



REPORT

To: Harbour Board

09 June 2010

From: Harbour Master / Head of Service

Report No: P&H-19-10-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 three Ship-to-Ship (StS) transfers in this financial year.
- 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 attempts to set up further meeting are progressing. In the interim, updated information has been sent to the main shipping companies involved in StS operations. Work is also progressing on targeting companies involved in future work to the West of Shetland.
- 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. This was then closely followed by the arrival of aggregate over the construction jetty. The material was used for the construction of the access road to the TOTAL site as well as the lay-down area. Future work has not yet been confirmed, but the management team are working hard to attract and maximize business to Shetland Islands Council ports and harbours.

- 4.4. The proposed location of the TOTAL accommodation unit should also boost income to the Harbour should it be successful.
- 4.5. 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
- 4.6. 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.

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.



REPORT

To: Harbour Board 09 June 2010

From: Harbour Master

Report No: P&H-18-10-F

Subject: Ports Project Monitoring Report

1 Introduction

- 1.1 The most up to date information on all projects is incorporated in this report.
- 1.2 Capital budget monitoring 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 solution to the transport link to Whalsay and possible location of the new Whalsay ferry terminal.

4.2 Tug Replacement Programme - RCM 2313

- 4.2.1 Both tugs have now been successfully launched and moved to a lay-by berth for finishing off.
- 4.2.2 Some photographs of the progress will be provided at the meeting as Appendix B.
- 4.2.3 The Safe Manning Document has been applied for and we are currently awaiting response from the MCA.

4.2.4 The project currently remains on budget.

4.2.5 Following delays from Voith in fitting essential control systems, the trials of the first tug have now slipped to the middle of June. Delivery of the first tugs is now set for July.

4.3 Walls – RCM 2316

4.3.1 Site investigation and the final report has been received. Site investigation work has been completed within budgets and all payments made.

4.3.2 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.

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

4.3.4 Work is continuing on the detailed design. This is expected to be complete by late summer 2010.

4.4 Water Main Scalloway RCM 2315

4.4.1 The works have been advertised in local media, and a number of companies have expressed an interest. Technical and financial vetting is now taking place, to allow a final approved list of contractors to be created. Tender documents will then be issued.

5 Harbour Account

5.1 Plant, Vehicles and Equipment – PCM 2101

5.1.1 The budget for this financial year will be used to replace the workshop forklift at Sella Ness with a telehandler type machine. Remaining funds have been set aside to replace vehicles, once a condition survey has been completed.

5.2 Navigational Aids – PCM 2104

5.2.1 The refurbishment works planned for the Gluss towers are now to be postponed until next year. This is due to the availability of new LED light technology, which has the potential to replace the existing systems at Gluss. Discussions between the Marine Officers and the Navigation Light suppliers are at an early stage, but should the new technology prove to be acceptable, the towers could be demolished. The budget for this year, will now be utilised to continue upgrading existing navigation aids such as Lamba, where it is intended to install

replacement LED sector and port entry lights. This will substantially reduce the power requirements required, reducing maintenance and improving reliability

6 Revenue Projects

6.1 Sullom Voe Terminal Jetty Maintenance Contract

6.1.1 Works on site commenced 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 The business case for the dredging at Scalloway is a matter of a separate report.

7.1.2 Contract documents are currently being prepared. It is intended to proceed to tender by mid June with the aim of awarding the contract before the end of July 2010.

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

7.2.3 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.

7.2.4 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 – 2010 / 2011 Financial Year

| Underway | | | Annual Capital Budget |
|-------------------------------|----------|---|------------------------------|
| 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. This has yet to be approved at Council | £3,342,345 |
| Essential Maintenance | | Ports & Harbours – Reserve Fund | |
| Water Main, Scalloway | RCM 2315 | £37K from 09/10 slipped into 10/11 Min. Ref. 46/10 refers. | £287,000 |
| | | Sub Total | £287,000 |
| Service Improvements | | Ports & Harbours – Reserve Fund | |
| Dredging Consents, Scalloway. | RCM 2208 | | £3,000,000 |
| Walls Pier | RCM 2316 | Marine site investigation approved. | £1,400,000 |
| | | Sub Total | £4,400,000 |
| | | Reserve Fund Total | £4,687,000 |
| Maintenance | | Maintenance – Harbour Account | |
| Plant, Vehicles & Equipment. | PCM 2101 | Maintenance – Harbour Account | £70,000 |
| Navigational Aids. | PCM 2104 | Maintenance – Harbour Account | £70,000 |
| | | Harbour Account Total | £140,000 |

7.3.2 Future Years of Capital Programme

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

| PORTS & HARBOURS - RESERVE FUND | | | | |
|--|------------------|------------------|------------------|----------------------------|
| Essential Maintenance | | | | |
| Project | 2011/12 | 2012/13 | 2013/14 | Total Project Costs |
| Water Main, Scalloway | | | | 287,000 |
| Fish Market Roof, Scalloway | | 150,000 | | 150,000 |
| Old Breakwater, Symbister | | 150,000 | | 150,000 |
| Skerries Pier | | | 100,000 | 100,000 |
| Sub Total | 0 | 300,000 | 100,000 | 650,000 |
| PORTS & HARBOURS - RESERVE FUND | | | | |
| Service Improvements | | | | |
| Project | 2011/12 | 2012/13 | 2013/14 | Total Project Costs |
| 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 |
| Sub Total | 2,000,000 | 5,000,000 | 7,000,000 | 18,400,000 |
| Reserve Fund Total | 2,000,000 | 5,300,000 | 7,100,000 | 19,050,000 |

| PORTS & HARBOURS - HARBOUR ACCOUNT | | | | |
|---|----------------|----------------|----------------|----------------------------|
| Maintenance | | | | |
| Project | 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 |
| Harbour Account Total | 340,000 | 140,000 | 140,000 | 760,000 |

7.3.3 Projects Requiring Consideration

| Projects Requiring Consideration | |
|---|---|
| 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 due to be installed start of June.

9 Financial Implications

- 9.1 This report is for information only. 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. However, this report is for information only and there are no Policy and Delegated Authority issues to be addressed.

11 Recommendations

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

PORTS & HARBOURS - CAPITAL PROGRAMME

Appendix A

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|-----------------|---------|--|------------------------------------|-----------------------------------|------------------------------------|--|
| Harbour Account | PCM2101 | Plant, Vehicles & Equipment Equipment Works Contract | 70,000 | 70,000 0 | 77,115 0 | (7,115) 0 |
| | | Project Total | 70,000 | 70,000 | 77,115 | (7,115) |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|-----------------|---------|--|------------------------------------|-----------------------------------|------------------------------------|--|
| Harbour Account | PCM2104 | Navigational Aids, Sullom Voe Works Contract Equipment Other Repair and Maintenance | 70,000 | 35,000 35,000 0 | 0 47,942 9,433 | 35,000 (12,942) (9,433) |
| | | Project Total | 70,000 | 70,000 | 57,375 | 12,625 |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|----------------|---------|--|------------------------------------|-----------------------------------|------------------------------------|--|
| Reserve Fund | RCM2208 | Scalloway Dredging Consent Works Contract Advertising Recharges | 3,000,000 | 2,976,454 0 23,546 | 0 221 0 | 2,976,454 (221) 23,546 |
| | | Project Total | 3,000,000 | 3,000,000 | 221 | 2,999,779 |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|----------------|---------|--|------------------------------------|-----------------------------------|------------------------------------|--|
| Reserve Fund | RCM2313 | Tugs for Sellaness Works Contract (see note) Travel External Consultants Recharges | 361,500 | 295,580 0 0 65,920 | 0 1,878 29,053 0 | 295,580 (1,878) (29,053) 65,920 |
| | | Project Total | 361,500 | 361,500 | 30,931 | 330,569 |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|----------------|---------|----------------------------|------------------------------------|-----------------------------------|------------------------------------|--|
| Reserve Fund | RCM2314 | Uyeasound Harbour Works | | 0 | (14,419) | 14,419 |
| | | Project Total | 0 | 0 | (14,419) | 14,419 |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|----------------|---------|---|------------------------------------|-----------------------------------|------------------------------------|--|
| Reserve Fund | RCM2315 | Scalloway Water Main Works External Consultants | 250,000 | 250,000 37,000 | 0 0 | 250,000 37,000 |
| | | Project Total | 250,000 | 287,000 | 0 | 287,000 |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|----------------|---------|----------------------------------|------------------------------------|-----------------------------------|------------------------------------|--|
| Reserve Fund | RCM2316 | Walls Pier Works Recharges | 1,400,000 | 1,364,435 35,565 | 0 0 | 1,364,435 35,565 |
| | | Project Total | 1,400,000 | 1,400,000 | 0 | 1,400,000 |

| Funding Source | Code | Project | 2010/11 Original Budget £ | 2010/11 Revised Budget £ | Actual to 28th May 2010 £ | Variance (Revised Budget Less Actual) £ |
|------------------------------------|---------|-------------------------------|------------------------------------|-----------------------------------|------------------------------------|--|
| Harbour Account | PCM2101 | Plant, Vehicles & Equipment | 70,000 | 70,000 | 77,115 | (7,115) |
| Harbour Account | PCM2104 | Navigational Aids, Sullom Voe | 70,000 | 70,000 | 57,375 | 12,625 |
| Reserve Fund | RCM2208 | Scalloway Dredging Consent | 3,000,000 | 3,000,000 | 221 | 2,999,779 |
| Debt Charges on Harbour Account | RCM2313 | Tugs for Sellaness (see note) | 361,500 | 361,500 | 30,931 | 330,569 |
| Reserve Fund | RCM2314 | Uyeasound Harbour | 0 | 0 | -14,419 | 14,419 |
| Reserve Fund | RCM2315 | Scalloway Water Main | 250,000 | 287,000 | 0 | 287,000 |
| Reserve Fund | RCM2316 | Walls Pier | 1,400,000 | 1,400,000 | 0 | 1,400,000 |
| SUMMARY | | Projects Total | 5,151,500 | 5,188,500 | 151,224 | 5,037,276 |



REPORT

To: Harbour Board

09 June 2010

From: Head of Service

Report No: P&H-22-10-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 April/May there were fourteen 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 April 2010 showing a total of 133 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 April 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 Representatives from the Harbour Board and Ports & Harbours Operations attended the Fishing 2010 Exhibition in Glasgow, 20 – 22 May as members of Shetland Stand. The number of exhibitors as well as visitors continues to decline but overall it was felt to be a worthwhile exercise in flying the Shetland flag.

One visitor to the Shetland stand was the Scottish Fisheries Secretary, Mr Richard Lochhead which gave some of the Shetland fishermen the opportunity to relay their concerns about the future for the industry.

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 | UK | FOREIGN | FOREIGN | STANDBY/ | STANDBY/ | COMMERCIAL | COMMERCIAL | UK | UK | FOREIGN | FOREIGN | CRUISE |
|-----------|--------|------|---------|---------|-------------|-------------|-------------|-------------|---------|---------|---------|---------|--------|
| | COMM | COMM | COMM | COMM | OIL RELATED | OIL RELATED | (DISC RATE) | (DISC RATE) | FISHING | FISHING | FISHING | FISHING | SHIPS |
| | VISITS | GT | VISITS | GT | VISITS | GT | VISITS | GT | VISITS | GT | VISITS | GT | 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 | 2 | 325 | 5 | 5803 | 5 | 20731 | 0 | 0 | 3 | 508 | 0 | 0 | 0 |
| MAY | | | | | | | | | | | | | |
| JUNE | | | | | | | | | | | | | |
| JULY | | | | | | | | | | | | | |
| AUGUST | | | | | | | | | | | | | |
| SEPTEMBER | | | | | | | | | | | | | |
| OCTOBER | | | | | | | | | | | | | |
| NOVEMBER | | | | | | | | | | | | | |
| DECEMBER | | | | | | | | | | | | | |
| | 5 | 2618 | 29 | 19923 | 9 | 24786 | 1 | 2064 | 20 | 4597 | 0 | 0 | 0 |

SCALLOWAY 2010
Number of Vessels and GT Totals

APPENDIX A

| CRUISE SHIPS GT | SALMON CAGES VISITS | UK YACHT VISITS | UK YACHT GT | FOREIGN YACHT VISITS | FOREIGN YACHT GT | SIC VESSEL VISITS | LIFE BOAT VISITS | L/HOUSE TUG& MISC VISITS | | TOTAL VISITS | | TOTAL 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 | 18 | 0 | 0 | 1 | 10 | 0 | 0 | 3 | | 37 | | 27377 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| | | | | | | | | | | 0 | | 0 |
| 0 | 68 | 0 | 0 | 1 | 10 | 0 | 0 | 3 | | 136 | | 53998 |

Small Piers/Harbours - Income Received
April 2010 to March 2011

APPENDIX B

| | Baltasound | Collafirth | Cullivoe | Fair Isle | Hamnavoe | Mid Yell | Out Skerries | Symbister | Toft | Uyeasound | Walls | West Burrafirth | Scalloway |
|-------------------------------|--------------|------------|----------------|-----------|----------|----------|--------------|--------------|-------------|--------------|-------------|--------------------|-----------------|
| Metered Water Charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,396.62) |
| Equipment and Plant Hire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (364.78) |
| SalmonTender Dues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comp Annual Dues | 0 | 0 | (5,332.96) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fish Landing Dues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (12,166.41) |
| Salmon Landing Dues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hire of Net Bins | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Storage Charges | (22.32) | (6.73) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (105.45) |
| Net Storage on Pier | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wharfage Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (43.21) | (23.49) | 0 | (15.76) | (36.73) | (119.44) |
| Staff Time Miscellaneous | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (68.88) | 0 | 0 | 0 | 0 | 0 |
| Pleasure/Fishing Boat Dues | (68.88) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (584.00) |
| Ship Commercial Dues | (341.42) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (126.00) | 0 | 0 | (5,300.10) |
| Yacht Period Dues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Salmon Cages Dues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (816.21) |
| Cruise Ships | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dues on Shellfish Landings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (224.46) |
| Metered Electricity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Harbour Activities | (432.62) | (6.73) | (5,332.96) | 0 | 0 | 0 | 0 | (112.09) | (23.49) | (126.00) | (15.76) | (36.73) | (21,077.47) |
| Phone Call Reimbursed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance Lease Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,362.50) |
| Miscellaneous Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income - Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,362.50) |
| TOTAL INCOME | (432.62) | (6.73) | (5,332.96) | 0 | 0 | 0 | 0 | (112.09) | (23.49) | (126.00) | (15.76) | (36.73) | (23,439.97) |

Staffing Position – 30 April 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 | 6 | 5 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 | 133 |

Staffing Position – 30 April 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 | 6 | 5 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 | 133 |

Ports & Harbours Operations

Abstract of Weather Caused Delays at 31 March 2010

| | Monthly Totals | | | Cumulative Totals | | |
|-------------------------------|----------------|-------|------|-------------------|-------|------|
| | Days | Hours | Mins | Days | Hours | Mins |
| Berthing Suspension | 01 | 13 | 00 | 06 | 19 | 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 | 01 | 13 | 00 | 09 | 14 | 30 |
| Actual Delays Due to Weather | 00 | 00 | 30 | 00 | 00 | 30 |

**Fish Landing Statistics - Scalloway
2010/2011**

APPENDIX F

| | | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MARCH | | TOTAL |
|-------------------------------------|--|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--|-------------|
| FISH LANDINGS - SCALLOWAY | | | | | | | | | | | | | | | |
| Fish Landed Through Market (Boxes) | | 4162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 4162 |
| Fish Not Put Through Market (Boxes) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Mackerel Landings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| TOTAL NO OF BOXES - (Boxes) | | 4162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 4162 |

| | | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MARCH | | TOTAL |
|-------------------------------------|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--|----------|
| FISH LANDINGS - CULLIVOE | | | | | | | | | | | | | | | |
| Fish Landed Through Market (Boxes) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Fish Not Put Through Market (Boxes) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Mackerel Landings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| TOTAL NO OF BOXES - (Boxes) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |

| | | | | | | | | | | | | | | | |
|--|--|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|-----------------|
| 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 | | 11611.66 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 11611.66 |
| Other (Consigned Fish) | | 554.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 554.75 |
| Mackerel Landings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00 |
| TOTAL FOR LEDGER PERIOD | | 12166.41 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 12166.41 |

| | | | | | | | | | | | | | | | |
|--|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|----------------|
| 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 | | 5332.96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 5332.96 |
| Other (Consigned Fish) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00 |
| TOTAL FOR LEDGER PERIOD | | 5332.96 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 5332.96 |

*No of Box Figures through Cullivoe for April not available at time of preparing this report"

**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) | | 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 |
| Salmon Nets - 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 |
| 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 | | 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 |

| 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 | 0.000 | 0.000 | 0.000 | 0.000 | | 0.000 |
| Ice Loaded | | 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 |
| Gas Oil Bunkers | | 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 |
| Fish Feed | | 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 |
| Salmon Nets | | 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 | | 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 |

* Figures for February/March not available

Other Small Piers/Harbours
(Part 2 - Harbours)
Summary Management Accounts - Revenue
April 2010 to March 2011

Appendix I

| | Annual Budget 2010/2011 | Actual April 2010 to March 2011 | Variance (Adverse)/Favourable |
|-----------------------------|------------------------------------|--|--|
| All Income | (94,040) | (6,569.59) | (87,470.41) |
| Total Income | (94,040) | (6,569.59) | (87,470.41) |
| Employee Costs | 28,873 | 2,417.67 | 26,455.33 |
| Agency Payments | - | - | - |
| Property And Fixed Plant | 84,696 | (1,323.64) | 86,019.64 |
| Supplies and Services | 8,105 | 154.96 | 7,950.04 |
| Transport and Mobile Plant | 2,260 | 160.63 | 2,099.37 |
| Administration | - | - | - |
| Total Expenditure | 123,934 | 1,409.62 | 122,524.38 |
| Net Revenue | | | |
| Expenditure/(Income) | 29,894 | (5,159.97) | 35,053.97 |

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 2010 to March 2011

Appendix H

| | Annual Budget 2010/2011 | Actual April 2010 - March 2011 | Variance (Adverse)/Favourable |
|-----------------------------|------------------------------------|---|--|
| Fish Landing Dues | (80,000) | (12,166.41) | (67,833.59) |
| Other Dues/Charges | (250,950) | (12,613.39) | (238,336.61) |
| Total Income | (330,950) | (24,779.80) | (306,170.20) |
| Employee Costs | 140,915 | 11,843.06 | 129,071.94 |
| Administration | 22,525 | 1,954.08 | 20,570.92 |
| Agency Payments | 2,000 | 4,979.20 | (2,979.20) |
| Property and Fixed Plant | 128,594 | 605.45 | 127,988.55 |
| Supplies & Services | 11,900 | 250.52 | 11,649.48 |
| Transport and Mobile Plant | 17,056 | 925.48 | 16,130.52 |
| Total Expenditure | 322,990 | 20,557.79 | 302,432.21 |
| Net Revenue | | | |
| Expenditure/(Income) | (7,960) | (4,222.01) | (3,737.99) |

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"



REPORT

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

3 June 2010

Revenue Monitoring 2010/11 - Period 1
Ports & Harbours Operations
Report No: F-029-F

1. Introduction

- 1.1 The purpose of this report is to provide Members with up-to-date revenue monitoring information for 2010/11.

2. Links to Corporate Priorities

- 2.1 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

- 3.1 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 1 (April 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 £94k as at period 1 against budgets set. This includes adjustments to remove 2009/10 accruals which will be matched to equal zero and are not real variances, and to remove profiling errors which have now been corrected.
- 4.3 The Single Status team have confirmed that there is no backpay requirement for Ports & Harbours staff in 2010/11 and therefore this information has been removed from the Appendix.
- 4.4 Jetties & Spur Booms maintenance costs have been excluded as they are fully funded by BP and will therefore have an overall zero effect on figures.

4.5 The major variances against budget at period 1 (excluding profiling errors and 2009/10 accrual transactions) are:

4.5.1 Reduction in Income (negative variances):

| | | |
|------------|--|------------|
| Sullom Voe | Harbour Dues - less tanker traffic than expected | (£62,754) |
| | Ship to Ship Transfers - profiling variance | (£25,000) |
| | Towage Dues - less tanker traffic than expected | (£112,820) |

4.5.2 Underspends (positive variances):

| | | |
|------------|---|---------|
| Sullom Voe | Dunter - Transport Hired & Contracted Services - profiling variance | £21,415 |
| | Tystie - Transport Hired & Contracted Services - profiling variance | £20,581 |
| | Sullom Voe - Contracted & Hired Services - profiling variance | £14,361 |
| | VTs Operators - Basic Salary - vacant posts | £10,161 |

4.5.3 Profiling variances, as opposed to profiling errors, are highlighted above and have not been removed from the Appendix. These occur where there is difficulty in determining an exact spending profile for the budget set.

5. Financial Implications

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

6. Policy & Delegated Authority

6.1 The Harbour Board has full delegated authority for the oversight and decision making in respect of the management and operation of the Council's harbour undertakings in accordance with 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 2010/11, which shows a positive variance of £94k on controllable budgets for period 1. The Appendix has been adjusted to remove accrual transactions and profiling errors in order to show an accurate variance position.

8. Recommendation

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

Date: 27 May 2010
Ref: GJ/HKT/BR

Report No: F-029-F

Revenue Expenditure by Service

Controllable Budgets Only

| | Annual Budget | Year to Date Budget | Year to Date Actual | Accruals & Profiling Error Adjustments | Year to Date Variance (Adverse)/ Favourable |
|--|-------------------|------------------------|------------------------|---|--|
| | £ | £ | £ | £ | £ |
| Ports Management | 1,049,416 | 88,931 | 39,909 | 33,160 | 15,862 |
| Sullom Voe | -5,952,788 | -409,916 | -427,496 | -46,190 | 63,770 |
| Scalloway | 31,111 | -2,606 | -3,779 | 2,632 | (1,459) |
| Other Piers | 197,991 | 13,133 | -4,677 | 7,811 | 9,999 |
| Port Engineering Services | 661,978 | 54,281 | 48,177 | 0 | 6,104 |
| Transfer of Funds | 2,957,769 | 0 | 0 | | 0 |
| Ports & Harbours Total Variance | -1,054,523 | -256,177 | -347,866 | -2,587 | 94,276 |

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

-146,654 -12,223 119,649 -117,967 (13,905)

Revenue Expenditure by Subjective

Controllable Budgets Only

| | Annual Budget | Year to Date Budget | Year to Date Actual | Accruals & Profiling Error Adjustments | Year to Date Variance (Adverse)/ Favourable |
|--|--------------------|------------------------|------------------------|---|--|
| | £ | £ | £ | £ | £ |
| Basic Pay | 4,968,565 | 414,044 | 374,579 | 0 | 39,465 |
| Overtime | 391,953 | 32,663 | 8,312 | 0 | 24,351 |
| Other Employee Costs | 1,107,880 | 169,281 | 167,361 | 0 | 1,920 |
| Employee Costs (sub total) | 6,468,398 | 615,988 | 550,252 | 0 | 65,736 |
| Travel & Subsistence | 191,210 | 15,934 | 9,524 | 0 | 6,410 |
| Property Costs | 1,078,263 | 48,045 | 4,189 | 28,164 | 15,692 |
| Other Operating Costs | 2,847,794 | 222,245 | 21,423 | 33,160 | 167,662 |
| Operating Costs (sub total) | 4,117,267 | 286,224 | 35,136 | 61,324 | 189,764 |
| Transfer Payments (sub total) | 3,978,349 | 6,715 | 0 | 0 | 6,715 |
| Income (sub total) | -15,618,537 | -1,165,104 | -933,254 | -63,911 | (167,939) |
| Ports & Harbours Total Variance | -1,054,523 | -256,177 | -347,866 | -2,587 | 94,276 |

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

| | | | | | |
|------------------------------------|-------------------|-----------------|----------------|-----------------|-----------------|
| Travel & Subsistence | 0 | 0 | 0 | 0 | 0 |
| Property Costs | 35,632 | 2,967 | 0 | 0 | 2,967 |
| Other Operating Costs | 1,089,000 | 90,751 | 1,682 | 0 | 89,069 |
| Operating Costs (sub total) | 1,124,632 | 93,718 | 1,682 | 0 | 92,036 |
| Income (sub total) | -1,271,286 | -105,941 | 117,967 | -117,967 | -105,941 |
| | -146,654 | -12,223 | 119,649 | -117,967 | (13,905) |



REPORT

To: Harbour Board 09 June 2010

From: Harbour Master / Head of Service

Report No: P&H-20-10-F

Subject: Status Update Report

1. Introduction

- 1.1 This report updates the Harbour Board on the status of a number of items which have been the subject of previous reports.

2. Links to Corporate Priorities

- 2.1 This report is for noting however the items included in the report lead to promoting the ideals of Sustainable Economy in the Corporate Plan.

3. Risk Management

- 3.1 The contents of this report are for noting only and there are no immediate risks identified in this report.

4. Ship to Ship

- 4.1 At the time of creating this report there have been three Ship-to-Ship transfers in this financial year.
- 4.2 The current StS business of Russian gas condensate is now finished for this season. The port has been in contact with their agents seeking feedback and promoting the port for when the seasonal business re-commences.
- 4.3 The Ship-to-Ship Transfer guidelines, as discussed in report P&H-09-10-F [Min Ref. 14/10], were laid before parliament on 09 April 2010 as "S.I. 2010 No. 1228 - The Merchant Shipping (Ship-to-Ship Transfers) Regulations 2010". A copy of the legislation is attached as Appendix A.
- 4.4 The implementation of the legislation following the MCA consultation, without any further feedback or notification, has come as somewhat of a surprise to the shipping and ports industries. This has led to unfavourable responses from the industry.

- 4.5 The new legislation will mean that the port will have to apply for an oil transfer licence by 01 October 2010 with full implementation from 01 April 2011. Work on this application will commence shortly.

5. Oil and Gas

- 5.1 In January 2010, the UK Treasury announced it would extend its new field tax allowance to West of Shetland gas discoveries. Shortly afterwards TOTAL committed to a subsea development of its Laggan Tormore gas field. The first stage of the construction of the new TOTAL gas processing plant has commenced.
- 5.2 It is estimated by DECC (Department for Energy and Climate Change) that the West of Shetland area represents about 17% of the UK's remaining oil and gas resource base and could contribute up to 6% of the UK's gas requirements by 2015.
- 5.3 The Schiehallion oil field, some 110 miles to the West of Shetland, has now shut down for planned summer maintenance. It is due to re-start in early August.
- 5.4 BP has been reported as looking into different options for the future of Schiehallion, including a new floating production, storage and offloading vessel (FPSO). The work currently under way could potentially open up between 150 million and 250 million barrels of oil. However there is no guarantee that oil will continue to pass through Sullom Voe and a decision is unlikely to be made before the first quarter of 2011.
- 5.5 The Ninian, Clare and Magnus fields are also all due to have routine maintenance shutdowns over this summer period.
- 5.6 The Clair field, some 46 miles to the West of Shetland, has been producing oil since 2005. Work has begun on the next phase, known as Clair Ridge. The project has an estimated capital cost of approximately £4 billion and presently calls for two platforms, one for drilling and production and one for living quarters. The platform could help BP more than double the output from the field and continue operations for another 25 years. Contractor KCA Deutag have been brought in to design the drilling systems for the platform prior to financial investment decisions being taken this year. The contract for designing the platforms has been awarded to Amec.
- 5.7 Lloyds List reported in March 2010 that "BP intends to sanction the long awaited Clair Ridge and Devenick developments, plus a new phase of work on the West of Shetland Quadrant 204 area and the Kinnouil oilfield". No final decision has been made public at this time and it is also unknown what effects the incident involving the Deepwater Horizon in the Gulf of Mexico may have.
- 5.8 The UK independent energy firm Chrysaor formally submitted an Environmental Statement to DECC for the Solan oil field on 03 December 2009. A Field Development Plan was due to be submitted at the end of 2009 or beginning of 2010. It is unknown at the present time where the project lies other than it was estimated that the first oil

could flow from the field from a FPSO as early as the third quarter of 2011. Another possible option is to tie the four wells into a not normally manned articulated tower with facilities installed and tethered to a 300,000 barrels capacity steel subsea storage tank. Offloading would then be by shuttle tanker every few weeks.

- 5.9 The Cardhu field, licence P1192, has been extended for two years and will expire on 01 December 2010. Licence interests are BP 47.5%, Nexen 35%, Faroe 6.25%, Idemitsu 5%, CIECO 6.25%. The group has committed to drill an exploration well in the North Uist / Cardhu structure and well planning is progressing for a spud date in late summer 2010.
- 5.10 The Freya field licence P1161 is owned entirely by Faroe Petroleum. The field has been extended until the end of 2010. The field lies 6km to the East of Clair field in waters of 140m depth.
- 5.11 The Lagavulin, licence P1196, lies some 56 miles to the NE of the Tobermory gas discovery. Chevron (60%) operates the licence on behalf of OMV (20%), Idemitsu (10%) and Faroe Petroleum (10%). The licence has been extended by DECC until 30 November 2010. The field is planned to be drilled by Chevron in the middle of this year using the Stena Carron drill-ship.
- 5.12 In September 2009 Faroe Petroleum announced the discovery of gas in the Glenlivet field. The field is situated some 9 miles from the proposed Laggan Tormore gas export pipeline to Sullom Voe. The Glenlivet licence also contains another gas discovery, Laxford and a number of further potential exploration rights situated close to the Glenlivet discovery.
- 5.13 Tornado is the second well to be drilled in the firm five –well Atlantic Margin exploration drilling programme which Faroe is undertaking, and follows on from their recent Glenlivet discovery. OMV, as operator for the licence P1190, has completed the drilling of the Tornado exploration well 204/13-1. The exploration has discovered gas and oil. The Tornado field lies in 1,100 metres of water some 6 miles West of the BP operated Suliven field and within 18 miles of the Schiehallion field allowing the possibility of tying the two fields together. The participants in the well are OMV (35% and operator), Dana Petroleum 30%, Dong Energy (20%), Faroe Petroleum (7.5%) and Idemitsu E&P (7.5%).
- 5.14 The Rosebank / Lochnagar discovery is 81 miles Northwest of Shetland in over 3,600m of water. The licence interests are Chevron (40% & operator), Statoil (30%); OMV (UK) Ltd (20%) and DONG UK Ltd (10%). An exploration well was completed in Rosebank North in May 2009, and an appraisal well in Rosebank / Lochnagar was completed in September 2009. Throughout 2010 Chevron plan to conduct feasibility studies with a final investment decision planned for 2013. The first oil is projected for 2017.

6. Crown Estate

- 6.1 The Harbour Master has met with the Crown Estate and their agents. The topic of West Burrafirth slipway was discussed and a possible solution may be forth coming from the agents of the Crown Estate.
- 6.2 The agents of the Crown Estate also held discussions with the Council's Assets and Property Manager in order to create a set of Master Terms. Should this be successful, it should make any applications to improve facilities and report on assets both simpler and more efficient.

7. Financial Implications

- 7.1 This report is for noting only and 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.

2010 No. 1228

MARINE POLLUTION

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

Made - - - - 8th April 2010

Laid before Parliament 9th April 2010

Coming into force in accordance with regulation 1

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 1st April 2011.

(3) Where a harbour authority has made an application under regulation 5(1)(b) within two months starting on 1st October 2010, 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) 1st April 2011, or
- (b) the making of the licence decision,

whichever is the later.

(4) The other provisions of these Regulations come into force on 1st October 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;

“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) 1995 c.21.

- (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 Countryside,
 as 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 regulation 8 of the Conservation of Habitats and Species Regulations 2010^(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 21st 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;

“licence decision” means the decision of the Secretary of State whether to grant an oil transfer licence or an amended 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,

(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. 2010/490.
 (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.

- (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(a);

“offshore installation” means—

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

“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 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
- (c) in writing.

(a) S.I. 1994/2716.
 (b) 1998 c.17.
 (c) 2004 c.20.

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 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; or
- (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 without an oil transfer licence;
- (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 six cargo transfers have been carried out within the same harbour authority waters during the twelve months prior to 1st October 2010, 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 1st October 2010,

whichever is sooner.

Signed by authority of the Secretary of State for Transport

8th April 2010

Paul Clark
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 5 of the Habitats Directive.

(3) Before the Secretary of State may grant an oil transfer licence without having concluded 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

(a) S.I.1998/1056.

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
- (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) any further information provided by the harbour authority pursuant to a notification under paragraph 3;

- (iii) any representations received in accordance with the letter referred to in paragraph 4(2)(c); and
- (iv) 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 on 1st April 2011, or, if later, on the 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 by 1st April 2011.

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)* 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(3) 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(4) excludes from regulation 3(2) 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 at least six ship to ship cargo transfer operations have taken place during the year prior to 1st October 2010, regulation 3(2) does not apply to the relevant harbour authority for a maximum period of two years starting from that date, 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.

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STATUTORY INSTRUMENTS

2010 No. 1228

MARINE POLLUTION

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

£5.75

E6868 04/2010 106868T 19585



REPORT

To: Harbour Board

09 June 2010

From: Harbour Master / Head of Service

Report No: P&H-21-10-F

Subject: Membership of North Scotland Industries Group

1. Introduction

- 1.1. This report seeks to inform Members of the North Scotland Industries Group (NSIG) and to gain permission to become a member of that group.

2. Link to Council Priorities

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

3. Risk Management

- 3.1. There are no economic risks identified by becoming a member of the group.
- 3.2. Not adopting the proposal may reduce the ability of the Council to attract new business. It may also increase the risk of missing opportunities and contracts by not having access to member-only or exclusive information.

4. Background

- 4.1. The NSIG has a membership of over 100 organisations. A list of the organisations is listed in Appendix A.
- 4.2. With its membership of commercial businesses and organisations NSIG promotes the collective membership and the wider economic area, as well as establishing opportunities and addressing issues that concern the membership. The group achieves this through co-operation with other agencies, promoting the group at trade events, meetings with relevant contacts in the target markets, and use of the media and political lobbying where required.

- 4.3. The groups website states: “Our mission is to improve and enhance the business prospects of our members and the wider Highland community through collaborating internally, as well as externally with appropriate agencies. We will promote and market the available skills, services, and facilities to the energy markets in the UK as well as overseas, and address Issues of Concern that may be deemed to be detrimental to the economic growth of business in the North of Scotland”.

5. Current Position

- 5.1. The development of the oil and gas fields to the West of Shetland continues. The possibility and likelihood of commercial scale marine renewables around the coast of Shetland is also improving.
- 5.2. Ports & Harbours is continuing to work to elevate the profile of the maritime facilities that Shetland and the Council has to offer to both the oil & gas and renewable energy industries. NSIG would appear to be a forum at which the Shetland Island Council Ports & Harbours can continue and improve this work
- 5.3. Whilst attending various trade shows and events, Ports & Harbours is not currently a member of any organisation that specifically promotes either the renewables sector and the oil and gas sectors.
- 5.4. The ability to attract more business to Shetland and diversify at our ports, as mentioned in the Corporate Plan, is driven by our ability to market our facilities, meet with the key players and keep up to date with the latest developments in the industry and legislation.
- 5.5. Many of our competitors and potential customers are members of NSIG.
- 5.6. The potential benefits of joining the NSIG include:
- Keeping up to speed with our competitors and potential business partners.
 - Marketing of our facilities and attracting new business.
 - Quarterly networking events with major speakers from the target markets.
 - Access through the group’s website to “members only” information on opportunities and contracts.
 - Being profiled through the Business North newsletter, the website and at national and international exhibitions
 - Access to focus and action groups for oil and gas and renewable energy.
 - Political lobbying with MP’s and MSP’s as well as attendance at committees at Holyrood.

6. Proposal

- 6.1. The Harbour Board should consider the contents of this report and determine whether to recommend membership of the NSIG.

7. Financial Implications

- 7.1. Membership to the group is an annual fee based on annual turn over. It is likely that membership for Ports & Harbours will be in the region of £1200 per annum and can be found from within existing budgets.

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 membership of external forums relevant to the service.

9. Recommendations

I recommend that the Harbour Board approve the recommendations below:

- 9.1. The Harbour Board approve membership of the North Scotland Industries Group; and
- 9.2. Membership should be reviewed on an annual basis.

Our Ref: RM/SM RO-O

Report No: P&H-21-10-F



Report: P&H-21-10 Appendix A

09 June 2010

Subject: Membership of North Scotland Industries Group

List of Organisations who are members of NSIG:

Aberdeen Chamber of Commerce
Aberdeen City Council
AJ Engineering & Construction Services
AMEC
Aquatera
AREG (Aberdeen Renewable Energy Group)
Argyll, Lomond & the Islands Energy
Atmos Consulting Ltd

b solutions @ Banff & Buchan College
Barclays Bank Plc
Bardon Hebrides
Comhairle Nan Eilean Siar (Western Isles Council)

Fifth ring Integrated Corporate Communications
Fusion

Global Energy Group
GQ Training (International) Ltd
Greenheat Systems
Greenspace Live Ltd

Halcrow Group Ltd
Harper Macleod LLP
HIE
HAEL
Highland Council
Highland Galvanizers
Highland Quality Construction Ltd (HQC)
HSBC Bank Plc

Industry Technology Facilitator
Intech Power
Intellectual Asset Management Ltd
Inverness Chamber of Commerce

Jacobs Engineering UK Ltd
JGC Engineering and Technical Services Ltd

Kishorn Port Ltd

LAS Plant
Ledingham Chalmers LLP
Lerwick Engineering & Fabrication Ltd
Lerwick Port Authority
Lochs Diving Services Ltd
Louisville Consultancy Ltd (The)
Lucid PR, Events & Marketing

MacKellar Sub-Sea Ltd
MacLean Electrical Group Incorporating Noskab
Malakoff Ltd
McDonald Scaffolding (Services) Ltd
Media Promotion Production Management
Mirspot Ltd
Moray First Marine Ltd
Mowatt Technical & Design Services LTD
MS Industrial Services Ltd
Murdo A Murray Consulting
NES Engineering Ltd
NOF Energy

Pathfinder team Consulting
Peterson SBS Ltd
Port Services Group
Ports of Scotland
Professional Diving Academy

Quest Worldwide Ltd
Quietstorm Marketing

RBG Ltd
RES UK & Ireland Ltd
Rok Civil Engineering Ltd
Ross-shire Engineering
Safety, Welding & Lifting (international) Ltd
SAIS
SAMS Research Services Ltd
Scottish Council for Development and Industry
Scottish Renewables
Scrabster Harbour Trust
Serima
Shearwater Marine Services
SISTech Scottish Institute of Sustainable Technology
SQA
Stornoway Trust (the)
Structural Rigs Survey Ltd
Subsea 7
Subsea Dynamics Lts
Subsea UK

Sureclean Ltd

Technip UK Ltd

UBC Group

UHI Millenium Institute

Underwater Centre (Fort William) Ltd

Universal Inspectio

Viking Energy

Wavegen Ltd

Xodus Aurora

26 May 2010

Our Ref: RM/KM RO-O

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