



# Shetland Islands Council

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## REPORT

To: Harbour Board

28 April 2010

From: Harbour Master / Head of Service

Report No: P&H-14-10-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 oil Ship-to-Ship (StS) transfers since the last Harbour Board. However there have been a number of operations between the Hanne Knutsen and the Loch Rannoch transferring contaminated water. 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 had been hoped that meetings could have been scheduled for late March 2010. However this did not prove possible and meetings are to be scheduled in the near future.
- 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. The first success of this work has been the leasing of the old Shetland Towage building to TOTAL as an off site office during the construction phase of the new Gas Processing Plant.

- 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. More detail on this subject will be included in the exempt report from the Head of the Economic Development Unit.
- 4.5. The Operations Manager – Ports, is progressing on arrangements to attend the Glasgow Fishing Exhibition and promotional visits to selected off shore operators.
- 4.6. Business from marine renewables is thought to be an important part of the future for Shetland. Shore based infrastructure in the way of land, ports and harbours is required to service those needs. In recognising the need the Head of Service is a member of a Marine Renewable Energy working group. At the latest meeting of the working group it has been suggested that Ports and Harbours may wish to be represented as part of a Shetland presence at future All Energy exhibition and conferences. A report will be submitted to the Harbour Board as this proposal develops and becomes clearer.

#### **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.

19 April 2010  
Our Ref: RM/KS RO-NB

Report No: P&H-14-10-F





## **REPORT**

**To: Harbour Board**

**From: Harbour Master**

**Report No: P&H-13-10-F**

**Subject: Ports Project Monitoring Report**

**28 April 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 Some photographs of the progress will be provided at the meeting as Appendix B.

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

4.2.5 The project currently remains on budget with delivery of the first tug now expected by mid May 2010. The short delay is due to the high quality work in blasting and coating the internal tanks taking longer than anticipated and awaiting some final components from Voith.

4.2.6 To comply with MCA requirements the tug will now be accepted in Spain. This is a variation to the original contract but will be cost neutral to the Council and is the only practical way forward.

#### 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 Site investigation complete and draft report approved. The final report should be available within the next week. Investigation work undertaken within budget

4.4.2 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.

4.4.3 Land acquisition is currently being progressed by the Council's Asset and Properties Unit. Planning application has been submitted in March 2010.

4.4.4 Work has now started on the detailed design and is expected to be complete by late summer 2010.

#### 4.5 Water Main Scalloway RCM 2315

4.5.1 The works have been advertised in local media, seeking expressions of interest from suitably experienced Contractors.

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

### **5 Harbour Account**

#### 5.1 Plant, Vehicles and Equipment – PCM 2101

5.1.1 Three workshop vehicles have been ordered, and a new telehandler forklift for Scalloway has been received. The remaining funds within

this budget have been utilised to replace smaller items of plant such as compressors and a blast cabinet for the workshop. Due to the late delivery of the vehicles, arrangements will be made with Capital Projects to carry forward any remaining funds into the new financial year.

## **5.2 Navigational Aids – PCM 2104**

- 5.2.1 Replacement buoys and LED lights have now been ordered for the harbour. Replacement batteries and charging systems for the Gluss leading lights have also been ordered.
- 5.2.2 Tender documents for the maintenance and refurbishment of two Navigation Towers have been prepared, and an advert was placed in local media, seeking expressions of interest from suitably experienced Contractors. A number of companies have expressed such interest, and technical/financial vetting will now take place. It is anticipated that the works will commence in early summer 2010.
- 5.2.3 Again, due to the late delivery of some of these items, remaining funds in this years budget will be carried forward into the new financial year.

## **6 Revenue Projects**

### **6.1 Sullom Voe Terminal Jetty Maintenance Contract**

- 6.1.1 Method and Risk Assessments for this years works have been reviewed and approved. The Contractor will now mobilise plant and staff to enable this years works to commence on Monday 19 April 2010.
- 6.1.2 The intended work scope for this year is as follows:
  - Complete the blasting and painting of approach road tie-beams on J1 and J4.
  - Blast cleaning and painting of the dolphin walkways on J2 and J3.
  - Blast Cleaning and painting of the piles on J2 head.
- 6.1.3 The replacement of cable tray on the J1 approach road is also planned, and we await the outcome of the planning process to indicate whether scaffolding will be made available.

## **7 Other Business**

### **7.1 Scalloway Dredging – RCM 2208**

- 7.1.1 This item is subject to a separate report.

## 7.2 Fetlar Breakwater GCY7214

7.2.1 Design is nearing completion and consents are being applied for together with the preparation of tender documents.

7.2.2 The project has been advertised for interested contractors and a favourable response has been received.

7.2.3 The acquisition of additional land is being progressed by the Asset and Properties section.

7.2.4 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.

7.2.5 Currently the project lies within 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.

## 7.3 Ports & Harbours Projects

### 7.3.1 Projects – 2009 / 2010 Financial Year

			<b>Annual Capital Budget</b>
Tug Replacement Programme.	RCM 2313	Vessels due to be delivered May 2010. Underspend on the year will remain with the project and brought forward.	£13,246,794
<b>Essential Maintenance</b>		<b>Ports &amp; Harbours – Reserve Fund</b>	
Water Main, Scalloway	RCM 2315	£10K previously reallocated to RCM2316 £37K slippage has been carried forward to 10/11. Min. Ref. 46/10	£3,000
Peerie Dock	RCM 2309	Budget substantially utilised, small under spend notified to capital Projects. £5.7K – spent balance offered as saving Min. Ref. 46/10 refers.	£5,700
		Sub Total	£8,700



<b>Service Improvements</b>		<b>Ports &amp; Harbours – Reserve Fund</b>	
Uyeasound Pier.	RCM 2314	Project effectively complete. £74K SIC funding - £141K Funding by HIE. Accrual made for retention sum at year end.	£74,000
Walls Pier	RCM 2316	Anticipate year end spend of £110K. Balance to be carried forward to 10/11 in CPS outturn report.	£140,000
		Sub Total	£214,000
		<b>Reserve Fund Total</b>	<b>£222,700</b>
<b>Maintenance</b>		<b>Maintenance – Harbour Account</b>	
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. A recharge for CPS time will be processed at year end, 2010/11 budget	£0
		<b>Harbour Account Total</b>	<b>£220,000</b>

### 7.3.2 Projects – 2010 / 2011 Financial Year

<b>Underway</b>			<b>Annual Capital Budget</b>
Tug Replacement Programme.	RCM 2313	First vessel due to be delivered May 2010. Underspend from last year brought forward and included in the budget figure.	£3,342,345
<b>Essential Maintenance</b>		<b>Ports &amp; Harbours – Reserve Fund</b>	
Water Main, Scalloway	RCM 2315	£37K from 09/10 slipped into 10/11 Min. Ref. 46/10 refers.	£287,000
		Sub Total	£287,000

<b>Service Improvements</b>		<b>Ports &amp; Harbours – Reserve Fund</b>	
Dredging Consents, Scalloway.	RCM 2208		£3,000,000
Walls Pier	RCM 2316	Marine site investigation approved.	£1,400,000
		Sub Total	£4,400,000
		<b>Reserve Fund Total</b>	<b>£4,687,000</b>
<b>Maintenance</b>		<b>Maintenance – Harbour Account</b>	
Plant, Vehicles & Equipment.	PCM 2101	Maintenance – Harbour Account	£70,000
Navigational Aids.	PCM 2104	Maintenance – Harbour Account	£70,000
		<b>Harbour Account Total</b>	<b>£140,000</b>
<i>Note: These capital codes may be transferred to revenue codes as a result of new financial and accounting rules and regulations.</i>			

### 7.3.3 Future Years of Capital Programme

#### **PORTS & HARBOURS - RESERVE FUND & HARBOUR ACCOUNT PROPOSED FUNDING FOR 2011-2014**

##### **PORTS & HARBOURS - RESERVE FUND**

###### **Essential Maintenance**

<b>Project</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Total Project Costs</b>
Water Main, Scalloway				250,000
Fish Market Roof, Scalloway		150,000		150,000
Old Breakwater, Symbister		150,000		150,000
Skerries Pier			100,000	100,000
<b>Sub Total</b>	<b>0</b>	<b>300,000</b>	<b>100,000</b>	<b>650,000</b>

##### **PORTS & HARBOURS - RESERVE FUND**

###### **Service Improvements**

<b>Project</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Total Project Costs</b>
Scalloway Dredging				3,000,000
West Pier Scalloway		5,000,000		5,000,000
Sella Ness Pier			7,000,000	7,000,000
Walls Pier	2,000,000			3,400,000
<b>Sub Total</b>	<b>2,000,000</b>	<b>5,000,000</b>	<b>7,000,000</b>	<b>18,400,000</b>
<b>Reserve Fund Total</b>	<b>2,000,000</b>	<b>5,300,000</b>	<b>7,100,000</b>	<b>19,050,000</b>

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

#### 7.3.4 Projects Requiring Consideration

<b>Projects Requiring Consideration</b>	
Peerie Dock, Symbister	
Administration Building, Sella Ness	Refurbishment of fire doors, lighting, suspended ceilings and flooring.

## 8 Revenue – Significant Maintenance in Other Areas

- 8.1 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.

## 9 Financial Implications

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

## 10 Policy and Delegated Authority

- 10.1 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. The report is generally for noting but for a decision regarding the required variations to the new build tugs contract.

## 11 Recommendations

I recommend that the Harbour Board:

- 11.1 Note the areas of progress; and
- 11.2 Note the MCA requirement detailed in 4.2.6 regarding delivery in Spain of the new tugs and delegate to the Head of Ports and Harbours Operations to progress any necessary contractual variation to address this matter, including delegation of the related acceptance protocol on behalf of the Council.



# PORTS & HARBOURS - CAPITAL PROGRAMME

## Appendix A

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 2010 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2101	Plant, Vehicles & Equipment Equipment Works Contract	150,000	150,000 0	11,076 65,522	138,924 (65,522)
		Project Total	150,000	150,000	76,598	73,402

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 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	6,822 0 10,287	(6,822) 70,000 (10,287)
		Project Total	70,000	70,000	17,109	52,891

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2208	Scalloway Dredging Consent Recharges	0	0	1,815	(1,815)
		Project Total	0	0	1,815	(1,815)

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2309	Peerie Dock, Symbister External Consultants	0	5,700	5,644	56
		Project Total	0	5,700	5,644	56

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 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 0 178,447	9,835,599 19,527 2,843 560 20,573 10,688 200,690 175,468	3,231,311 (19,527) (2,843) (560) (20,573) (10,688) (200,690) 2,979
		Project Total	11,152,000	13,245,357	10,265,948	2,979,409

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 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 Recharges		215,223 0 0 0 0 0 (141,223) 24,010	197,537 15 327 171 135 68 (141,223) 7,440	17,686 (15) (327) (171) (135) (68) 0 16,570
		Project Total	0	98,010	64,470	33,540

Funding			2009/10 Original	2009/10 Revised	Actual to	Variance (Revised Budget
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Source	Code	Project	Budget £	Budget £	19th April 2010 £	Less Actual) £
Reserve Fund	RCM2315	Salloway Water Main Works External Consultants	50,000	3,000	0 2,176	3,000 (2,176)
		Project Total	50,000	3,000	2,176	824

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 2010 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2316	Walls Pier Works Hire/Rent Property Building Warrants Advertising External Consultants Recharges	100,000	50,000    90,000	68,506 69 847 120 708 38,804	(18,506) (69) (847) (120) 89,292 (38,804)
		<b>Project Total</b>	<b>100,000</b>	<b>140,000</b>	<b>109,054</b>	<b>30,946</b>

Funding Source	Code	Project	2009/10 Original Budget £	2009/10 Revised Budget £	Actual to 19th April 2010 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2101	Plant, Vehicles & Equipment	150,000	150,000	76,598	73,402
Harbour Account	PCM2104	Navigational Aids, Sullom Voe	70,000	70,000	17,109	52,891
Reserve Fund	RCM2208	Scalloway Dredging Consent	0	0	1,815	(1,815)
Reserve Fund	RCM2309	Peerie Dock, Symbister	0	5,700	5,644	56
Debt Charges on Harbour Account	RCM2313	Tugs for Sella Ness	11,152,000	13,245,357	10,265,948	2,979,409
Reserve Fund	RCM2314	Uyeasound Harbour	0	98,010	64,470	33,540
Reserve Fund	RCM2315	Scalloway Water Main	50,000	3,000	2,176	824
Reserve Fund	RCM2316	Walls Pier	100,000	140,000	109,054	30,946
<b>SUMMARY</b>		<b>Projects Total</b>	<b>11,522,000</b>	<b>13,712,067</b>	<b>10,542,814</b>	<b>3,169,253</b>







## **REPORT**

**To: Harbour Board**

**From: Head of Service**

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

**Subject: Port Operations Report**

**28 April 2010**

### **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 March there were four 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 30 March 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 February and the cumulative totals for 2010.

### **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 There were no incidents during this period.

### **5.2 Pollution Incidents**

5.2.1 There were no incidents during this period.

## **6 Fishing 2010 Exhibition**

6.1 Planning for the Fishing 2010 Exhibition in Glasgow, 20 – 22 May is progressing with the Shetland Stand now having five full members and two associate members.

## **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 2010**  
**Number of Vessels and GT Totals**

**APPENDIX A**

	UK COMM VISITS	UK COMM GT	FOREIGN COMM VISITS	FOREIGN COMM GT	STANDBY/ OIL RELATED VISITS	STANDBY/ OIL RELATED GT	COMMERCIAL (DISC RATE) VISITS	COMMERCIAL (DISC RATE) GT	UK FISHING VISITS	UK FISHING GT	FOREIGN FISHING VISITS	FOREIGN FISHING GT	CRUISE SHIPS VISITS
JANUARY	1	2181	0	0	2	1805	0	0	11	2486	0	0	0
FEBRUARY	1	42	17	5674	1	1125	1	2064	2	453	0	0	0
MARCH	1	70	7	8446	1	1125	0	0	4	1150	0	0	0
APRIL													
MAY													
JUNE													
JULY													
AUGUST													
SEPTEMBER													
OCTOBER													
NOVEMBER													
DECEMBER													
	3	2293	24	14120	4	4055	1	2064	17	4089	0	0	0

**SCALLOWAY 2010**  
**Number of Vessels and GT Totals**

**APPENDIX A**

CRUISE	SALMON	UK	UK	FOREIGN	FOREIGN	SIC	LIFE	L/HOUSE			
SHIPS	CAGES	YACHT	YACHT	YACHT	YACHT	VESSEL	BOAT	TUG& MISC		TOTAL	TOTAL
GT	VISITS	VISITS	GT	VISITS	GT	VISITS	VISITS	VISITS		VISITS	GT
0	10	0	0	0	0	0	0	0		24	6472
0	22	0	0	0	0	0	0	0		44	9358
0	18	0	0	0	0	0	0	0		31	10791
										0	0
										0	0
										0	0
										0	0
										0	0
										0	0
										0	0
										0	0
										0	0
										0	0
0	50	0	0	0	0	0	0	0		99	26621

**Small Piers/Harbours - Income Received  
April 2009 to March 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	(14,667.80)
Equipment and Plant Hire	0	0	0	0	0	0	0	0	0	0	0	0	(4,295.36)
SalmonTender Dues	(1,631.95)	0	0	0	0	0	0	0	0	0	0	0	0
Comp Annual Dues	0	(3,089.76)	(4,022.92)	0	(1,092.94)	(1,180.80)	(1,180.80)	(15,715.72)	(1,121.76)	(1,080.76)	(1,178.84)	(1,413.68)	(26,422.13)
Fish Landing Dues	0	(162.46)	(62,741.28)	0	0	(201.24)	(6.55)	(41.45)	(360.29)	0	0	(755.07)	(129,748.70)
Salmon Landing Dues	(1,266.04)	0	(28,267.75)	0	0	(28,049.60)	0	0	0	0	(405.44)	0	(97,957.82)
Hire of Net Bins	0	0	0	0	0	0	0	(298.28)	0	0	0	0	(3,328.31)
Storage Charges	(355.04)	0	0	0	0	(401.36)	0	0	0	0	(204.40)	(175.20)	(57,836.38)
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)	(11,580.06)
Staff Time Miscellaneous	(361.66)	0	0	0	0	0	0	0	0	0	0	0	0
Pleasure/Fishing Boat Dues	(1,169.58)	(1,054.73)	(1,274.28)	0	0	0	0	(510.38)	0	0	0	(218.51)	(7,961.17)
Ship Commercial Dues	(2,145.57)	0	(2,510.31)	(6.93)	0	(136.08)	0	(421.65)	(476.28)	0	0	(652.68)	(37,965.72)
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	(1,951.57)
Cruise Ships	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Dues on Shellfish Landings	0	0	0	0	0	0	0	(215.28)	0	0	(739.42)	(215.28)	(2,013.00)
Metered Electricity	0	0	(5,216.77)	0	0	0	0	0	0	0	0	0	(14,389.91)
<b>Income Harbour Activities</b>	<b>(7,170.41)</b>	<b>(4,349.07)</b>	<b>(104,099.61)</b>	<b>(6.93)</b>	<b>(1,099.67)</b>	<b>(29,988.97)</b>	<b>(1,187.35)</b>	<b>(17,576.73)</b>	<b>(2,034.55)</b>	<b>(1,080.76)</b>	<b>(2,584.59)</b>	<b>(3,536.57)</b>	<b>(410,158.80)</b>
Phone Call Reimbursed	0	0	0	0	0	0	0	0	0	0	0	0	(41.53)
Sale of Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance Lease Income	0	0	(65.00)	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)
<b>Income - Other</b>	<b>0</b>	<b>0</b>	<b>(65.00)</b>	<b>0</b>	<b>0</b>	<b>(250.00)</b>	<b>0</b>	<b>(175.00)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(27,321.53)</b>
<b>TOTAL INCOME</b>	<b>(7,170.41)</b>	<b>(4,349.07)</b>	<b>(104,164.61)</b>	<b>(6.93)</b>	<b>(1,099.67)</b>	<b>(30,238.97)</b>	<b>(1,187.35)</b>	<b>(17,751.73)</b>	<b>(2,034.55)</b>	<b>(1,080.76)</b>	<b>(2,584.59)</b>	<b>(3,536.57)</b>	<b>(437,480.33)</b>

\*Please note although these figures are up to 31st March they are not FINAL figures for 09/10 as they do not take account of any accruals





**Staffing Position – 30 March 2010**

<b><u>Post</u></b>	<b><u>Established Posts</u></b>	<b><u>Actual</u></b>	<b><u>Comments</u></b>
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 <sup>nd</sup> 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	1 Temp
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

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
<b>Brent Exports</b>													
No of Vessels	6	7	7										20
GT	347180	408190	495499										1250869
Cargo C/Wise	0	0	0										0
Cargo Foreign	480492	578264	738874										1797630
<b>Schiehallion Exports</b>													
No of Vessels	0	0	2										2
GT	0	0	120484										120484
Cargo C/Wise	0	0	0										0
Cargo Foreign	0	0	170624										170624
<b>Joint Exports</b>													
No of Vessels	0	0	0										0
GT	0	0	0										0
Brent C/Wise	0	0	0										0
Brent Foreign	0	0	0										0
Schiehallion C/Wise	0	0	0										0
Schiehallion Foreign	0	0	0										0
<b>Schiehallion Imports</b>													
No of Ships	0	3	3										6
GT	0	216735	216735										433470
Schiehallion C/Wise	0	89899	176410										266309
<b>Clair Exports</b>													
No of Ships	2	2	3										7
GT	114294	119620	181958										415872
Cargo Coastwise	0	0	0										0
Cargo Foreign	181097	181424	264146										626667
<b>Ship to Ship Imports</b>													
No of Ships	1	0	0										1
GT	42661	0	0										42661
STS Crude C/Wise	0	0	0										0
STS Crude Foreign	59093	0	0										59093
<b>Ship to Ship Exports</b>													
No of Ships	1	0	0										1
GT	42010	0	0										42010
STS Crude C/Wise	0	0	0										0
STS Crude Foreign	59093	0	0										59093
<b>Ship To Ship Joint Exp</b>													
No of Ships	0	0	0										0
GT	0	0	0										0
STS Crude C/Wise	0	0	0										0
STS Crude Foreign	0	0	0										0
Brent C/Wise	0	0	0										0
Brent Foreign	0	0	0										0
Schiehallion C/Wise	0	0	0										0
Schiehallion Foreign	0	0	0										0
<b>Propane Exports</b>													
No of Vessels	0	0	0										0
GT	0	0	0										0
Propane C/Wise	0	0	0										0
Propane Foreign	0	0	0										0
<b>Butane Exports</b>													
No of Vessels	0	0	0										0
GT	0	0	0										0
Butane C/Wise	0	0	0										0
Butane Foreign	0	0	0										0
<b>Joint Exports</b>													
No of Vessels	1	0	0										1
GT	17980	0	0										17980
Propane C/Wise	0	0	0										0
Propane Foreign	8010	0	0										8010
Butane C/Wise	0	0	0										0
Butane Foreign	3159	0	0										3159



## Ports &amp; Harbours Operations

**Abstract of Weather Caused Delays at 28 February 2010**

	Monthly Totals			Cumulative Totals		
	Days	Hours	Mins	Days	Hours	Mins
Berthing Suspension	00	09	30	05	06	30
Unberthing Suspension	00	00	00	00	00	00
Loading Suspension	00	00	00	00	00	00
Boatwork Suspension	00	00	00	03	04	00
Pilotage Suspension	00	00	00	00	00	00
Helicopter Usage	00	00	00	00	00	00
Tug/Pilot Standby	00	00	00	00	00	00
Total Disruption - all Causes	00	09	30	08	01	30
Actual Delays Due to Weather	00	00	00	00	00	00



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

**APPENDIX F**

		APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH		TOTAL
<b>FISH LANDINGS - SCALLOWAY</b>															
Fish Landed Through Market (Boxes)		5121	5702	5319	4414	4982	5882	7351	8099	5627	4467	9286	6996		<b>73246</b>
Fish Not Put Through Market (Boxes)		440	400	522	0	0	0	0	0	0	860	0	0		<b>2222</b>
Mackerel Landings		0	0	20	113.25	321	177.75	0	0	0	0	0	0		<b>632</b>
<b>TOTAL NO OF BOXES - (Boxes)</b>		<b>5561</b>	<b>6102</b>	<b>5861</b>	<b>4527.25</b>	<b>5303</b>	<b>6059.75</b>	<b>7351</b>	<b>8099</b>	<b>5627</b>	<b>5327</b>	<b>9286</b>	<b>6996</b>		<b>76100</b>

		APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH		TOTAL
<b>FISH LANDINGS - CULLIVOE</b>															
Fish Landed Through Market (Boxes)		4258	5156	2570	1173	1885	1505	844	1505	0	1687	1588	0		<b>22171</b>
Fish Not Put Through Market (Boxes)		0	0	312	0	902	140	0	0	0	0	0	0		<b>1354</b>
Mackerel Landings		0	0	0	0	0	0	0	0	0	0	0	0		<b>0</b>
<b>TOTAL NO OF BOXES - (Boxes)</b>		<b>4258</b>	<b>5156</b>	<b>2882</b>	<b>1173</b>	<b>2787</b>	<b>1645</b>	<b>844</b>	<b>1505</b>	<b>0</b>	<b>1687</b>	<b>1588</b>	<b>0</b>		<b>23525</b>

<b>SCALLOWAY</b>															
<b>DUES PAID ON FISH LANDINGS</b>		<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>		
<b>(Rate = £0.025 per £1.00 Value)</b>		<b>00/01</b>	<b>00/02</b>	<b>00/03</b>	<b>00/04</b>	<b>00/05</b>	<b>00/06</b>	<b>00/07</b>	<b>00/08</b>	<b>00/09</b>	<b>00/10</b>	<b>00/11</b>	<b>00/12</b>		<b>TOTALS</b>
LHD Ltd		9882.36	4239.17	14611.17	5501.24	6613.40	9819.20	10211.05	12178.68	14752.04	14476.28	6634.93	15563.4		<b>124482.92</b>
Other (Consigned Fish)		0	0	686.40	723.14	756.38	0	1019.07	0	0	0	1678.31	0		<b>4863.30</b>
Mackerel Landings		0	0	0	0	0	0	402.48	0	0	0	0	0		<b>402.48</b>
<b>TOTAL FOR LEDGER PERIOD</b>		<b>9882.36</b>	<b>4239.17</b>	<b>15297.57</b>	<b>6224.38</b>	<b>7369.78</b>	<b>9819.20</b>	<b>11632.60</b>	<b>12178.68</b>	<b>14752.04</b>	<b>14476.28</b>	<b>8313.24</b>	<b>15563.40</b>		<b>129748.70</b>

<b>CULLIVOE</b>															
<b>DUES PAID ON FISH LANDINGS</b>		<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>	<b>PERIOD</b>		
<b>(Rate = £0.025 per £1.00 Value)</b>		<b>00/01</b>	<b>00/02</b>	<b>00/03</b>	<b>00/04</b>	<b>00/05</b>	<b>00/06</b>	<b>00/07</b>	<b>00/08</b>	<b>00/09</b>	<b>00/10</b>	<b>00/11</b>	<b>00/12</b>		<b>TOTALS</b>
LHD Ltd		6603.37	8215.77	4350.63	5040.99	2751.14	4539.96	5623.26	2191.83	2769.66	7960.5	7331.25	1743.43		<b>59121.79</b>
Other (Consigned Fish)		0	0	0.00	0	0	946.05	1961.64	0	0	711.80	0	0		<b>3619.49</b>
<b>TOTAL FOR LEDGER PERIOD</b>		<b>6603.37</b>	<b>8215.77</b>	<b>4350.63</b>	<b>5040.99</b>	<b>2751.14</b>	<b>5486.01</b>	<b>7584.90</b>	<b>2191.83</b>	<b>2769.66</b>	<b>8672.30</b>	<b>7331.25</b>	<b>1743.43</b>		<b>62741.28</b>





**Scalloway Harbour  
Wharfage Charges 2009/2010**

**APPENDIX G**

<b>WHARFAGE - Imports</b>		<b>APRIL</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MARCH</b>		<b>TOTAL (tonnes)</b>
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
<b>TOTAL CARGO</b>		<b>732.000</b>	<b>110.000</b>	<b>30.000</b>	<b>1055.400</b>	<b>40.000</b>	<b>0.000</b>	<b>0.000</b>	<b>50.000</b>	<b>50.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>		<b>2067.400</b>

<b>WHARFAGE - Exports</b>		<b>APRIL</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MARCH</b>		<b>TOTAL (tonnes)</b>
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
<b>TOTAL</b>		<b>366.028</b>	<b>375.356</b>	<b>1202.971</b>	<b>362.010</b>	<b>635.777</b>	<b>1033.791</b>	<b>262.140</b>	<b>233.200</b>	<b>1290.787</b>	<b>130.284</b>	<b>0.000</b>	<b>0.000</b>		<b>5892.344</b>

\* Figures for February/March not available



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

**Appendix I**

	<b>Annual Budget 2009/2010</b>	<b>Actual April 2009 to March 2010</b>	<b>Variance (Adverse)/Favourable</b>
All Income	(50,340)	(175,205.21)	124,865.21
<b>Total Income</b>	<b>(50,340)</b>	<b>(175,205.21)</b>	<b>124,865.21</b>
Employee Costs	28,705	28,761.35	(56.35)
Agency Payments	-	-	-
Property And Fixed Plant	77,567	71,965.76	5,601.24
Supplies and Services	7,655	150,275.00	(142,620.00)
Transport and Mobile Plant	145,660	44,185.56	101,474.44
Administration	-	-	-
<b>Total Expenditure</b>	<b>259,587</b>	<b>295,187.67</b>	<b>(35,600.67)</b>
<b>Net Revenue</b>			
<b>Expenditure/(Income)</b>	<b>209,247</b>	<b>119,982.46</b>	<b>89,264.54</b>

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".

\*Please note although these figures are up to 31st March they are not FINAL figures for 09/10 as they do not take account of any accruals

**SCALLOWAY HARBOUR**  
**Summary Management Accounts - Revenue**  
**April 2009 to March 2010**

Appendix H

	<b>Annual Budget 2009/2010</b>	<b>Actual April 2009 - March 2010</b>	<b>Variance (Adverse)/Favourable</b>
Fish Landing Dues	(80,000)	(129,748.70)	49,748.70
Other Dues/Charges	(234,200)	(362,830.22)	128,630.22
<b>Total Income</b>	<b>(314,200)</b>	<b>(492,578.92)</b>	<b>178,378.92</b>
Employee Costs	148,339	149,094.13	(755.13)
Administration	23,225	10,721.31	12,503.69
Agency Payments	2,000	317.00	1,683.00
Property and Fixed Plant	109,449	99,637.91	9,811.09
Supplies & Services	12,300	52,836.53	(40,536.53)
Transport and Mobile Plant	39,994	30,514.56	9,479.44
<b>Total Expenditure</b>	<b>335,307</b>	<b>343,121.44</b>	<b>(7,814.44)</b>
<b>Net Revenue</b>			
<b>Expenditure/(Income)</b>	<b>21,107</b>	<b>(149,457.48)</b>	<b>170,564.48</b>

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"

\*Please note although these figures are up to 31st March they are not FINAL figures for 09/10 as they do not take account of any accruals



## **REPORT**

**To: Harbour Board**  
**From: Head of Finance**  
**Executive Services Department**

**28 April 2010**

**REVENUE MONITORING (April 2009- March 2010)**  
**PORTS & HARBOURS OPERATIONS**  
**Report No: F-020-F**

### **1. Introduction**

- 1.1 The purpose of this report is to provide Members with up-to-date revenue monitoring information for 2009/10.

### **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 12 (March 2010) showing controllable budgets both by service area and subjective category attached as Appendix A.
- 4.2 The information in Appendix A indicates that Ports & Harbours Operations overall have a positive variance of £207k as at period 12 against budgets set. Backpay provision not yet paid 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 At the Harbour Board on 3 March 2010 the period 10 figures were reported showing an overall negative variance of £423k, when this is compared to the current period 12 positive variance of £207k, there has been a resulting positive change in variance totalling £630k .
- 4.4 Explanations for the difference between the variances reported in period 10 and period 12 are as follows:

- Increased income on fish/salmon landings at Cullivoe and Yell of £47k
- Increased dues of fish/salmon landings and storage charges at Scalloway of £43k
- Increased Scalloway pilotage dues of £28k
- Increased Sullom Voe harbour dues and compounded annual dues of £115k
- Increased Schiehallion harbour dues of £102k
- Increased towage dues of £197k

4.5 The major variances against budget at period 12 are:

**Overspends:**

Towage	training & overtime	(£50,774)
Sullom Voe Association	grants to organisations	(£24,819)
Small Piers	maintenance	(£40,019)

**Reduction in Income:**

Blacksness	wharfage charges & commercial ship dues	(£40,454)
Sullom Voe	harbour dues, harbour agreement payments, pilotage dues, mooring dues, boarding & landing dues and towage dues	(£880,676)

**Underspends:**

Ports Management	basic salary	£78,407
Ports Engineering	basic salary & overtime	£70,505
Sullom Voe	tugs fuel & maintenance and boarding and landing hired & contracted costs	£206,857

**Increased Income:**

Cullivoe & Mid Yell	fish/salmon landing dues	£64,559
Blacksness	fish/salmon landing dues, storage charges, pilotage dues	£175,328
Sullom Voe	storage charges, boarding & landing fees, bunker surcharge, harbour dues	£126,290

4.6 It should be noted that these are not the final figures for Ports and Harbours, there are still a few year end adjustments to be made before the final outturn position is known. These are not expected to vary the position greatly at this stage.

## 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 positive variance of £207k on controllable budgets to period 12.
- 7.2 As Ports & Harbours have a favourable variance at the end of period 12 this would indicate that they are on target to transfer £2.5m to Council reserves as budgeted for 2009/10.

## **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	1,001,473	899,413	102,060
Sullom Voe	-4,224,562	-4,470,915	-4,782,592	311,677
Scalloway	40,405	23,838	-154,391	178,229
Other Piers	216,475	183,287	129,011	54,276
Port Engineering Services	629,972	616,490	537,806	78,684
Transfer of Funds	2,539,335	0	0	0
<b>Sub-Total</b>	<b>190,093</b>	<b>-2,645,827</b>	<b>-3,370,753</b>	<b>724,926</b>
<b>Backpay provision removed</b>				<b>-518,325</b>
<b>Ports &amp; Harbours Total Variance</b>				<b>206,601</b>

Jetties & Spur Booms excluded from above as fully funded by BP	-206,113	-206,113	-1,251,100	1,044,987
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**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	4,659,370	4,102,139	557,231
Overtime	435,475	435,475	416,064	19,411
Other Employee Costs	2,048,499	2,027,668	1,928,145	99,523
<b>Employee Costs (sub total)</b>	<b>7,143,344</b>	<b>7,122,513</b>	<b>6,446,348</b>	<b>676,165</b>
Travel & Subsistence	171,020	171,020	131,820	39,200
Property Costs	1,057,478	831,808	822,564	9,246
Other Operating Costs	2,258,074	2,144,926	1,618,563	526,363
<b>Operating Costs (sub total)</b>	<b>3,486,572</b>	<b>3,147,754</b>	<b>2,572,947</b>	<b>574,809</b>
<b>Transfer Payments (sub total)</b>	<b>2,619,915</b>	<b>80,580</b>	<b>105,399</b>	<b>-24,819</b>
<b>Income (sub total)</b>	<b>-13,059,738</b>	<b>-12,996,674</b>	<b>-12,495,445</b>	<b>(501,229)</b>
<b>Ports &amp; Harbours Sub-Total</b>	<b>190,093</b>	<b>-2,645,827</b>	<b>-3,370,751</b>	<b>724,926</b>
<b>Backpay provision removed</b>				<b>-518,325</b>
<b>Ports &amp; Harbours Total Variance</b>				<b>206,601</b>

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

Travel & Subsistence	0	0	857	(857)
Property Costs	48,332	48,332	24,813	23,519
Other Operating Costs	2,086,765	2,086,765	1,367,852	718,913
<b>Operating Costs (sub total)</b>	<b>2,135,097</b>	<b>2,135,097</b>	<b>1,393,522</b>	<b>741,575</b>
<b>Income (sub total)</b>	<b>-2,341,210</b>	<b>-2,341,210</b>	<b>-2,644,622</b>	<b>303,412</b>
	<b>-206,113</b>	<b>-206,113</b>	<b>-1,251,100</b>	<b>1,044,987</b>





## REPORT

**To: Harbour Board**

**28 April 2010**

**From: Harbour Master / Head of Service**

**Report No: P&H-15-10-F**

**Subject: Right to Charge Dues Over Private Piers**

### **1. Introduction**

- 1.1. This report is to inform and update Members on the current position and outstanding issues of charging with respect to Private Piers in Shetland Islands Council harbours.

### **2. Link to Council Priorities**

- 2.1. The report promotes the ideals of Sustainable Economy from the Corporate Plan.

### **3. Risk Management**

- 3.1. An economic risk is identified in this report.
- 3.2. The economic risks will be dependant on the decision of the Harbour Board. It has been recognised that whilst the income is relatively small if consideration is given in respect of one commercial operator, the potential exists to lose further income from a range of other harbour users should the decision be taken not to affirm the recommendations in this report.

### **4. Background**

- 4.1. The matter of charging for goods over private piers within a Council harbour area has been a matter of debate for a number of years, dating back to the late 1980's.
- 4.2. The issue does have a long history and the Council, over the years, modified the position in respect of the dues applicable in harbour areas.
- 4.3. A draft report was prepared in October 1986 that was considered, and amended, by various groups including an ad-hoc group of Councillors and Officials, the Salmon Fisheries Working Group, the development

Committee and the Ports and Harbours Committee. One of the aspects receiving close attention at the time was the question of making no charge for the use of private piers for salmon landings. The Council opposed this, with the view that having no charge would prejudice the right to make a charge when operations were carried out within a harbour area but not alongside a pier or jetty. This was viewed as having possible adverse affects to not only the Council's ability to charge but also on other ports in the UK.

- 4.4. Original charges for landings of salmon and shellfish over a Council pier were charged at 2.5% ad valorem. Shetland Salmon Farmers Association, as was, challenged the charging structure at a Harbour Users Panel B meeting stating that it was unfair as the fish did not go through the fish market as did white fish which also paid 2.5%
- 4.5. Agreement was reached to charge 0.5% ad valorem across council piers and £100 per annum for landings over private piers, within a Shetland Islands Council harbour area.
- 4.6. The matter then appears to have remained unchallenged until April 2007, when a member of Seafood Shetland disputed the charges he would have to pay in respect of his commercial operations related to a private pier, albeit within a harbour area.
- 4.7. A lengthy period of correspondence between the Council and the objector then commenced and continues to this day and the disputed sum is in the order of approximately £146 per annum for all such similar users.
- 4.8. The legal entitlement for the Council to charge goods dues in respect of items moved over private piers, but within a Council harbour area, is defined in terms of Section 26 of the Harbours Act 1964.
- 4.9. The matter was raised a number of times at the Harbour Board, the latest being 17 April 2008 where the Chairperson reaffirmed the Council's policy with regard to the charge. The Chairperson advised that legal advice had been sought on this issue in the past. It was the case that an annual fee was charged in these instances rather than ad valorem landing dues. This was a reflection that these private piers were constructed in designated harbour areas, so the Council therefore had the right to charge an appropriate fee. [Min. Ref. 14/08]
- 4.10. The current Table of Dues states that the "annual rate for Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are required to pay a due of £146.12 annually. Where a Council pier or landing place is used, the full tariff is applicable".
- 4.11. Payment has been received without objection from other aquaculture operators, who use private piers, for a number of years.

- 4.12. The harbour areas are defined within the Shetland Islands Council (Small Harbours and Piers) Byelaws 1987 and these same byelaws state, "These byelaws shall apply to all parts of the harbour, the limits of jurisdiction of which are set forth in the Schedule hereto and to the harbour premises as defined in byelaw 3 hereof."
- 4.13. The income raised from the charges goes to the collective benefit of harbour users throughout harbour areas, rather than being targeted at individuals.

## **5. Current Position**

- 5.1. The Council, as the competent Harbour Authority, confirms and determines the level of charges as laid out in the Table of Dues.
- 5.2. A dispute currently exists between a single commercial operator, who is a member of Seafood Shetland, and the Council with regard to the charges levied for shellfish landed over a private pier within a Shetland Islands Council harbour area. Given that the refusal to pay covers the period from 01 April to date, the amount now outstanding totals approximately £536.
- 5.3. It is submitted that the previous deliberations by the Council, which led to the setting of a consolidated fee for users of private piers as harbour areas, were comprehensive and thorough and produced a fee structure that is modest in its demands on users, proportionate and defensible in the event of challenge or appeal.

## **6. Proposal**

- 6.1. The Harbour Board should consider the contents of this report and determine whether a review and change of policy is merited and recommend accordingly to the Council.

## **7. Financial Implications**

- 7.1. Current loss of income from this one objector totals £536.73 for 2006 to the end of the financial year 2009 / 2010.
- 7.2. Waiving of this charge in respect of a single commercial operator would be inconsistent and legally indefensible and could potentially cost the small harbours a loss in significant income by setting a precedent that would allow other users within a harbour area, and not at a Council pier, to successfully challenge charges levied by the harbour.

## **8. Policy and Delegated Authority**

- 8.1. 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.

- 8.2. As part of its oversight function it is appropriate for the Harbour Board to consider, from time to time, the basis for charging in respect of various users and make recommendation after review to the Council.

## **9. Recommendations**

I recommend that the Harbour Board approve the recommendations below:

- 9.1. The Harbour Board conclude that a review of charges is not merited and the charges as set in the Table of Dues, recommended by the Harbour Board and approved by full Council [Min. Ref. 06/10] should remain as published; and
- 9.2. Note that such a decision will result in the continued activity by officers to implement consistently, the charges in respect of all users of the Harbour Board's function.

23 April 2010  
Our Ref: RM/KM RO-O

Report No: P&H-15-10-F