows:

- | | |
|-----------|--|
| Option 1) | Do Nothing (Counterfactual) |
| Option 2) | Ban transfer operations in UK territorial seas (excluding statutory harbour areas). |
| Option 3) | Ban transfer operations in UK territorial seas (excluding statutory harbour areas, and introduce a requirement for an Oil Transfer Licence within a harbour area |

where an oil transfer will not significantly impact upon European sites and has the environmental consent of the appropriate authority.

Option 1) Do Nothing.

3.2.1 This option would leave all transfer operations unregulated. Evidence shows that the UK has a generally responsible shipping industry which operates within international industry guidelines for the conduct of cargo transfer operations and voluntary UK measures for cargo and bunkering transfers. However, the absence of any regulatory control makes it impossible to guarantee that the excellent safety record that has been established would continue. The option also ignores the potential future hazards posed by operators who may wish to set up such activities without the necessary pollution control resources in place. In this impact assessment, the costs and benefits of Option 2 and Option 3 have been assessed relative to this 'Do Nothing' option as the counterfactual.

3.3 Option 2) Ban cargo transfer and bunkering transfer between ships in United Kingdom territorial seas (excluding statutory harbour areas).

3.3.1 Within UK waters, this option would force operators to conduct STS operations and bunker transferring operations within statutory harbour areas and thus prevent them from conducting such operations elsewhere in UK territorial seas. Within these harbour areas, oil spill contingency planning for STS and bunker transferring operations would be brought under the auspices of the OPRC Regulations, providing an additional element of control. Any port or harbour allowing such operations to take place within its statutory harbour area would be legally bound to consider the operations as part of the OPRC contingency planning process. Furthermore, there are additional resources in harbour areas, such as tugs, that would be of particular use in an emergency situation.

3.3.2 However, the measures recommended in this option would only be effective up to the 12 nautical mile (NM) limit of the UK territorial seas. Therefore, it would still notionally be possible for large tankers to conduct cargo or bunkering transfer operations just outside of the territorial sea. The UK is currently involved in negotiations at the International Maritime Organization (IMO) to draft a new chapter of Annex I of MARPOL (The International Convention for the Prevention of Pollution by Ships) which would regulate ship-to-ship transfers outside UK territorial waters but within the Pollution Control Zone. As an interim measure, the MCA would seek to discourage operators from conducting operations just outside of UK territorial seas.

3.3.3 Option 2 would be a viable way to proceed due to the additional control that the OPRC contingency planning process would place over contingency planning and pollution response when STS operations are carried out in statutory harbour areas. This option would remove the risks associated with STS and bunkering transfer operations that are carried out in UK territorial seas outside of statutory harbour areas.

3.3.4 However, Option 2 would not ensure that all of the policy objectives are met as it would not ensure that impacts upon European Sites¹ as detailed within the Habitats Directive are appropriately considered within the decision making process, and would not ensure that cargo transfers within a harbour area have taken into consideration the environmental impact or have an appropriate environmental consent. This is the key difference between Option 2 and Option 3, and is the main reason why Option 2 has been discounted.

3.4 Option 3: Ban transfer operations in UK territorial seas (excluding statutory harbour areas), and introduce a requirement for an Oil Transfer Licence within a harbour area where an oil transfer will not significantly impact upon European sites and has the environmental consent of the appropriate authority.

3.4.1 The preferred option is Option 3, which would only allow transfers to take place in statutory harbour areas subject to an appropriate licence being held. Within UK waters, this would force

¹ Special Areas of Conservation (SACs), Special Protection Areas (SPAs) & Offshore Marine Sites (OMS)

operators to conduct STS operations and bunker transferring within specified areas. Within these harbour areas, oil spill contingency planning for STS and bunker transferring operations would be brought under the auspices of the OPRC Regulations. Any port or harbour allowing such operations to take place within its statutory harbour area would be legally bound to consider the operations as part of the OPRC contingency planning process thus ensuring appropriate resources are in place should a pollution incident occur.

3.4.2 In order for ship-to-ship transfers to be undertaken within a statutory harbour area, the harbour authority would have to apply for an oil transfer licence. Application for this licence would be processed by the MCA, but would involve consultation with appropriate bodies, such as Scottish Natural Heritage, Natural England and the Countryside Council for Wales, as is deemed necessary.

3.4.3 A harbour authority would only allow cargo transfer operations within its waters for which an oil transfer licence has been granted (note – an oil transfer licence is not required for bunkering operations). As a part of the licence application due consideration would have to be given to the potential impact on the environment, with particular reference to any European Sites within the Harbour Authority Area. If required, a full environmental impact assessment would have to be undertaken prior to a licence being granted.

3.4.4 A requirement to obtain an oil transfer licence from the appropriate authority would mean that, even where there was no designated European site within harbour authority waters, there would still be a requirement to assess the potential environmental impact of a cargo transfer.

3.4.5 As with Option 2, Option 3 would only be effective up to the 12 nautical mile (NM) limit of the UK territorial seas.

3.4.6 Option 3 is preferred over option 2 for the following reasons:

- Greater protection of the marine and coastal environment;
- Ensure the impact of transfers are appropriately reviewed;
- Ensure continued compliance with existing UK environmental legislation;
- Compliance with Habitats Directive
- Ensures that adequate resources are in place should a pollution incident occur; and
- All policy objectives for the proposed Regulation would be achieved.

3.4.7 The proposed Regulations that are subject to consultation therefore reflect Option 3. However, the costs and benefits of both the proposed Regulations (Option 3) and Option 2 are presented in this impact assessment.

4 Simplification

4.1 Introducing legislation to ensure that ship to ship transfers are completed within statutory harbour areas when undertaken in UK waters means that the regulations relating to OPRC and the Habitats Directive can be used to further control STS transfers, thus reducing the complexity of legislation required to reduce the risk of pollution incidents within UK waters.

5. Implementation and Delivery Plan

5.1 The proposed Regulations would simply place restrictions on the locations in which STS operations can take place within UK waters, and as such, the MCA do not anticipate that they would be overly burdensome to the vessel or vessel operator. The vessel would, however, have to apply to the appropriate harbour authority for consent to carry out the ship-to-ship transfer within the harbour area. The MCA do not expect that the shipping industry would have any trouble complying with the proposed Regulations.

5.2 There could be some burden on harbour authorities who envisage a programme of transfers within their waters. They would need to ensure that such operations are adequately covered by oil spill contingency planning under the OPRC Regulations. They would also have to consider impacts on

any European Sites, and obtain environmental consent from the appropriate authority. Harbours would also have to process the applications received from vessels who wish to compete STS transfers within their waters. The proposed Regulations have been drafted to ensure that transfers can continue to take place until harbour authorities have the appropriate systems in place to fully implement the proposed Regulations.

- 5.3 The shipping industry generally has an excellent record with co-operation on matters regarding cargo transfer and bunkering transfer operations (previously operators have complied with various voluntary measures on locations where cargo transfers between ships may be carried out). It is not foreseen that there will be any significant level of opposition to the introduction of the proposed Regulations.
- 5.4 Where it can be established that transfers are already taking place within a harbour, the harbour authority may be granted up to 2 years from the date the Regulations come into force to obtain an oil transfer licence. Details and conditions of this process are detailed within the proposed Regulations.
- 5.5 A Marine Guidance Note (MGN) [and Merchant Shipping Notice (MSN)] would be included as part of the regulatory package to provide further guidance and clarification on certain issues for industry. These documents are being consulted upon alongside the proposed Regulations.

6. Post-implementation Review

- 6.1 The MCA is committed to reviewing the effectiveness of the proposed Regulations within three years of implementation, to ensure that they meet the needs of the environment and industry.
- 6.2 The implementation of the proposed Regulations would be reviewed domestically through the MCA's normal contact with industry and NGO groups at regular stakeholder meetings. In addition, the UK is active in ongoing work within the international community to tackle pollution from shipping both within the IMO's Marine Environment Protection Committee structure and through other UN and EU initiatives. For all of these bodies, the input of the industry and NGOs is sought when developing a UK position both through standing meetings before IMO Committee meetings and ad hoc consultation

7. Costs of Option 2

7.1 Costs for the Ports and Shipping sectors

- 7.1.1 Option 2 would prohibit STS transfers and bunkering operations taking place within the UK's territorial seas. In this impact assessment, it has been assumed that instead of these transfers taking place within the UK's Territorial Seas, Option 2 would result in all such transfers taking place within harbour areas in the UK. However, it would also be possible for ship operators to conduct transfers outside of the UK territorial seas in international waters. MGN / MSN issued by the MCA could be used to discourage operators from conducting transfers outside this area, although without the introduction of an IMO convention, this would not be enforceable. This has therefore been identified as one of the key assumptions in this Impact Assessment. It is possible therefore that the estimated monetised costs identified below could overestimate of the cost of Option 2 to ship operators. This risk is discussed further in paragraph 7.1.6.
- 7.1.2 The MCA expect that the economic costs of Option 2 would largely be borne by the ports and harbours in the first instance, which in turn would be likely to pass the costs onto the shipping industry in the form of higher port fees. Ports are likely to face both fixed and variable costs under Option 2: fixed costs in terms of obtaining new OPRC Oil Spill Contingency Plans, and variable costs in terms of allowing ship operators into their port or harbour area to conduct an STS transfer. For the purposes of this impact assessment, it has been assumed that the ports are able to pass on these variable costs to their consumers (i.e. Ship Operators). This stems from the assumption that the ports industry is competitive and that it would therefore price its services at marginal cost. The fixed costs have thus been considered as a cost to the port or harbour, and the variable costs have thus been considered as a cost to ship operators. The extent to which the ports industry can

accurately be modelled by an assumption of perfect competition has not been investigated in this impact assessment.

- 7.1.3 A small fixed cost would be incurred by any port that wants to bring STS operations into its harbour area in order to prepare a new OPRC Oil Spill Contingency Plan. This is because a proposal to allow STS operations constitutes a major change, which affects or could affect the validity or effectiveness of a contingency plan to a material extent under the OPRC Regulations. The MCA assume that a port or harbour would incur a one-off cost of around £10,000 for preparation of a new plan on the basis of informal discussions with industry sources. On the assumption that three additional ports would begin to allow STS transfers as above and thus require an amended contingency plan, the MCA estimate that the total cost would be £30,000. However, it should be noted that the number of additional ports that would allow STS transfers and the cost of a new OPRC Oil Spill Contingency Plan are both uncertain.
- 7.1.4 As noted in paragraph 7.1.2, it is assumed that the variables costs faced by ports would be passed onto their customers (i.e. Ship Operators). Therefore, ship operators would incur additional costs as a result of Option 2 due to the prohibition of conducting the transfers at sea in the UK Territorial Sea. These would include port fees, the use of port facilities including pilotage, tug fees and light dues. By considering the charges that are levied by various ports that are suitable for cargo transfer operations to take place, the MCA consider that the average cost of port charges, such as those listed above, could be in the region of £0.45 per tonne of oil transferred².
- 7.1.5 Data collated by the MCA indicates that there were around 600 ship movements related to STS transfers in UK waters in 2009. For the purposes of this impact assessment, it has been assumed that the number of cargo transfers undertaken in future years would be the same as in 2009 and that the same number of ship movements would take place (i.e. 600 ship movements per year). As noted in paragraph 7.1.1, it is assumed that all of these transfers would take place within harbour areas as a result of Option 2. Based upon 2009 data, the MCA estimated that around 35,000 tonnes of oil were transferred per ship movement on average³. Using the port charges identified in paragraph 7.1.4, the MCA has estimated that ship operators undertaking transfers would face additional costs of around £16,000 per ship movement on average. Therefore, assuming 600 ship movements take place each year, the MCA has estimated the total cost to ship operators of the port charges that they would incur as a result of operations being banned in UK territorial seas at around £9.6 million per year⁴.
- 7.1.6 The above estimates assume that as a result of the introduction of Option 2, all STS transfers currently taking place within UK waters would move to a UK port or harbour rather than outside the UK 12 nautical mile territorial sea limit or to a foreign port or harbour. Given that the number of STS transfers that took place in UK waters in 2009 was historically high, this could lead to the above estimates overestimating the additional costs that would be incurred by ship operators in practice. For example, as a sensitivity test, data collated by the MCA indicates that on average 16 transfers, involving 51 ship movements, took place per year between 2006 and 2008. If it is assumed that only 50 ship movements related to STS transfers would take place in UK territorial waters on an annual basis in the future, the MCA has estimated that the total cost to ship operators would only be around £0.8 million per year⁵. This demonstrates the significant impact of the assumption about the number of STS transfers that would take place in harbour authority areas in the UK as a result of Option 2.
- 7.1.7 It should be noted that it is possible that the above estimates of the total cost to ship operators explained in paragraphs 7.1.5 and 7.1.6 could overestimate the costs of Option 2 to the UK. In particular, this is because it is possible that a proportion of the above costs could be incurred by non-UK firms. The MCA does not have any data which would allow the extent that the above costs

² This is based on the average price charged by two of the port operators that currently permit STS transfers & publish their schedule of port charges: http://www.orkneyharbours.com/Schedule_of_Charges_2009.pdf and <http://www.shetland.gov.uk/ports/transshipment/charges.asp>.

³ The average quantity of oil transferred per ship movement has been estimated by dividing the total quantity of oil that was transferred in 2009 by the total number of ship movements that took place in 2009.

⁴ £16,000 per ship movement x 600 ship movements per year = £9.6 million per year.

⁵ £16,000 per ship movement x 50 ship movements per year = £0.8 million per year.

are incurred by non-UK firms to be estimated. Therefore, the above estimates have been used on the Summary Sheets.

7.1.8 The port charges outlined in paragraph 7.1.4 are expected to cover all of the additional costs for ports, such as the cost of the labour involved in the provision of these services to ships. In the absence of evidence on the mark-up on port charges, it is assumed that the port charges will equal the additional costs for ports. Should the additional revenues received by UK ports under Option 2 exceed the additional costs incurred by UK ports under Option 2, the above estimates of the total cost to ship operators explained in paragraphs 7.1.5 and 7.1.6 would overestimate the cost to the UK.

7.1.9 There could be some costs associated with delays and additional journey time if ships have to alter course to enter suitable ports in which to carry out cargo transfer operations. However, the location of those ports currently conducting STS operations is such that they require little deviation from trading routes, and moving a transfer into port could potentially increase the speed of processing a transfer as there would be no requirement to wait for a suitable window of weather conditions. Given that the additional time, if any, required for a transfer is uncertain, it has not been possible to monetise this cost in this impact assessment.

7.2 Environmental Costs

7.2.1 For communities that are located near to ports and harbours that allow new / additional cargo transfer operations to be carried out inside their statutory harbour areas, it is possible that the risk of an oil spill occurring in their area could increase, with associated environmental costs to their locality. However, the MCA expect that bringing operations under the control of the OPRC Regulation, and ensuring harbour authorities consider potential environmental impact in advance of the transfer taking place, would outweigh the risk from bringing the transfers closer to shore. The probability and seriousness of oil spills is thus considered in the benefits section of this impact assessment.

7.2.2 By requiring ships to divert to a port to conduct an STS transfer, Option 2 could entail a small increase in greenhouse gas emissions. However, given that the ships involved in the transfers are unlikely to travel a significant additional distance in order to come into port, the MCA consider that this is unlikely to lead to a significant change in greenhouse gas emissions.

7.2.3 There could also be costs associated with a reduction in local air quality attached to the increase in port visits and transfer operations conducted in port. This could include localised health impacts, such as higher incidence of respiratory conditions. No Analysis of the magnitude of these costs has been possible.

7.3 Costs to the Regulator

7.3.1 Option 2 could create a new role for the MCA additional to those it already performs. The cost of approving applications to conduct oil transfers would be likely to increase in the years directly following the introduction of Option 2 compared to the counterfactual case (Option 1). However, it has not been possible to monetise this cost.

7.4 Summary of Costs of Option 2

7.4.1 For the purposes of this impact assessment, it has been assumed that all of one-off costs and the reoccurring costs are incurred in full in 2010. These costs have been discounted on this basis when estimating the present value (PV) of the costs of Option 2. However, it is noted that the timing that Option 2 would become law is uncertain, so this could represent an overestimate of the present value (PV) of the costs of Option 2.

7.4.2 Given the inherent uncertainties surrounding the assumptions that have been made, the estimated monetised costs reported below are subject to significant uncertainties.

Costs of Option 2	One-Off	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	PV Costs
Costs (£2010 million)	0.03	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	
Discounted Costs (£2010 million)	0.03	9.6	9.3	8.9	8.6	8.3	8.0	7.8	7.5	7.2	7.0	82.2

8 Costs of the proposed Regulations (Option 3)

8.1 Costs for the Ports and Shipping sectors

8.1.1 The costs of the proposed Regulations (Option 3) for the Ports and Shipping sectors would include all of the costs of Option 2 that are identified in Section 7.1. In addition, the proposed Regulations (Option 3) would also require additional consideration of the environmental impact of any program of cargo transfers.

8.1.2 In particular, the proposed Regulations (Option 3) would also require a port or harbour to assess the impact upon European sites and to obtain environmental consent from the appropriate authority ahead of a program of cargo transfers occurring within its waters. This would represent an additional fixed cost to the port or harbour. This cost could alternatively be borne by the cargo transfer service providers who provide the resources to carry out the operation safely, or shared between the organisations. This cost is likely to vary between ports. An Industry estimate suggests that the cost of conducting this environmental impact assessment could be up to £100,000.

8.1.3 The MCA is aware of three additional ports that have sufficient depth of water to take the draft of vessel used in the transfer operations that may begin to allow STS transfers as a result of the proposed Regulations (Option 3), although no evidence as to their intentions is available. On the basis of this assumption, the total cost could be up to £300,000. In addition to this, there could be additional costs incurred by the three ports that already allow STS transfers within their waters to conduct an environmental impact assessment in compliance with the Regulations. On the assumption that six ports would incur this cost, the total cost of these environmental impact assessments has thus been estimated at around £0.6million. However, it should be noted that the number of ports that would complete an environmental impact assessment and the cost of this are both uncertain.

8.2 Summary of Costs of the proposed Regulations (Option 3)

8.2.1 The costs of the proposed Regulations (Option 3) would also include the Environmental Costs of Option 2 that are identified in Section 7.2 and the Costs to the Regulator of Option 2 identified in Section 7.3.

8.2.2 Given the inherent uncertainties surrounding the assumptions that have been made, the estimated monetised costs reported below are subject to significant uncertainties.

Costs of Option 3	One-Off	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	PV Costs
Costs (£2010 million)	0.60	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	
Discounted Costs (£2010 million)	0.60	9.6	9.3	8.9	8.6	8.3	8.0	7.8	7.5	7.2	7.0	82.8

9 Benefits of Option 2

9.1 Environmental Benefits

9.1.1 The main environmental benefit under Option 2 is a reduction in the probability of a serious pollution incident occurring. The MCA considers that the overall environmental impact of Option 2 is more likely to be an environmental benefit since by forcing cargo transfer and bunkering transfer operations into statutory harbour areas, where there is a legal requirement to conduct suitable oil

spill contingency planning under the OPRC Regulations, the likelihood of an oil spill occurring is reduced.

9.1.2 A second environmental benefit of Option 2 is that it could reduce the cost of any environmental incident that does occur because the port or harbour area would have additional resources that could be beneficial in containing an oil spill, such as harbour tugs, that would not have been available at sea.

9.1.3 It has not been possible to quantify the above environmental benefits and consequently it has not been possible to monetise this benefit. It is noted that the extent that the above environmental benefits would be realised is likely to be sensitive to how ship operators would respond to Option 2. In this impact assessment, it is assumed that ship operators would respond by undertaking STS transfers inside statutory harbour areas. However, it is also possible that ship operators could respond by undertaking STS transfers outside UK territorial waters.

9.1.4 The evidence on the cost of oil spills is not clear. Many costs associated with the clean-up of oil spills are the subject of confidential business arrangements, and are not readily available. There are also a number of variables that make it difficult to quantify the cost of an 'average' oil spill. In many cases, the amount of oil spilled has had less impact upon the overall cost of the spill than the location of the spill or the type of oil spilled (something that is touched on further in the environmental benefits), and the rate of spillage is another factor that should be considered.

9.1.5 However, estimated total clean-up costs are available for some of the world's most serious oil spills (see Figure 1 below). The variance in cost per tonne of oil spilled emphasises the uncertainty surrounding the cost of cleaning up an oil spill.

Figure 1: Costs associated with some of the world's major oil spills:

SHIP	YEAR	OIL (TONNES)	COST (£)	APPROXIMATE COST PER TONNE (£)
Amoco Cadiz	1978	223,000	£150 million	£700
Exxon Valdez	1989	37,000	£1.3 billion	£35,100
Braer	1993	84,000	£52 million	£600
Sea Empress	1996	73,000	£36.8 million	£500
Erika	1999	19,800	£165 million	£8,300
Prestige	2002	63,000	£962 million	£15,300
AVERAGE COST PER TONNE (£):				£10,100

Source: IOPC <http://www.iopcfund.org/publications.htm>

9.1.6 By providing further control over cargo transfer operations, Option 2 would minimise the risks of a serious oil spill requiring a tier 3 response (according to the OPRC regulations) occurring as a result of such an operation. As a consequence, the risk of extremely high-cost clean up operations similar to those above occurring is also reduced.

9.2 Economic Benefits to Local Communities

9.2.1 The proposed Regulations could potentially result in local economic benefits for communities in the vicinity of ports and harbours that permit STS transfers. For example, this could arise if the crew operating such vessels spend money on goods and services in these communities. However, it is not possible to quantify and monetise this impact.

10 **Benefits of the proposed Regulations (Option 3)**

10.1 The benefits of the proposed Regulations (Option 3) would be similar to those of Option 2. The main difference between the policies is that the proposed Regulations (Option 3) would also require a detailed environmental impact assessment to be undertaken. The MCA expect that this is likely to increase the environmental benefit compared to Option 2 in that it also ensures that the impact on the marine environment arising from cargo transfers has been adequately considered.

- 10.2 It has not been possible to quantify any of the benefits of the proposed Regulations (Option 3), and consequently it has not been possible to monetise these benefits. As for Option 2, it is noted that the extent that the environmental benefits would be realised is likely to be sensitive to how ship operators would respond to the proposed Regulations (Option 3). In this impact assessment, it is assumed that ship operators would respond by undertaking STS transfers inside statutory harbour areas. However, it is also possible that ship operators could respond by undertaking STS transfers outside UK territorial waters.

11 Competition Assessment

- 11.1 Both Option 2 and Option 3 could have some impact upon the international competitiveness of UK cargo transfer service providers / oil spill responders. At this stage, there is no international legislation in place via MARPOL governing STS operations. Therefore, it is possible to envisage that operations could potentially take place in other nations territorial seas, using cargo transfer service providers / oil spill responders from the nation in question.
- 11.2 It should also be noted that owners, operators, agents, brokers, oil spill responders and cargo transfer service providers that would be involved in cargo transfer between ships and also larger scale bunkering operations are often of a global nature. However, due to the UK's location on the trading route for export oil originating from Russia / the Baltic, the MCA consider that is highly likely that operators would choose to carry out operations inside UK ports.
- 11.3 Work is also underway at IMO to draft an 8th chapter to Annex I of the MARPOL convention entitled "Prevention of Pollution during oil transfer operations between ships at sea" which, if adopted would provide for an international control measure for transfer operations and a responsibility for all parties to the convention to implement domestic legislation.

12 Specific Impact Tests

- 12.1 The MCA consider that a small firms impact assessment is not required in this case as no small firms, as described by the Better Regulation Unit, are likely to be affected. Due to the size and scale of the operations that are under consideration, the MCA do not envisage that there would be an impact to smaller firms. It is likely that both Option 2 and Option 3 would impact, in one way or another upon cargo transfer service providers, bunkering companies, oil spill response organisations, major (large) ports, tanker owners and oil traders. The MCA consider that it is likely that the companies involved are large scale organisations, capable of undertaking high-finance operations. However, a wide range of industry representatives, such as the British Ports Association, the Chamber of Shipping and UK Spill are included in the consultation exercise to enable these assumptions to be tested.
- 12.2 Both Option 2 and Option 3 are of a technical nature, and are therefore race, gender and disability non-specific.
- 12.3 No other specific impact tests have been completed as they are not relevant or do not apply due to the technical nature of the proposals.

13 Enforcement, Sanctions and monitoring

- 13.1 Enforcement would be carried out by the Maritime and Coastguard Agency as part of its existing enforcement activities. The proposed Regulations (Option 3) would provide for sanctions and would impose criminal sanctions for non-compliance. This would include provisions on summary conviction to fine the relevant parties an amount not exceeding £25,000, and on conviction on indictment to imprisonment for a term not exceeding two years, or a fine, or both. These penalties would be in line with those for other maritime offences and are considered to be proportionate to the nature of the offences.

- 13.2 It should be noted that if a transfer is made to or from a ship in contravention of the proposed Regulations (Option 3), the owner, the manager and the master of the ship shall each be guilty of an offence. It would however be a defence when charged under the proposed Regulations (Option 3) to prove that the transfer was for the purpose of securing the safety of a ship, prevention of damage to a ship or its cargo or for the purpose of saving life.
- 13.3 The Home Office and the Scottish Executive Justice Department have indicated their satisfaction with these provisions.

Specific Impact Tests: Checklist

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	No	No
Rural Proofing	No	No



REPORT

To: Harbour Board

05 March 2010

From: Harbour Master / Head of Service

Report No: P&H-11-10-F

Subject: Scalloway Harbour Dredging

1. Introduction

- 1.1. This report is to inform and update Members on the current position of the Scalloway dredging project.

2. Link to Council Priorities

- 2.1. The report promotes the ideals from the Corporate Plan of Sustainable Economy helping to achieve the aim of “encouraging enterprise and sustainable economic growth”.

3. Risk Management

- 3.1. Risks identified in this report include economic and environmental issues.
- 3.2. Environmental risks are fully assessed during the permission and consent phase of any dredging project.
- 3.3. The economic risks will be dependant on the decision of the Harbour Board. It has been recognised that to remain viable a port must develop or lose business to other competitive ports.

4. Background

- 4.1. The current channel depth at Scalloway Harbour is 7.5m. Current harbour requirements are for a minimum of 0.5m under keel clearance whilst manoeuvring within the harbour. However many vessels operate with a minimum under keel clearance of 1.0m.
- 4.2. The maximum length for vessels routinely accepted at Scalloway Harbour is 90m length overall, with vessels in excess of 70m length overall fitted with at least one fully operational bow thruster. Vessels up to 120m length overall have been accepted.

- 4.3. The current berthing facilities at Scalloway Harbour are:

Berth	Minimum Depth	Berth Length
West Face, Commercial Quay	7.0m	120m
South face, Commercial Quay	6.5m	120m
South East Face, Commercial Quay	6.5m	133m
East Jetty, North	4.6m	100m
East Jetty, South	4.9m	130m
Fishmarket	4.8m	120m
West Pier, inside	5.4m	60m
West Quay (Low quay level)	3.5m	85m

- 4.4. Report P&H-13-07-F was brought to the attention of the Members of the Harbour Board in 9 August 2007 (Min. Ref. 16/07). The report discussed the West Pier and dredging proposals for Scalloway Harbour. The report proposed dredging to –9.5m removing 46,000 cu.m. at an estimated cost of £2,189,000. This costing was in anticipation of savings on mobilisation and demobilisation costs that might have been realised during the dredging operations at Lerwick Port. The decision was deferred until the following Harbour Board, pending further information.
- 4.5. A further report P&H-17-07-F was submitted to the Harbour Board on 27 September 2007 (Min. Ref. 20/07). The report provided information on details on potential ships that might benefit from a dredging project and details of the depths available at other Scottish harbours. The report recommended that “should a new capital project be approved to deepen the entrance to Scalloway Harbour, then the dredged depth should not be less than 9.5m below chart datum.” The proposal was approved by the Harbour Board.
- 4.6. A budget of £3 million was approved for the 2010 / 2011 capital programme.
- 4.7. Cost indications in October 2009, suggested that a straight channel dredged to at a depth of 9.5m would cost £4,299,000. An alternative was sought to bring in the project on budget. The solution put forward was a dog-leg channel dredged to 9.5m. The proposed dog-leg channel is attached as Appendix A.
- 4.8. Concerns were raised by the pilots and management of Ports and Harbours that the proposed dog-leg channel would not allow any larger vessels into Scalloway harbour. The concerns were that a lack of confidence existed that larger vessels could safely make the proposed turn and that any leeway could result in the vessels leaving the dredged channel and grounding.

- 4.9. Discussions to find a solution then followed with officers from Capital Programme Service, Ports and Harbours and the chair and vice chair of the Harbour Board.

5. Current Position

- 5.1. A number of alternative options have been drawn up and costed by the Capital Programme Service. Plans of the options are attached in Appendix B.

- 5.2. The estimated cost of the options are:

Option	Channel Width	Dredged depth	Location	Dredged Quantity	Estimated Cost
N1	90m	-8.0m	Line of existing channel	13989	£1,592,054
N2	90m	-8.5m	Line of existing channel	23659	£2,423,674
N3	90m	-9.0m	Line of existing channel	38631	£3,711,266
S1	90m	-8.0m	South of headland at college	21082	£2,202,052
S2	90m	-8.5m	South of headland at college	33944	£3,308,184
S3	90m	-9.0m	South of headland at college	50980	£4,773,280

- 5.3. The approved capital budget for this project in 2010/11 is £3 million.

- 5.4. Members should note that there may be some additional survey and application costs with a change in the proposed dredged channel.

- 5.5. The current recommendation from the Harbour Board is for a channel dredged to 9.5m (Harbour Board - Min Ref 20/07).

- 5.6. To remain within budget it is apparent that the depth of the dredging will need to be reduced to approximately 8.5m.

- 5.7. The preferred channel, which remains within the approved budget, put forward by the management and pilots of Ports and Harbours is route N2. The dredging should make the approach to Scalloway Harbour safer, particularly in the vicinity of Port Arthur. Dredging to 8.5m and allowing for tide would also allow vessels up to 8.0m to enter the harbour with an under keel clearance of 1.0m.

- 5.8. A sample list of vessels that currently serve the offshore oil and gas industry, and vessels about to be built, is attached as Appendix C.

- 5.9. When considering this report it is important to remember that to achieve the maximum benefit from dredging the approach channel, an upgrade of the current berthing facilities will be required to offer a suitably long and deep berth.
- 5.10. Many Scottish ports are currently either planning or undergoing dredging to increase the approach channels. Argyll is to dredge to 8.0m, Wick is to dredge to 8.5m, Scrabster is to dredge to 7.5m chart datum, which will give depths of 8 to 9m alongside and in the channel. Much of this renewed interest in deepening port entrances is to meet the perceived demand for the marine renewables industry.

6. Summary

- 6.1. A budget of £3 million has been approved to allow dredging to take place in Scalloway Harbour.
- 6.2. A decision is required to approve the proposed channel.
- 6.3. A decision is required to approve the depth to be dredged.
- 6.4. A decision is required as to whether to seek extra funding or remain within the existing approved capital budget.

7. Proposal

- 7.1. The Harbour Board should consider the options presented within this report. The choice has to be made on the depth to which the channel should be dredged below chart datum.
- 7.2. Dredging to 9.5m is the current recommendation of the Harbour Board and will help see Scalloway Harbour into the future, However Members may like to consider the current Council and UK economic climate and condition. An increase in the order of £1.5m to £2m to obtain a 9.5m dredged depth may be difficult to achieve and may also put the whole project at risk.
- 7.3. It is suggested that, to remain within the current approved budget, the Harbour Board recommend that a dredged depth of 8.5m below chart datum and option N2 is chosen.

8. Financial Implications

- 8.1. A capital budget of £3m has been approved and allocated to the 2010 – 2011 capital programme to allow dredging take place in the approach channel to Scalloway Harbour.
- 8.2. The potential financial implications will be dependant on the decision of the Harbour Board and are outlined in this report. It should be noted that the

Harbour Board does not have the authority to increase the approved budget, and should it wish to do so, an application will have to be made to the appropriate working group and be approved by Council.

9. Policy and Delegated Authority

- 9.1. 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 the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations. Council approval is required should the Board approve recommendation 10.2 below.

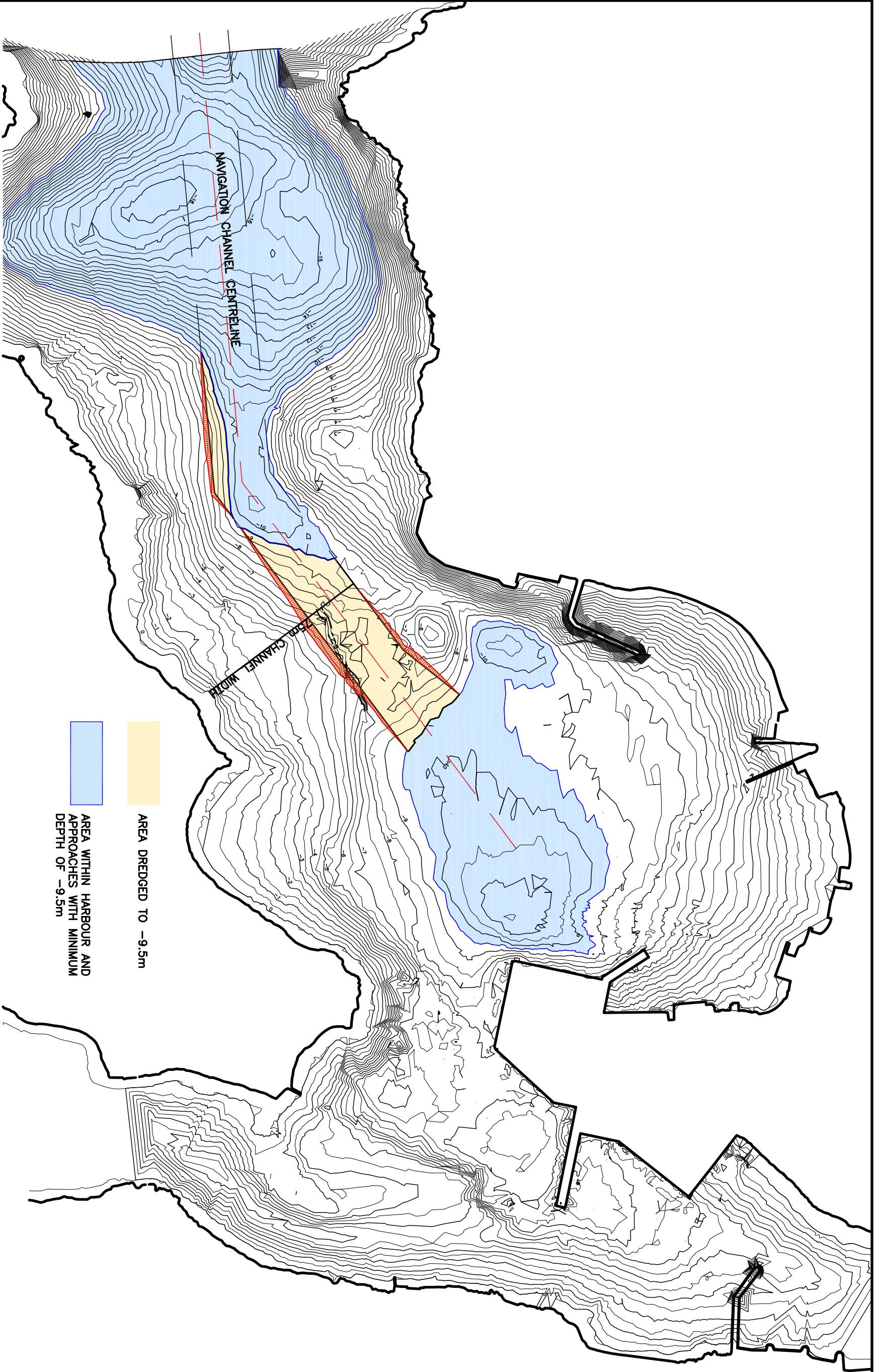
10. Recommendations

I recommend that the Harbour Board approve one of the options below:

- 10.1. The Harbour Board approve option N2, reducing the dredged depth to 8.5m below chart datum and not to increase the approved £3 million budget; or
- 10.2. The Harbour Board selects any of the other options described in this report and recommends that the Council approves the option selected and that additional funds be sought;
- 10.3. The Harbour Board postpones the project until a time selected by the Harbour Board in the knowledge that the current approved budget may be lost.

25 February 2010
Our Ref: RM/LAB RO-O

Report No: P&H-11-10-F



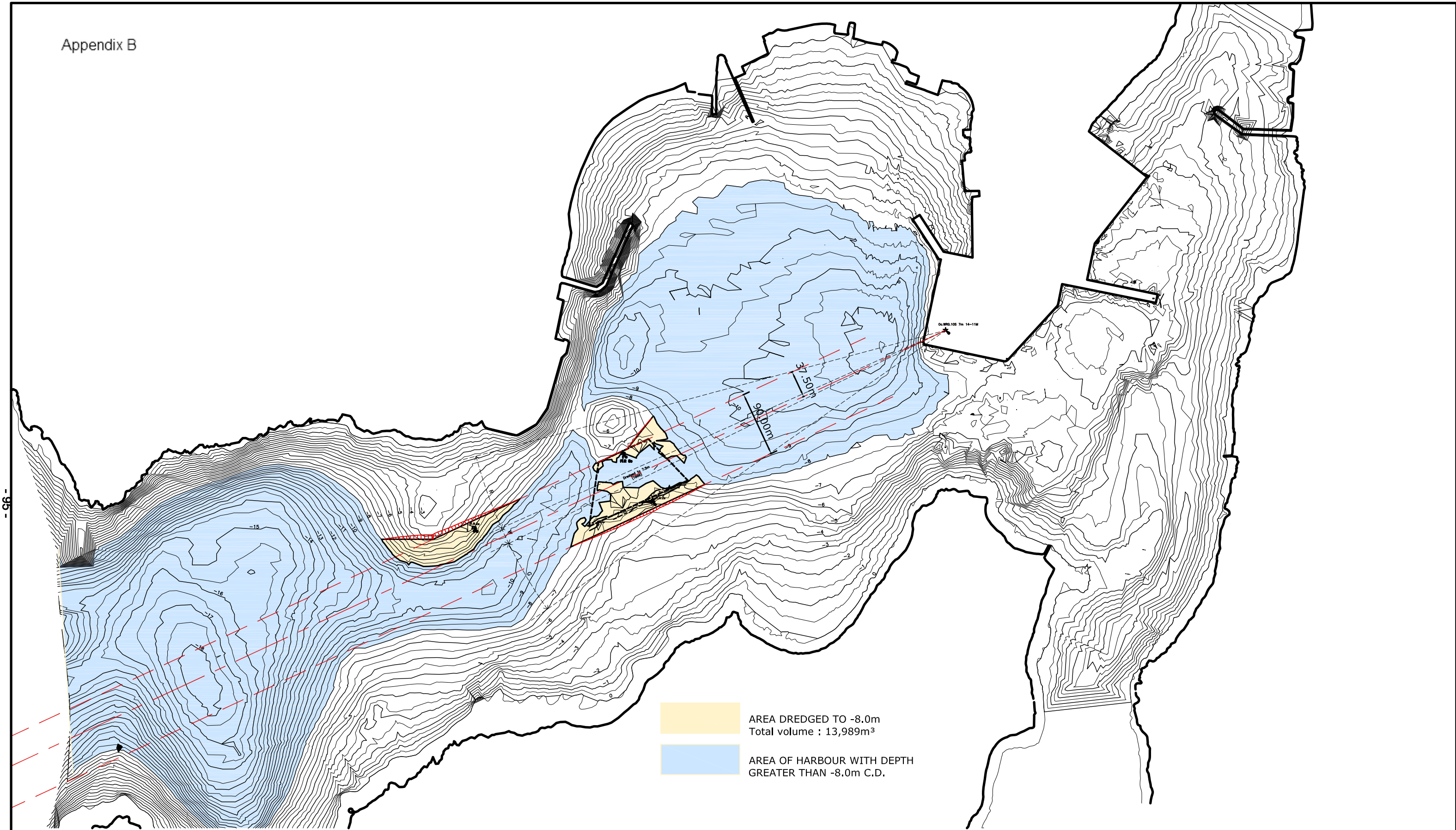
Rev. | Date | By | Revision | Ch'k'd

Scheme		Title	
SCALLOWAY HARBOUR		FUTURE DREDGING TO -9.5m CHART DATUM REVISED CHANNEL LAYOUT	


Date	Drawn	Ch'k'd	Scale
OCT 2009	JW		1:5000
Drg.No.		Rev.	
S/P/9.5		A	
File No.		Paper Size	
Scalloway 9.5m dredgeOct2009		A3	

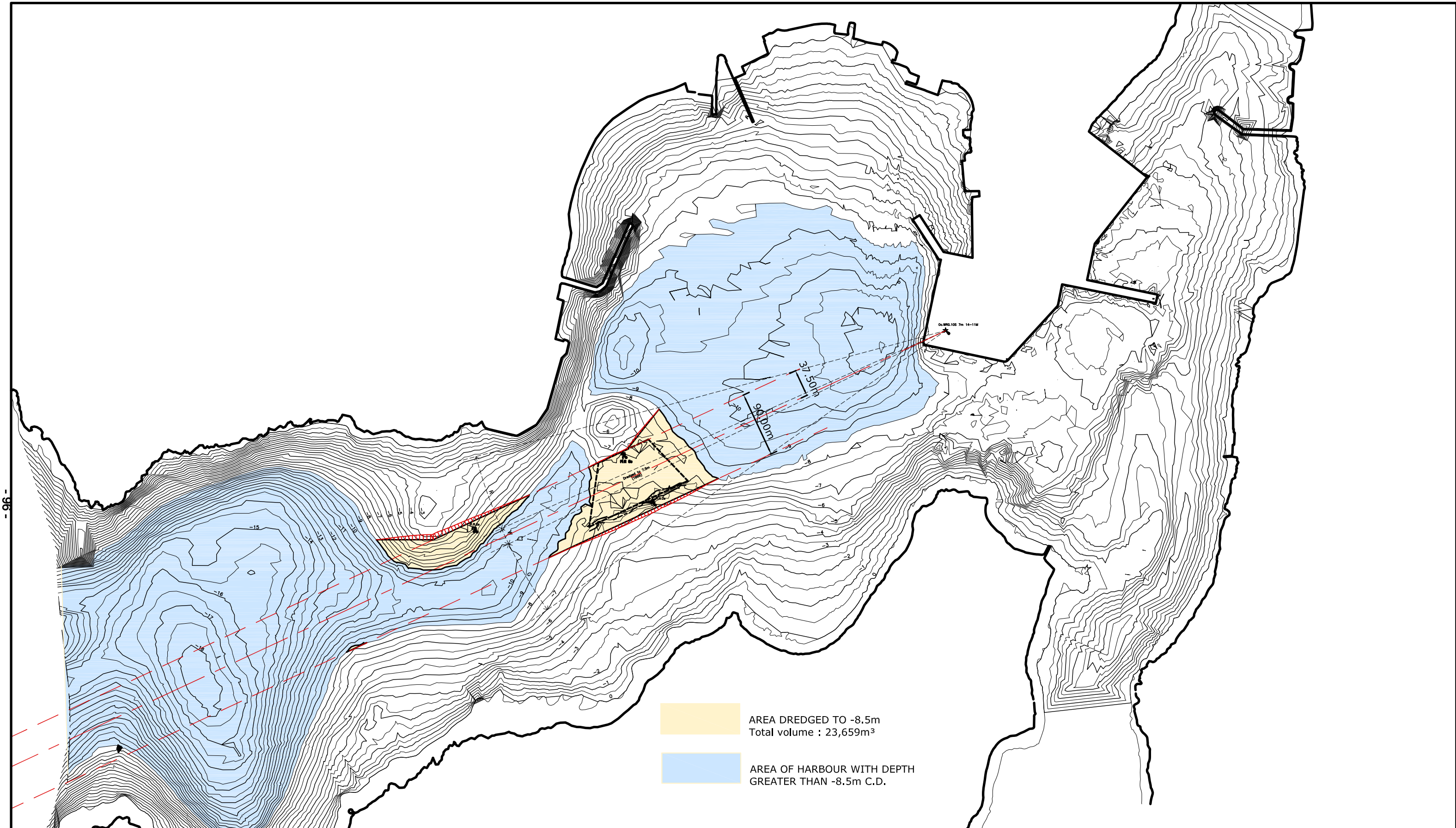
Shetland Islands Council


Capital Programme Service
Greenhead, Lerwick, Shetland, ZE1 0PY
Telephone: Lerwick 01595 744140
Fax: 01595 744136

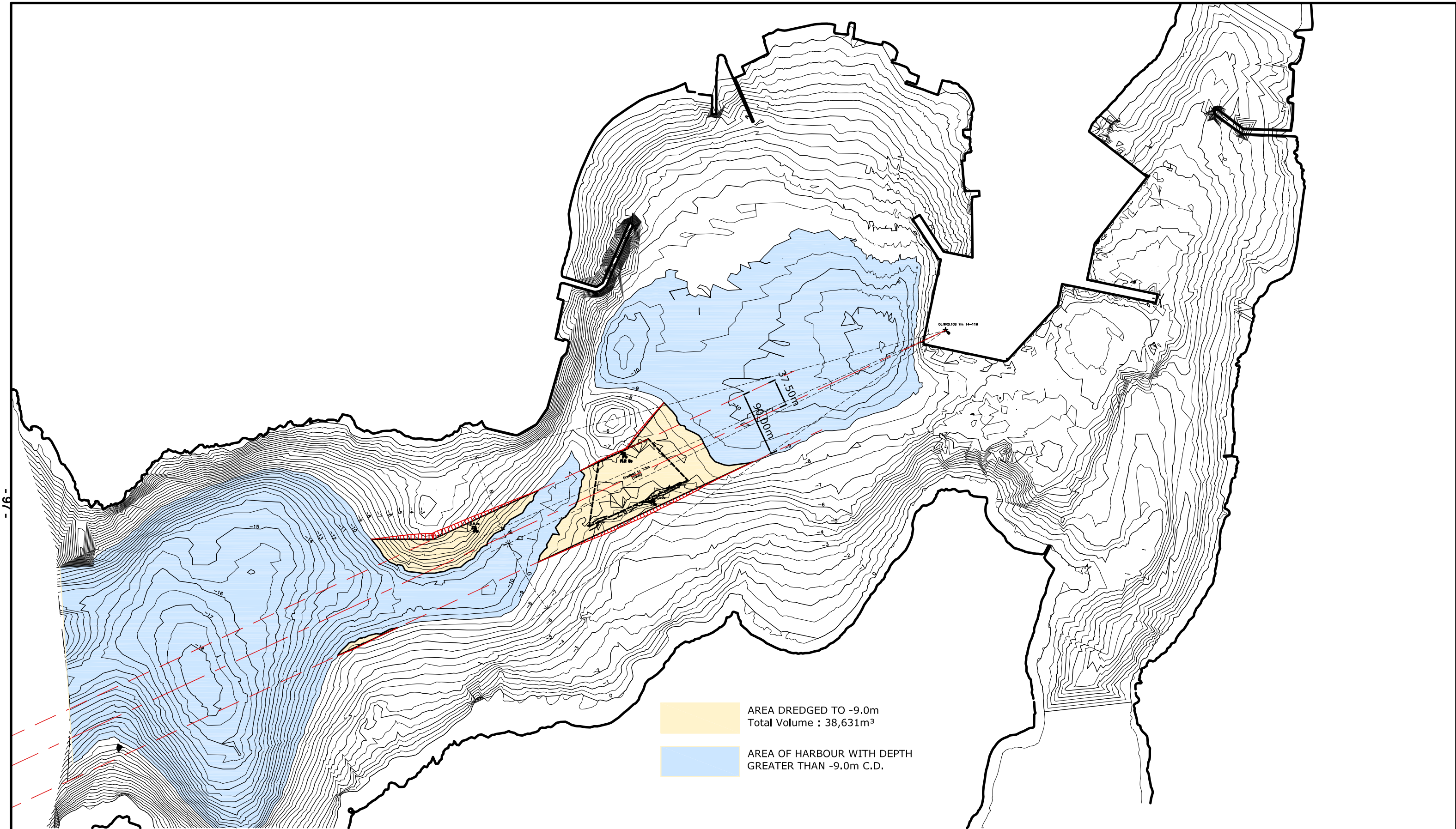



Rev.	Date	By	Revision	Ch'k'd
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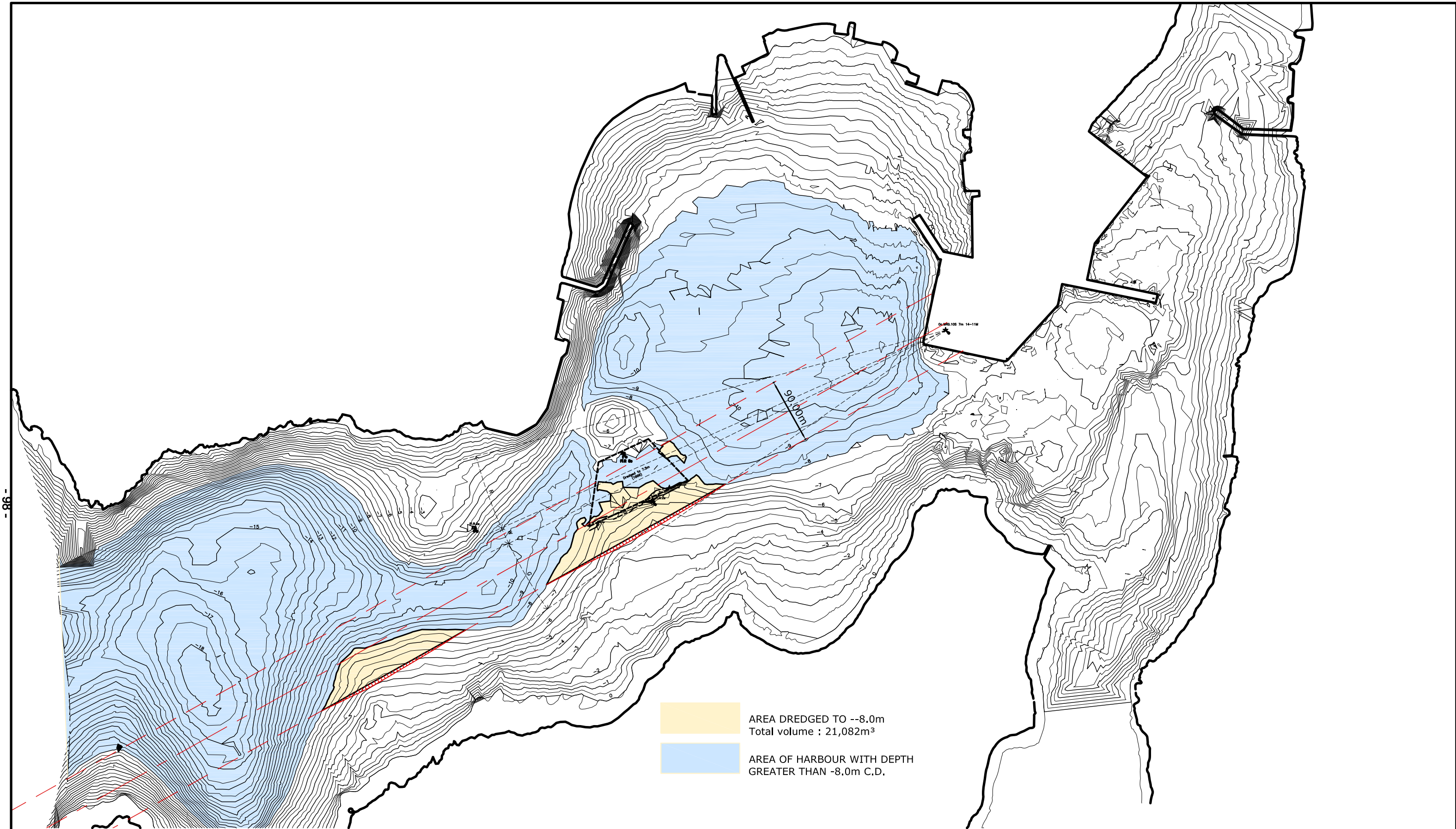
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		Drg.No. 02/2010-Option N1			Rev.	
		File No. North 90m channel -8.0m dredge.dwg			Paper Size A3	




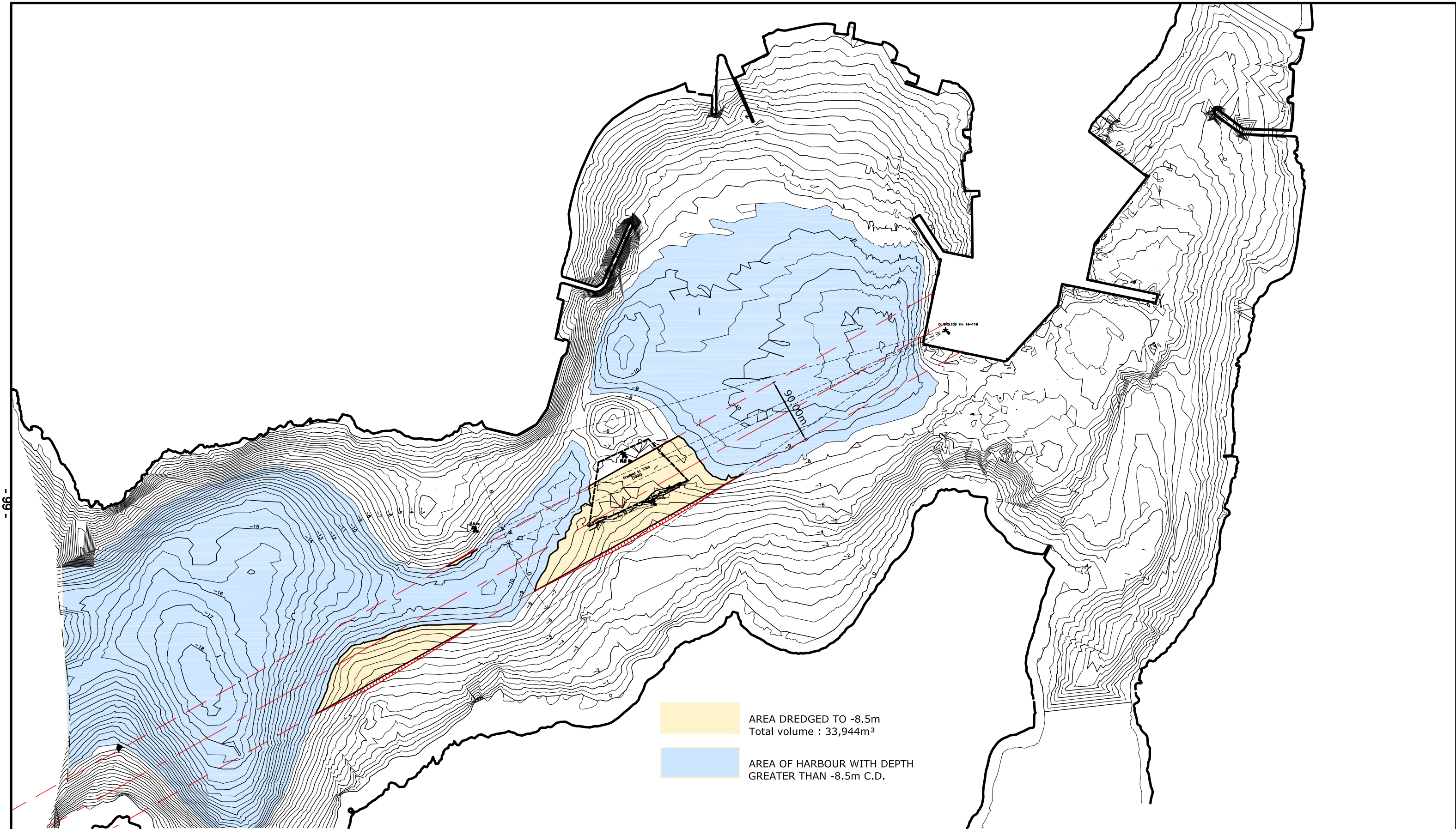
Rev.	Date	By	Revision	Ch'k'd							
Scheme SCALLOWAY HARBOUR				Title FUTURE DREDGING TO -8.5m CHART DATUM Option N2		Date Feb 2010	Drawn JW	Ch'k'd	Scale 1:5000	<div>Shetland Islands Council</div> <div>Capital Programme Service</div> <div>Greenhead, Lerwick, Shetland, ZE1 0PY</div> <div>Telephone: Lerwick 01595 744140</div> <div>Fax: 01595 744136</div> <div></div>	
						Drg.No. 02/2010-Option N2			Rev.		
						File No. North 90m channel -8.5m dredge.dwg			Paper Size A3		




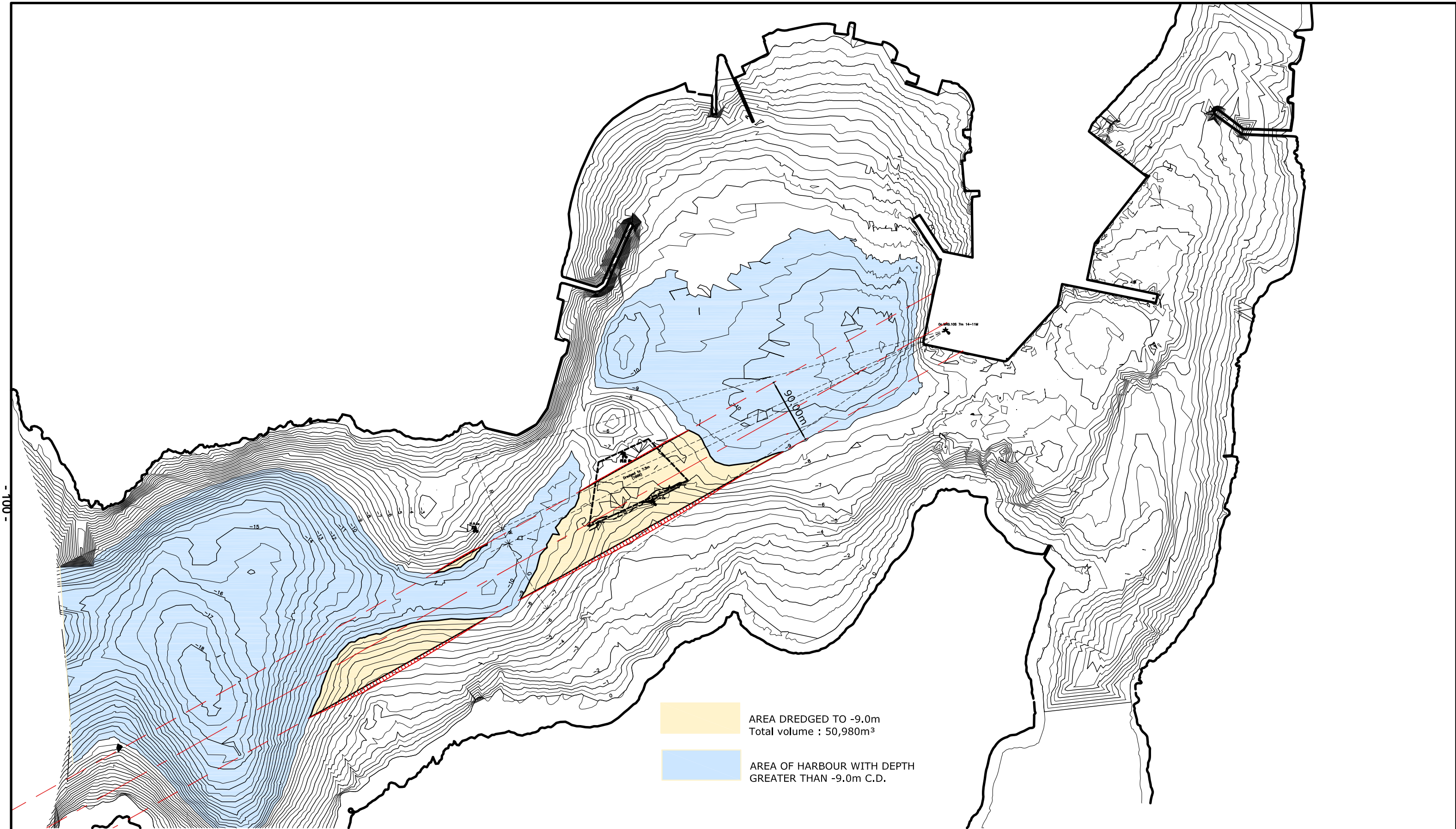
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Scheme SCALLOWAY HARBOUR				Title FUTURE DREDGING TO -9.0m CHART DATUM Option N3		Date Feb 2010	Drawn JW	Ch'k'd	Scale 1:5000	<div>Shetland Islands Council</div> <div>Capital Programme Service</div> <div>Greenhead, Lerwick, Shetland, ZE1 0PY</div> <div>Telephone: Lerwick 01595 744140</div> <div>Fax: 01595 744136</div> <div></div>		
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Rev.	Date	By	Revision	Ch'k'd	Date	Drawn	Ch'k'd	Scale	Shetland Islands Council Capital Programme Service Greenhead, Lerwick, Shetland, ZE1 0PY Telephone: Lerwick 01595 744140 Fax: 01595 744136 	
Scheme					Feb 2010	JW		1:5000		
Title					Drg.No.	02/2010–Option S1		Rev.		
					File No.	South 90m channel –8.0m dredge.dwg		Paper Size		
								A3		



Rev.	Date	By	Revision	Ch'k'd									
Scheme SCALLOWAY HARBOUR				Title FUTURE DREDGING TO -8.5m CHART DATUM Option S2				Date Feb 2010	Drawn JW	Ch'k'd	Scale 1:5000	<div>Shetland Islands Council</div> <div>Capital Programme Service</div> <div>Greenhead, Lerwick, Shetland, ZE1 0PY</div> <div>Telephone: Lerwick 01595 744140</div> <div>Fax: 01595 744136</div> <div></div>	
								Drg.No. 02/2010-Option S2			Rev.		
								File No. South 90m channel -8.5m dredge.dwg			Paper Size A3		



Rev.	Date	By	Revision	Ch'k'd
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Scheme SCALLOWAY HARBOUR	Title FUTURE DREDGING TO -9.0m CHART DATUM Option S3	Date Feb 2010	Drawn JW	Ch'k'd	Scale 1:5000	Shetland Islands Council Capital Programme Service Greenhead, Lerwick, Shetland, ZE1 0PY Telephone: Lerwick 01595 744140 Fax: 01595 744136 
		Drg.No. 02/2010-Option S3			Rev.	
		File No. South 90m channel -9.0m dredge.dwg			Paper Size A3	

**Maersk Offshore Fleet
AHTS**

Name	Built	BP	LOA	Beam	Max Draft
Assister	2000	250	90.3	23.0	7.8
Advancer	2000	250	90.3	23.0	7.8
Asserter	2004	250	90.3	23.0	7.8
Battler	1997	235	84.6	18.8	7.53
Beater	1997	235	84.6	18.8	7.53
Blazer	1998	235	84.6	18.8	7.53
Boulder	1998	235	84.6	18.8	7.53
Chieftain	1985	160	76.4	17.6	6.1
Challenger	1986	160	76.4	17.6	6.1
Champion	1986	160	76.4	17.6	6.1
Chancellor	1986	160	76.4	17.6	6.1
Clipper	1983	160	89.3	20.6	7.5
Cutter	1983	160	89.3	20.6	7.5
Dispatcher	2005	218	89.3	20.6	7.5
Detector	2006	218	89.3	20.6	7.5
Handler	2002	197	80.0	18.0	6.6
Helper	2002	197	80.0	18.0	6.6
Chicnecto	1983	125	71.5	16.0	6.25
Gabarus	1983	125	71.5	16.0	6.25
Mahone	1983	125	71.5	16.0	6.25
Placenta	1983	125	71.5	16.0	6.25
Leader	2009	250	90.3	23.0	7.8
Logger	2009	250	90.3	23.0	7.8
Lifter	2009	250	90.3	23.0	7.8
Launcher	2010	250	90.3	23.0	7.8
Mariner	1986	170	82.0	18.4	6.9
Master	1986	170	82.0	18.4	6.9
Promoter	1992	200	76.0	17.2	7.21
Puncher	1992	200	76.0	17.2	7.21
Pacer	1991	180	73.6	16.4	6.85
Provider	1991	180	73.6	16.4	6.85
Rider	1982	151	67.0	15.5	6.46
Rover	1982	151	69.0	15.5	6.46
Retriever	1979	140	67.1	15.5	6.46
Searcher	1999	210	82.0	18.9	7.5
Seeker	1999	210	82.0	18.9	7.5
Shipper	1999	210	82.0	18.9	7.5
Supplier	1999	210	82.0	18.9	7.5
Supporter	1999	210	82.0	18.9	7.5
Server	2000	210	82.0	18.9	7.5
Topper	2008	173	73.2	20.0	7.75
Trader	2008	173	73.2	20.0	7.75
Tackler	2009	173	73.2	20.0	7.75
Tracer	2009	173	73.2	20.0	7.75

Figures in brackets show ships too long, or too deep at maximum draft to enter Scalloway Harbour with a channel dredged to 8.5m below chart datum and a 1.0m under keel clearance.

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Trimmer	2009	173	73.2	20.0	7.75
Tracker	2009	173	73.2	20.0	7.75
Transporter	2009	173	73.2	20.0	7.75
Tender	2009	173	73.2	20.0	7.75
Terrier	2009	173	73.2	20.0	7.75
Traveller	2009	173	73.2	20.0	7.75

**Maersk Offshore Fleet
Newbuildings AHTS**

TBN	2010	250	90.3	23.0	7.8
TBN	2010	250	90.3	23.0	7.8

**Maersk Offshore Fleet
PSV**

Name	Built	LOA	Beam	Draft
Fighter	1992	82.5	18.8	6.23
Forwarder	1992	82.5	18.8	6.23
Frontier	1992	82.5	18.8	6.23
Feeder	1993	82.5	18.8	6.23
Finder	1994	82.5	18.8	6.23
Fetcher	1995	82.5	18.8	6.23
Nomad	2009	90.15	18.8	6.95
Nascopie	1996	82.4	19.0	6.24
Norseman	1996	82.4	19.0	6.24
Vega	2005	89.4	18.8	6.12
Ventura	2006	89.4	18.8	6.12

**Maersk Offshore Fleet
Newbuildings PSV**

TBN	2009	90.2	18.8	6.95
TBN	2010	90.2	18.8	6.95

**Maersk Offshore Fleet
Field and Subsea Support**

Name	Built	LOA	Beam	Draft
Attender	2000	90.3	23.0	7.8
Achiever	2003	90.3	23.0	7.8
Responder	2000	105.5	20.0	(9.1)
Recorder	2000	105.5	20.0	(9.1)
Winner	2003	90.3	23.0	7.8

Figures in brackets show ships too long, or too deep at maximum draft to enter Scalloway Harbour with a channel dredged to 8.5m below chart datum and a 1.0m under keel clearance.

Farstad Offshore Fleet**AHTS**

Name	Built	BP	LOA	Beam	Draft
Far Shogun	2009	234	87.4	21.0	(7.8+0.9)
Sagaris	2009	234	87.4	21.0	(7.8+0.9)
Scorpion	2009	234	87.4	21.0	(7.8+0.9)
Scimitar	2008	187	78.3	17.2	6.8+1.0
Sabre	2008	187	78.3	17.2	6.8+1.2
Sapphire	2007	261	92.7	22.0	(7.8+0.8)
Sound	2008	185	78.3	17.2	6.8+1.0
Strait	2008	185	78.3	17.2	6.8+1.0
Stream	2008	185	78.3	17.2	6.8+1.0
Sword	2006	185	78.3	17.2	7.0+1.0
Saltire	2002	205	73.6	16.8	6.3+0.5
Scout	2001	186	80.0	18.0	6.6+0.3
Santana	2000	203	77.0	20.5	6.6+0.2
Senior	1998	186	80.0	18.0	6.6+0.2
Sailor	1997	190	74.9	18.0	6.8+0.1
Fosna	1993	152	74.5	18.0	6.0
Grip	1993	150	74.5	18.0	6.0
Sky	1991	158	73.6	16.4	5.61
Sea	1991	150	73.6	16.4	5.6
Lady Astrid	2003	161	75.8	17.2	6.8+1.0
Caroline	2003	161	75.8	17.2	6.8+1.0
Guru	2001	66	61.9	15.5	5.8
Sandra	1998	176	73.2	16.4	6.9+0.5
Cynthia	1987	110	69.2	15.0	6.1
Gerda	1987	116	69.1	15.0	6.1
Audrey	1983	147	67.8	15.6	6.4
Valisa	1983	142	67.7	15.6	6.4
Bos Turquesa	2007	190	80.5	18.0	6.6+0.3
Turmalina	2007	190	80.5	18.0	6.6+0.3
Topazio	2005	150	77.8	16.8	6.3+.6

New Buildings AHTS

Saracen	2010		87.4	21.0	(7.8+0.9)
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Figures in brackets show ships too long, or too deep at maximum draft to enter Scalloway Harbour with a channel dredged to 8.5m below chart datum and a 1.0m under keel clearance.

Farstad Offshore Fleet
PSV

Name	Built	LOA	Beam	Draft
Far Serenade	2009	93.9	21.0	7.27
Searcher	2008	93.9	21.0	6.6
Seeker	2008	93.9	21.0	6.6
Spirit	2007	83.4	16.6	6.5
Swan	2006	73.4	16.6	6.4
Splendour	2003	74.3	16.0	6.3
Symphony	2003	86.2	19.0	6.7
Swift	2003	71.9	16.0	5.8
Scotia	2001	67.0	16.0	6.0
Star	1999	84.0	18.8	6.3
Supplier	1999	82.3	19.0	6.3
Strider	1999	82.9	19.0	6.3
Supporter	1996	83.8	18.8	6.2
Service	1995	83.8	18.8	6.2
Scandia	1991	81.9	18.0	4.97
Superior	1990	92.3	18.0	4.97
Sleipner	1984	67.2	16.8	6.1
Grimshader	1983	80.9	17.5	5.25
Viscount	1982	62.5	13.7	5.0
Lady Melinda	2003	71.0	16.0	5.8
Grete	2002	72.0	16.0	5.8
Christine	1985	68.0	16.8	6.0
Kari-ann	1982	67.2	16.8	6.0

Farstad Offshore Fleet
Sub sea

Name	Built	LOA	Beam	Draft
Far Samson*	2009	(121.5)	26.0	(8.5+1.0)
Sovereign	1999	85.2	20.5	(8.0+0.6)
Saga	2001	89.4	18.8	6.23

* Far Sampson is the most powerful offshore vessel in the world with 35,900hp and a bollard pull of 423t

Figures in brackets show ships too long, or too deep at maximum draft to enter Scalloway Harbour with a channel dredged to 8.5m below chart datum and a 1.0m under keel clearance.

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Sea Lion Fleet
Ahts

Name	Built	BP	LOA	Beam	Draft
Toisa Defiant	2006	150	69.6	17.0	6.2
Daring	2006	150	69.6	17.0	6.2
Dauntless	2006	150	69.6	17.0	6.2

Sea Lion Fleet
Field Support

Name	Built	Type	LOA	Beam	Draft
Toisa Pisces	1997	Well test	103.7	23.2	7.06
Polaris	1999	DSV	113.6	22.0	6.75
Proteus	2002	DSV	(131.7)	22.0	6.25
Sentinel	1983	DSV	94.3	19.5	4.74
Puma	1985	DSV	77.0	16.8	6.19
Pegasus	2008	DSV	(131.7)	22.0	6.75
Paladin	2007	DSV	103.7	19.0	6.2
Coral(+3 sisters)	1999	ROV/PSV	73.8	16.0	6.3
Valiant(+2 sisters)	2005	ROV/PSV	80.5	18.0	6.1

Gulf Offshore Fleet
Ahts

Name	Built	BP	LOA	Beam	Draft
Highland Endurance	2003	179	80.0	18.0	6.6
Highland Courage	2002	183	80.0	18.0	6.6
Highland Valour	2003	180	80.0	18.0	6.6
Sea Apache(+3 sisters)	2008	142	76	17	5.2

Solstad Offshore Fleet
AHTS (largest from fleet of 13)

Name	Built	BP	LOA	Beam	Draft
Normand Atlantic	1997	220	80.4	18.0	7.8
Ferking	2007	239	89.35	22.0	8.0
Ivan	2002	240	81.0	20.0	
Mariner(+2 sisters)	2002	282	82.1	20.0	7.5
Neptune	1996	222	80.4	18.0	7.8

Figures in brackets show ships too long, or too deep at maximum draft to enter Scalloway Harbour with a channel dredged to 8.5m below chart datum and a 1.0m under keel clearance.

Kline Offshore Newbuilding

Ah 12CD	Ahts	BP 350t	LOA 95.0	Max draft 7.82
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Ulstein Standard Designs
Larger Ahts

Design	BP	LOA	Beam	Draft
A122	260	93.8	23.0	8.0
Ax118	220	102.2	23.0	8.0

Ulstein Standard Designs
Larger PSV

Design	LOA	Beam	Draft
P101	95.0	20.5	7.0
PX105	88.8	19.0	6.6
P109	93.0	19.5	7.0

Ulstein Standard Designs
Field Support Vessels

Design	Type	LOA	Beam	Draft
S101	Sub sea ops	88.0	20.5	6.5

Figures in brackets show ships too long, or too deep at maximum draft to enter Scalloway Harbour with a channel dredged to 8.5m below chart datum and a 1.0m under keel clearance.



REPORT

To: Harbour Board

05 March 2010

From: Head of Economic Development

DV025-F
Zoning of Land for New Development at Sella Ness

1.0 Introduction

- 1.1 This report is intended to brief the Harbour Board on developments on land use in the Sellaness area of the port and progress towards completion of zoning plans.

2.0 Links to Corporate Priorities

- 2.1 The activities reported in this document aim to fulfil our commitments in the Corporate Plan to deliver a sustainable economy and supports the aims contained in the Economic Development Policy Statement (2007-2011) to increase production of hydrocarbons through Sullom Voe Oil terminal and to diversify the port of Sullom Voe to be less reliant on oil production.

3.0 Risk Management

- 3.1 This is an information report so there are no risks associated with the recommendations.

4.0 Background

- 4.1 It was agreed at an earlier meeting of the Harbour board, to appoint a contractor to provide detailed drawings of the Sella Ness area which could be used for development plans and for marketing the port.
- 4.2 The initial data gathering and mapping work has been completed, however the contractor has stated that they are unable to carry out the second stage of preparing development models. A new contractor will be appointed to complete the work.

5.0 Recent Developments

- 5.1 In the meantime there have been several recent approaches to the Council regarding lease/purchase of land at Sellaness for development purposes, most but not all in connection with the Total project, as reported earlier in today's agenda under New Business.
- 5.2 There is a further requirement by some of the potential developers for a significant area for laydown which could be served by the old air strip.
- 5.3 It is intended that zoning plans with development options for the Sella Ness area will be brought to the next meeting of the Harbour Board.

6.0 Financial Implications

- 6.1 There are no direct financial implications from this report. This report is for information only.

7.0 Policy and Delegated Authority

- 7.1 The Harbour Board has full delegated authority for oversight and decision making in respect of the management and operation of the Council's harbour undertaking 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 Delegation
- 7.2 This report has been prepared under Economic Development Policy numbers 12 "increase production of hydrocarbon through Sullom Voe Oil Terminal" and 13 "diversify the port of Sullom Voe to be less reliant on oil production" which were approved by the Development Committee on 24 April 2008 (01/08) and by the Council on 14 May 2008 (55/08).
- 7.3 In accordance with Section 11.0 of the Council's Scheme of Delegations, the Development Committee has delegated authority to implement decisions within the remit for which the overall objectives have been approved by the Council, in addition to appropriate budget provision, including:
 - Economy
 - Europe

As this is a report for information, there is no requirement for a decision to be made.

8.0 Recommendations

- 8.1 It is recommended that the Committee note the contents of this report.

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Date: 03 March 2010

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