Shetland
Islands Council

REPORT

To: **Harbour Board** **20 January 2011**

From: **Harbour Master**

Report No: **P&H-02-11-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.

4.1.2 At the last meeting of the Board, a decision was taken to ask the Conservation Architects, Groves – Raines, to visit the site and provide a definitive report on the state of the Dock, to allow a decision to be made about the ongoing use of the structure. This visit was arranged for 16 December, but adverse weather conditions at the time meant that this visit to Shetland was cancelled. The visit will now take place in January, but at the time of writing, a date had not been confirmed.

4.1.3 A public meeting has been arranged in Symbister on Thursday 13 January to discuss the future of the Dock, which will be attended by the Engineering Manager – Ports.

4.1.4 The Engineering Manager – Ports will provide a verbal update at the meeting.

4.2 Tug Replacement Programme - RCM 2313

4.2.1 The Council accepted the tugs on 03 December 2010, pending completion of a snagging list. Allowing for the festive break, the snagging list is due to be completed by mid January 2011. Funds were retained until the snagging list is completed.

4.2.2 At the time of composing this report, staff are due to travel to the Union Naval Valencia Yard to confirm that the snagging list has been completed and to prepare the tugs for the delivery trip back to Shetland.

4.2.3 The tug-building programme is a fixed price contract with stage payments at key dates. The final stage payment, just over £1 million per tug, is made when the Council accepts the tugs. The contract allows for deductions from the final stage payment due to late delivery. This penalty clause was implemented and a total deduction of just over £0.5 million was made to the final stage payment.

4.3 Walls – RCM 2316

4.3.1 The Planning Board granted full planning permission for the Walls Pier on 7 July 2010 (Min. Ref. 37/10) (SIC Min. Ref. 131/10). Other consents have been applied for and it is expected that these will be in place before the end of February 2011.

4.3.2 Tenders were returned on 21 December 2010 and are being assessed at the time of writing this report. The lowest tender is within budget and subject to final checks of that offer the contract is expected to be awarded to the lowest tenderer. A verbal update will be provided to Members at the meeting.

4.3.3 It is anticipated that work will commence on site in early March 2011 with a construction period of approximately 50 weeks.

4.3.4 Agreement has been reached with the landowner concerned for acquisition of the necessary land.

4.4 Water Main Scalloway RCM 2315

4.4.1 Following a tender process, the contract has been awarded to local contractor, Tulloch Developments Ltd.

4.4.2 Good progress is being made on this project, despite the poor weather conditions during December. The first phase of the water

main from the castle to the fish market is complete and work continues laying the new main along the front of the market. The project is on schedule and within budget.

5 Harbour Account

5.1 Plant, Vehicles and Equipment – PCM 2101

5.1.1 An order has been placed with a local supplier to replace the workshop forklift at Sella Ness with a telehandler type machine. Delivery of this machine is scheduled for mid January 2011. Once received, staff will receive training on the new type of machine.

5.1.2 Remaining funds have been used to replace one vehicle for the Workshop Supervisor.

5.1.3 The budget will be fully utilised this year.

5.2 Navigational Aids – PCM 2104

5.2.1 Due to the availability of new LED light technology, which has the potential to replace the existing systems at Gluss, discussions between the Engineering Manager – Ports, Marine Officers and the Navigation Light suppliers continue. A survey of Gluss Island has been completed, and the results are encouraging. The Marine Officers are now considering the proposal from the Engineering Manager – Ports, to replace the existing Gluss leading lights with an LED system mounted at Ground level, thus removing the need to spend significant amounts of money refurbishing the existing towers. The Marine Officers will of course seek assurance that any change to the leading light system will offer the same degree of information that the current lights give them when bringing ships into the Harbour.

5.2.2 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, reducing maintenance and improving reliability

5.2.3 The installation of a lone worker monitoring system for VTS is ongoing. The system monitors movement within the VTS centre, and should no such movement be detected for a given period of time, an alarm is sounded. If the VTS operator does not respond to this alarm, a message is sent to a central monitoring centre, which then contacts the designated duty manager to investigate.

5.2.4 The budget will be fully utilised this year.

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 Contract remains on programme and within agreed budgets.

6.1.3 Malakoff Limited currently holds the Jetty Maintenance Contract, and have now completed year two of the three year Contract.

6.1.4 A meeting is scheduled for early February, when the workscope for 2011 will be finalised. This will be reported to the Board at its next meeting.

7 Other Business

7.1 Scalloway Dredging – RCM 2208

7.1.1 This project was retendered following the decision of the Ports and Harbours Committee on 25 August 2010 (Min Ref 37/10).

7.1.2 Tenders were returned on 16 December 2010. The lowest tender is within budget and the contract award letter is being prepared at the time of writing this report. An update will be provided to members at the meeting.

7.1.3 It is anticipated that dredging will commence in April 2011 and will be completed in February 2012.

7.1.4 At the Council meeting on the 27 October 2010 (Min. Ref. 156/10) Members agreed to increase the grant to the North Atlantic Fisheries College to upgrade their seawater intake and filtration system to a maximum of £193.8k subject to an acceptable tender for the dredging being received. This will be funded from the Scalloway dredging budget.

7.1.5 All required consents for the project are in place and discussions with the Crown Estate regarding their seabed interests are at an advanced stage.

7.2 Fetlar Breakwater GCY7214

7.2.1 All the pre commencement planning consent conditions have been met and the Planning Department have agreed that the site works may proceed.

7.2.2 Consents under the Food and Environment Protection Act and the Coast Protection Act have now been granted by the consenting Authorities and an otter disturbance licence has been obtained.

7.2.3 Work has started on site and is expected to be complete by the end of December 2011.

7.2.4 Agreement has been reached with the landowner for immediate access to the land.

7.2.5 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.

7.2.6 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

Project	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Tug Replacement	3,342,345					3,342,345
Tug Replacement	**3,342,345**	**0**	**0**	**0**	**0**	**3,342,345**
Water Main, Scalloway	287,824					287,824
Fish Market Roof, Scalloway			150,000			150,000
Old Breakwater, Symbister			150,000			150,000
Skerries Pier				100,000		100,000
Essential Maintenance	**287,824**	**0**	**300,000**	**100,000**	**0**	**687,824**
Dredging Consents	225,000	2,773,185				2,998,185
Walls Pier	410,000	2,920,946	100,000			3,430,946
Service Improvements	**635,000**	**5,694,131**	**100,000**	**0**	**0**	**6,429,131**
Plant Vehicles & Equipment	143,402	70,000	70,000	70,000	70,000	423,402
Navigational Aids	122,891	70,000	70,000	70,000	70,000	402,891
Tug Jetty CP System		200,000				200,000
Maintenance	**266,293**	**340,000**	**140,000**	**140,000**	**140,000**	**1,026,293**
						0
Overall Total	**4,531,462**	**6,034,131**	**540,000**	**240,000**	**140,000**	**11,485,593**

7.4 Projects Requiring Consideration

- Peerie Dock, Symbister
- Administration Building, Sella Ness - Refurbishment of fire doors, lighting, suspended ceilings and flooring
- West Pier, Scalloway - Currently scheduled as a project for future years outwith desirable prioritisation.
- Sella Ness Pier - Currently scheduled as a project for future years within desirable prioritisation.

8 Revenue – Significant Maintenance in Other Areas

8.1 The outer face and end of Baltasound Pier has been completely re-fendered.

8.2 A section of timber fender panel has been replaced on the outside of the old breakwater in Symbister Harbour

8.3 Works at Mid Yell Pier, to address various deficiencies in the fendering have been completed.

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.

14 January 2011
Our Ref: RM/VR RO-PP Report No: P&H-02-11-F

PORTS & HARBOURS - CAPITAL PROGRAMME

Appendix A

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2101	Plant, Vehicles & Equipment	70,000			
		Equipment		143,402	4,232	139,171
		Vehicle Purchase		0	56,635	(56,635)
		Plant Purchase		0	37,655	(37,655)
		Project Total	70,000	143,402	98,522	44,881

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2104	Navigational Aids, Sullom Voe	70,000			
		Works Contract		35,000	0	35,000
		Other R&M Costs		0	21,950	(21,950)
		Equipment		87,891	85,508	2,383
		Project Total	70,000	122,891	107,458	15,433

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2208	Scalloway Dredging Consent	3,000,000			
		Works Contract		201,454	4,979	196,475
		Advertising		0	3,751	(3,751)
		Recharges		23,546	0	23,546
		Project Total	3,000,000	225,000	8,730	216,270

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2313	Tugs for Sellaness	361,500			
		Works Contract		3,276,425	1,248,513	2,027,912
		Hire/Rent of Property		0	15,003	(15,003)
		Other R&M Costs		0	100	(100)
		Equipment Purchase		0	26	(26)
		Miscellaneous		0	142	(142)
		Car Allowance		0	602	(602)
		Travel Costs		0	52,439	(52,439)
		All Training Costs		0	12,427	(12,427)
		Subsistance		0	15,835	(15,835)
		External Consultants		0	50,246	(50,246)
		Recharges		65,920	0	65,920
		Project Total	361,500	3,342,345	1,395,332	1,947,013

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2314	Uyeasound Harbour				
		Works Contract		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 7th January 2011 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2315	Scalloway Water Main	250,000			
		Works Contract		250,824	680	250,144
		External Consultants		37,000	3,121	33,879
		Project Total	250,000	287,824	3,801	284,023

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Reserve Fund	RCM2316	Walls Pier	1,400,000			
		Land/Buildings Purchases			280	(280)
		Works Contract		374,435	1,045	373,390
		Building Warrants		0	700	(700)
		Advertising		0	239	(239)
		External Consultants		0	85	(85)
		Legal Fees		0	90	(90)
		Recharges		35,565	0	35,565
		Project Total	1,400,000	410,000	2,439	407,561

Funding Source	Code	Project	2010/11 Original Budget £	2010/11 Revised Budget £	Actual to 7th January 2011 £	Variance (Revised Budget Less Actual) £
Harbour Account	PCM2101	Plant, Vehicles & Equipment	70,000	143,402	98,522	44,881
Harbour Account	PCM2104	Navigational Aids, Sullom Voe	70,000	122,891	107,458	15,433
Reserve Fund	RCM2208	Scalloway Dredging Consent	3,000,000	225,000	8,730	216,270
Debt Charges on Harbour Account	RCM2313	Tugs for Sellaness	361,500	3,342,345	1,395,332	1,947,013
Reserve Fund	RCM2314	Uyeasound Harbour	0	0	-14,419	14,419
Reserve Fund	RCM2315	Scalloway Water Main	250,000	287,824	3,801	284,023
Reserve Fund	RCM2316	Walls Pier	1,400,000	410,000	2,439	407,561
SUMMARY		**Projects Total**	**5,151,500**	**4,531,462**	**1,601,863**	**2,929,599**

Shetland
Islands Council

REPORT

To: **Harbour Board** **20 January 2011**

From: **Head of Service**

Report No: **P&H-01-11-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 Risk Management

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

3 Pilotage

3.1 Sullom Voe

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

3.2 Scalloway

3.2.1 During November and December there were 6 acts of Pilotage.

3.2.2 There are ten authorised pilots for Scalloway. These are the ten pilots who are also authorised for Sullom Voe.

3.2.3 Details of ship visits to Scalloway are shown in Appendix A.

3.3 Small Piers and Harbours

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

4 Staffing – Port Operations

4.1 Appendix C gives the staffing position as at 31 December 2010 showing a total of 134 staff.

5 Port Operations

5.1 Sullom Voe

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

5.1.2 Appendix E is an abstract of weather delays for December and the cumulative totals for 2010.

5.2 Scalloway

5.2.1 Appendix F shows the fish landing statistics for Scalloway.

5.2.2 Appendix G shows the cargo statistics for Scalloway.

5.2.3 Appendix H shows the summary management accounts for Scalloway.

5.3 Small Piers and Harbours

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

5.3.2 Appendix J shows the income / expenditure from 1 April 2010 to 31 December 2010.

6 Shipping Standards

The following incidents have occurred since the last report.

6.1 Ship Incidents

6.1.1 There have been no reported incidents during this period.

6.2 Pollution Incidents

6.2.1 On 04 December 2010 a light oil sheen was observed in the water by jetty 1. Further investigation found that a gulley sucker had leaked some drain residue onto the jetty. Subsequently rain then washed the residue into the water. The sheen was small and quickly dissipated. Both the port's Pollution Officer and BP attended and investigated.

7 Small Pier Operational Site visits

7.1 Operational visits and safety inspections are regularly carried out at all the small piers and harbours under the remit of Ports & Harbours Operations. Appendix K lists the most recent visits but does not include maintenance visits.

8 Policy and Delegated Authority

8.1 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 Service Head 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

9 Financial Implications

9.1 There are no financial implications arising from this report.

10 Recommendation

10.1 This report is for noting.

Our Reference: RM/VR RO-PO P&H-01-11-F Date: 13 January 2011

SCALLOWAY 2010
Number of Vessels and GT Totals

NO OF VISITS

	UK COMM VISITS	FOREIGN COMM VISITS	STANDBY/ OIL RELATED VISITS	COMMERCIAL (DISC RATE) VISITS	UK FISHING VISITS	FOREIGN FISHING VISITS	CRUISE SHIPS VISITS	SALMON CAGES VISITS	UK YACHT VISITS	FOREIGN YACHT VISITS	SIC VESSEL VISITS	LIFE BOAT VISITS	L/HOUSE TUG& MISC VISITS	TOTAL VISITS
JANUARY	1	0	2	0	11	0	0	10	0	0	0	0	0	**24**
FEBRUARY	1	17	1	1	2	0	0	22	0	0	0	0	0	**44**
MARCH	1	7	1	0	4	0	0	18	0	0	0	0	0	**31**
APRIL	2	5	5	0	3	0	0	18	0	1	0	0	3	**37**
MAY	0	0	4	1	5	0	0	0	0	1	0	0	0	**11**
JUNE	2	1	8	0	4	0	0	0	0	2	0	0	1	**18**
JULY	8	0	10	1	3	0	0	0	1	1	0	0	2	**26**
AUGUST	11	0	9	0	4	0	0	0	1	0	0	0	3	**28**
SEPTEMBER	2	2	8	1	1	1	0	0	0	0	0	0	0	**15**
OCTOBER	3	1	6	2	5	1	0	3	0	0	0	0	4	**25**
NOVEMBER	3	0	5	0	18	0	0	12	0	0	0	0	1	**39**
DECEMBER														**0**
Total no of Visits	**34**	**33**	**59**	**6**	**60**	**2**	**0**	**83**	**2**	**5**	**0**	**0**	**14**	**298**

GT

	UK COMM GT	FOREIGN COMM GT	STANDBY/ OIL RELATED GT	COMMERCIAL (DISC RATE) GT	UK FISHING GT	FOREIGN FISHING GT	CRUISE SHIPS GT	UK YACHT GT	FOREIGN YACHT GT	TOTAL GT
JANUARY	2181	0	1805	0	2486	0	0	0	0	**6472**
FEBRUARY	42	5674	1125	2064	453	0	0	0	0	**9358**
MARCH	70	8446	1125	0	1150	0	0	0	0	**10791**
APRIL	325	5803	20731	0	508	0	0	0	10	**27377**
MAY	0	0	10105	2064	554	0	0	0	10	**12733**
JUNE	90	1662	26862	0	360	0	0	0	494	**29468**
JULY	696	0	35135	2064	762	0	0	10	10	**38677**
AUGUST	2050	0	14925	0	632	0	0	10	0	**17617**
SEPTEMBER	311	6520	10599	4859	349	259	0	0	0	**22897**
OCTOBER	644	499	7875	4128	1048	499	0	0	0	**14693**
NOVEMBER	593	0	7531	0	3532	0	0	0	0	**11656**
DECEMBER										
Total GT	**7002**	**28604**	**137818**	**15179**	**11834**	**758**	**0**	**20**	**524**	**201739**

Small Piers/Harbours - Income Received
April 2010 to December 2010

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	(13,679.14)
Equipment and Plant Hire	0	0	0	0	0	0	0	0	0	0	0	0	(3,706.76)
SalmonTender Dues	0	0	0	0	0	0	0	0	0	0	0	0	0
Comp Annual Dues	(813.26)	(1,996.26)	(2,493.63)	0	(634.89)	(1,222.20)	(387.03)	(11,749.65)	(957.39)	(1,118.67)	(710.82)	(556.42)	(21,695.00)
Fish Landing Dues	0	0	(36,396.63)	0	(18.04)	(106.63)	0	(254.79)	0	0	0	(571.14)	(93,166.13)
Salmon Landing Dues	(559.05)	0	(17,569.97)	0	0	(1,798.13)	0	0	0	0	0	0	(52,875.45)
Hire of Net Bins	0	0	0	0	0	0	0	(154.36)	0	0	0	0	(1,499.69)
Storage Charges	(207.51)	0	0	0	0	(111.84)	0	0	0	(741.48)	(106.14)	(94.98)	(31,819.26)
Net Storage on Pier	0	0	(7.56)	0	0	0	0	0	0	0	0	0	0
Wharfage Charges	0	(13.70)	(2,803.96)	0	(13.94)	0	0	(216.00)	(92.51)	0	(55.86)	(76.77)	(20,775.33)
Staff Time Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	(3,637.69)
Pleasure/Fishing Boat Dues	(942.22)	(277.07)	(772.57)	0	(14.34)	0	0	(72.24)	0	0	0	0	(5,903.49)
Ship Commercial Dues	(1,436.20)	(1,388.47)	(3,491.60)	0	0	(180.60)	0	(545.75)	(192.64)	(126.00)	0	0	(70,745.12)
Yacht Period Dues	0	0	0	0	0	0	0	(14.33)	0	0	0	(21.54)	0
Salmon Cages Dues	0	0	0	0	0	0	0	0	0	0	0	0	(2,617.45)
Cruise Ships	(4,628.70)	0	0	0	0	0	0	0	0	0	0	0	0
Dues on Shellfish Landings	(277.59)	0	0	0	(345.93)	(277.59)	0	(230.62)	(135.00)	0	131.80	(178.52)	(744.48)
Metered Electricity	0	0	(1,436.02)	0	0	0	0	0	0	0	0	0	(8,153.14)
Income Harbour Activities	**(8,864.53)**	**(3,675.50)**	**(64,971.94)**	**0**	**(1,027.14)**	**(3,696.99)**	**(387.03)**	**(13,237.74)**	**(1,377.54)**	**(1,986.15)**	**(741.02)**	**(1,499.37)**	**(331,018.13)**
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	(250.00)	0	(175.00)	0	0	0	0	(24,292.50)
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Income - Other	**0**	**0**	**0**	**0**	**0**	**(250.00)**	**0**	**(175.00)**	**0**	**0**	**0**	**0**	**(24,292.50)**
TOTAL INCOME	**(8,864.53)**	**(3,675.50)**	**(64,971.94)**	**0**	**(1,027.14)**	**(3,946.99)**	**(387.03)**	**(13,412.74)**	**(1,377.54)**	**(1,986.15)**	**(741.02)**	**(1,499.37)**	**(355,310.63)**

Harbour Board **Appendix C**

Staffing Position – 31 December 2010

Post	Establis	Actual	Comments	
Harbour Master	1	1		
Marine Officer/Pilots	10	10		
VTS Operators	5	5	(3 are trainees)	
Port Operations Manager	1	1		
Port Safety Officers	2	2		
Launch Crew Skippers	9	9		
Launch Crew Deckhands	13	10		
Tug – Masters	13	13		
Tug - Chief Engineers	12	12		
Tug - 2nd Engineers	8	7		
Tug - Mates	12	12		5 Temp contracts
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	1	3	3 persons equating to 1 FTE	1 Temp

Engineering Manager – Marine	1	1
Engineering Manager – Ports	1	1
Maintenance Planning Engineer	1	0
Senior Marine Electronics Engineer	1	1
Marine Electronics Engineer	1	1
Engineering Supervisor	1	1
Engineering Chargehand	1	1
Electrical Engineer	3	2
Marine Engineer	2	2
Welder/Fabricator	2	2
Maintenance Engineer	1	1
Engineering Assistant	4	2
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	0
Total	143	133

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Brent Exports													
No of Vessels	6	7	7	9	8	6	8	6	6	8			**71**
GT	347180	408190	495499	556840	492988	344165	462834	363487	353569	473817			**4298569**
Cargo C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Cargo Foreign	480492	578264	738874	767554	689704	477175	652299	489319	486915	639501			**6000097**
Schiehallion Exports													
No of Vessels	0	0	2	2	2	1	1	1	1	1			**11**
GT	0	0	120484	120991	114185	56115	63462	85037	58099	63462			**681835**
Cargo C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Cargo Foreign	0	0	174624	189485	179392	82660	109021	55171	85305	59036			**934694**
Joint Exports													
No of Vessels	0	0	0	0	0	0	0	1	0	0			**1**
GT	0	0	0	0	0	0	0	62877	0	0			**62877**
Brent C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Brent Foreign	0	0	0	0	0	0	0	52965	0	0			**52965**
Schiehallion C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Schiehallion Foreign	0	0	0	0	0	0	0	28407	0	0			**28407**
													0
Schiehallion Imports													
No of Ships	0	3	3	3	4	1	0	0	3	0			**17**
GT	0	216735	216735	216735	295542	72245	0	0	216735	0			**1234727**
Schiehallion C/Wise	0	89899	176410	223326	256218	18542	0	0	88859	0			**853254**
Clair Exports													
No of Ships	2	2	3	2	2	2	0	2	3	2			**20**
GT	114294	119620	181958	116198	115834	121391	0	144756	186145	117818			**1218014**
Cargo Coastwise	0	0	0	0	0	0	0	0	0	0			**0**
Cargo Foreign	181097	181424	264146	177715	176591	181570	0	173354	179986	180725			**1696608**
Ship to Ship Imports													
No of Ships	1	0	0	1	1	0	0	0	0	0			**3**
GT	42661	0	0	42661	42661	0	0	0	0	0			**127983**
STS Crude C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
STS Crude Foreign	59093	0	0	59801	59206	0	0	0	0	0			**178100**
													0
Ship to Ship Exports													
No of Ships	1	0	0	1	1	0	0	0	0	0			**3**
GT	42010	0	0	42010	42010	0	0	0	0	0			**126030**
STS Crude C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
STS Crude Foreign	59093	0	0	59801	59206	0	0	0	0	0			**178100**
													0
Ship To Ship Joint Exp													
No of Ships	0	0	0	0	0	0	0	0	0	0			**0**
GT	0	0	0	0	0	0	0	0	0	0			**0**
STS Crude C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
STS Crude Foreign	0	0	0	0	0	0	0	0	0	0			**0**
Brent C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Brent Foreign	0	0	0	0	0	0	0	0	0	0			**0**
Schiehallion C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Schiehallion Foreign	0	0	0	0	0	0	0	0	0	0			**0**
Propane Exports													
No of Vessels	0	0	0	0	1	0	0	0	0	0			**1**
GT	0	0	0	0	13893	0	0	0	0	0			**13893**
Propane C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Propane Foreign	0	0	0	0	8885	0	0	0	0	0			**8885**
													0
Butane Exports													
No of Vessels	0	0	0	0	0	0	0	0	0	0			**0**
GT	0	0	0	0	0	0	0	0	0	0			**0**
Butane C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Butane Foreign	0	0	0	0	0	0	0	0	0	0			**0**
													0
Joint Exports													
No of Vessels	1	0	0	0	0	1	0	0	0	0			**2**
GT	17980	0	0	0	0	35158	0	0	0	0			**53138**
Propane C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Propane Foreign	8010	0	0	0	0	8516	0	0	0	0			**16526**
Butane C/Wise	0	0	0	0	0	0	0	0	0	0			**0**
Butane Foreign	3159	0	0	0	0	15027	0	0	0	0			**18186**

Appendix E

Ports & Harbours Operations

Abstract of Weather Caused Delays at 31 December 2010

	Monthly Totals			Cumulative Totals		
	Days	Hours	Mins	Days	Hours	Mins
Berthing Suspension	04	09	15	32	12	33
Unberthing Suspension	01	12	30	01	12	30
Loading Suspension	00	00	00	00	00	00
Boatwork Suspension	01	12	30	09	03	48
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	04	01	45	37	09	39
Actual Delays Due to Weather	02	09	00	10	13	12

Fish Landing Statistics - Scalloway
2010/2011

APPENDIX F

FISH LANDINGS - SCALLOWAY	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
Fish Landed Through Market (Boxes)	4162	3790	3276	2461	4151	5299	2955	8673	0	0	0	0	**34767**
Fish Not Put Through Market (Boxes)	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Mackeral Landings	0	0	0	16	525.25	564.75	0	0	0	0	0	0	**1106**
TOTAL NO OF BOXES - (Boxes)	**4162**	**3790**	**3276**	**2477**	**4676.25**	**5863.75**	**2955**	**8673**	**0**	**0**	**0**	**0**	**35873**

FISH LANDINGS - CULLIVOE	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
Fish Landed Through Market (Boxes)	1610	1517	2797	462	1385	451	975	0	0	0	0	0	**9197**
Fish Not Put Through Market (Boxes)	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Mackeral Landings	0	0	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL NO OF BOXES - (Boxes)	**1610**	**1517**	**2797**	**462**	**1385**	**451**	**975**	**0**	**0**	**0**	**0**	**0**	**9197**

SCALLOWAY DUES PAID ON FISH LANDINGS (Rate = £0.025 per £1.00 Value)	PERIOD 00/01	PERIOD 00/02	PERIOD 00/03	PERIOD 00/04	PERIOD 00/05	PERIOD 00/06	PERIOD 00/07	PERIOD 00/08	PERIOD 00/09	PERIOD 00/10	PERIOD 00/11	PERIOD 00/12	TOTALS
LHD Ltd	11611.66	10468.63	10251.98	5740.8	6372.21	11099.86	9004.06	15432.75	11541.33	0	0	0	**91523.28**
Other (Consigned Fish)	554.75	0	0	576.94	0	0	0	0	0	0	0	0	**1131.69**
Mackeral Landings	0	0	0	0	0	0	511.16	0	0	0	0	0	**511.16**
TOTAL FOR LEDGER PERIOD	**12166.41**	**10468.63**	**10251.98**	**6317.74**	**6372.21**	**11099.86**	**9515.22**	**15432.75**	**11541.33**	**0.00**	**0.00**	**0.00**	**93166.13**

CULLIVOE DUES PAID ON FISH LANDINGS (Rate = £0.025 per £1.00 Value)	PERIOD 00/01	PERIOD 00/02	PERIOD 00/03	PERIOD 00/04	PERIOD 00/05	PERIOD 00/06	PERIOD 00/07	PERIOD 00/08	PERIOD 00/09	PERIOD 00/10	PERIOD 00/11	PERIOD 00/12	TOTALS
LHD Ltd	5332.96	5744.57	6278.45	3524.92	4071.54	4066.09	2280.10	2771.02	1682.74	0	0	0	**35752.39**
Other (Consigned Fish)	0	0	0	644.24	0	0	0	0	0	0	0	0	**644.24**
TOTAL FOR LEDGER PERIOD	**5332.96**	**5744.57**	**6278.45**	**4169.16**	**4071.54**	**4066.09**	**2280.10**	**2771.02**	**1682.74**	**0.00**	**0.00**	**0.00**	**36396.63**

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)		1481.544	0.000	171.633	164.000	0.000	3980.622	0.000	0.000	0.000	0.000	0.000	0.000		5797.799
Salmon Nets - Tonnes (In)		0.000	10.000	35.000	10.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		55.000
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		**1481.544**	**10.000**	**206.633**	**174.000**	**0.000**	**3980.622**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**		**5852.799**

WHARFAGE - Exports		**APRIL**	**MAY**	**JUNE**	**JULY**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MARCH**		**TOTAL (tonnes)**
Tonnes (Misc)		0.000	0.000	0.000	160.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		160.000
Ice Loaded		141.000	123.650	77.150	0.000	0.000	398.500	0.000	0.000	0.000	0.000	0.000	0.000		740.300
Gas Oil Bunkers		657.737	126.785	2322.042	625.260	430.665	2132.351	254.579	0.000	0.000	0.000	0.000	0.000		6549.419
Fish Feed		24.000	0.000	659.000	861.000	420.000	1080.000	1319.000	0.000	0.000	0.000	0.000	0.000		4363.000
Salmon Nets		18.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		22.000
TOTAL		**840.737**	**250.435**	**3062.192**	**1646.260**	**850.665**	**3610.851**	**1573.579**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**		**11834.719**

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

Appendix I

	Annual Budget 2010/2011	Actual April 2010 to December 2010	Variance (Adverse)/Favourable
All Income	(96,290)	(101,889.95)	5,599.95
Total Income	**(96,290)**	**(101,889.95)**	**5,599.95**
Employee Costs	28,893	21,735.71	7,157.29
Agency Payments	-	-	-
Property And Fixed Plant	131,696	67,811.84	63,884.16
Supplies and Services	100,025	55,538.42	44,486.58
Transport and Mobile Plant	3,060	1,531.12	1,528.88
Administration	-	-	-
Total Expenditure	**263,674**	**146,617.09**	**117,056.91**
Net Revenue Expenditure/(Income)	**167,384**	**44,727.14**	**122,656.86**

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

SCALLOWAY HARBOUR
Summary Management Accounts - Revenue
April 2010 to December 2010

Appendix H

	Annual Budget 2010/2011	Actual April 2010 - December 2010	Variance (Adverse)/Favourable
Fish Landing Dues	(80,000)	(93,166.13)	13,166.13
Other Dues/Charges	(250,950)	(302,271.89)	51,321.89
Total Income	**(330,950)**	**(395,438.02)**	**64,488.02**
Employee Costs	140,915	120,093.19	20,821.81
Administration	22,525	10,329.98	12,195.02
Agency Payments	2,000	-	2,000.00
Property and Fixed Plant	124,565	66,771.69	57,793.31
Supplies & Services	48,500	24,072.12	24,427.88
Transport and Mobile Plant	18,756	10,515.17	8,240.83
	-		
Total Expenditure	**357,261**	**231,782.15**	**125,478.85**
Net Revenue Expenditure/(Income)	**26,311**	**(163,655.87)**	**189,966.87**

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

Small Piers/Harbours - Income/Expenditure
1st April 2010 to 31st December 2010

APPENDIX J

	Baltasound	Billister	Collafirth	Cullivoe	Easterdale	Fair Isle	Hamnavoe	Melby	Mid Yell	Out Skerries	Symbister	Toft	Uyeasound	Walls	West Burrafirth	Overall Total
Employee Costs	540	0	398	398	0	0	464	0	0	354	18,142	398	177	398	464	**21,736**
Property and Fixed Plant	23,989	10	867	5,619	148	24,578	231	148	513	2,883	6,619	16	1,367	56	768	**67,812**
Supplies and Services	23,979	5	346	1,527	0	154	5,741	0	5,781	557	16,798	29	42	0	578	**55,538**
Transport and Mobile Plant	124	0	0	0	0	0	0	0	0	0	0	0	1,407	0	0	**1,531**
Sub-Total Expenditure	**48,633**	**15**	**1,611**	**7,544**	**148**	**24,732**	**6,437**	**148**	**6,294**	**3,794**	**41,560**	**443**	**2,993**	**454**	**1,810**	**146,617**
Total Income	**(8,865)**	**0**	**(3,676)**	**(64,972)**	**0**	**0**	**(1,027)**	**0**	**(3,947)**	**(387)**	**(13,413)**	**(1,378)**	**(1,986)**	**(741)**	**(1,499)**	**(101,890)**
Net Total (Income)/Expenditure	**39,769**	**15**	**(2,065)**	**(57,427)**	**148**	**24,732**	**5,410**	**148**	**2,347**	**3,407**	**28,147**	**(935)**	**1,007**	**(287)**	**311**	**44,727**

Appendix K

Ports & Harbours Operations

Operational and Safety Visits to Small Ports & Harbours 04 November 2010 to 31 December 2010

Port / Harbour	Date of Visit	Date of Visit	Date of Visit	Date of Visit	Date of Visit	Remarks
Baltasound	23 Nov	13 Dec				
Billister	29 Nov					
Collafirth	05 Nov	07 Dec				
Cullivoe	23 Nov	02 Dec				
Easterdale	18 Nov	15 Dec				
Fair Isle						
Hamnavoe	18 Nov	15 Dec				
Mid Yell	3,5,8 Nov	12,15,19 Nov	23, 30 Nov	3,9 Dec	14 Dec	
Out Skerries						
Symbister	29 Nov					
Toft	03 Nov	10 Nov	14 Dec			
Toogs	18 Nov	15Dec				
Uyeasound	23 Nov	13 Dec				
Walls	09 Nov					
West Burrafirth	09 Nov					

Shetland
Islands Council

REPORT

To: **Harbour Board** **20 January 2011**

From: **Harbour Master**

Report No: **P&H-03-11-F**

Subject: **Exercise Coast Watch Evaluation Report**

1 Introduction

1.1 This report is to bring to the Members attention an evaluation of the recent multi agency emergency exercise "Coast Watch".

2 Links to Corporate Plan

2.1 The content of the report goes to support the Council's commitment to "protect Shetland's renowned natural and built environment".

3 Risk Management

3.1 The contents of this report are for noting only. The emergency exercise was designed to test the Council and other agencies response to an identified risk. There are therefore no new risks raised in this report.

4 Background

4.1 In response to Members desire to test the response to a coastal oil spill, Emergency Planning and Resilience Service organised and co-ordinated a table top exercise on 16 September 2010.

4.2 Entitled "Coast Watch" the exercise involved many parts of the Council and external agencies. The participants included:

- Lerwick Port Authority.
- Marine Scotland.
- Maritime and Coastguard Agency (MCA).
- Northern Constabulary.
- Royal Society for the Protection of Birds (RSPB).
- Scottish Environment Protection Agency (SEPA).
- Scottish Natural Heritage (SNH).
- Shetland Islands Council.
- Sullom Voe Terminal.

4.3 Three members of Ports and Harbours, the Harbour Master, a Pollution Officer and a Scalloway Assistant Pier Master, attended and participated in the exercise.

4.4 The aims of the exercise were to use a multi-agency tabletop exercise to test a Shoreline Response Centre (SRC), identify areas of weakness and put forward solutions.

4.5 The exercise was directed by John Taylor and facilitated by Neville Davis (Coastguard), Ingrid Gall and Colin Mulvana (MCA)

4.6 The Shetland Marine Pollution Plan covers the response to pollution around the coast of Shetland with the exception of the designated areas of Sullom Voe, Lerwick Port and the Boonies Taing. The plan is created and administered by Ports & Harbours and approved by the MCA.

4.7 Currently there is a general acceptance and agreement that pollution on coastlines outwith harbour areas will be responded to by the appropriate local authority. However it should be noted that this is not a statutory duty of a local authority.

4.8 The exercise assumed that the 1990 built motor tanker “Vuvuzela”, carrying 2,500 tonnes of heavy oil, 500 tonnes of gas oil, 50,000 tonnes of crude oil and 30 tonnes of lub oil, anchored just outside Lerwick Port to effect main engine repairs.

Vessel Details:

Built:	1990	Draft:	11 metres
Gross Tonnage:	75,000	Beam:	45 metres
Length Overall:	260 metres	Hull:	Double Hull

9 self-contained electro-hydraulic mooring winches

2 anchors, 2 anchor windlass/mooring winch combinations

4.9 The scenario was that after several successive communication attempts by both HM Coastguard and Lerwick Port Control, the tanker “Vuvuzela” poorly communicated the words “anchor failed” and “no engine”. The scenario put the vessel drifting ashore with no power to engines available. Within an hour the vessel is aground in position 60° 04.99’N 001° 12.61’W.

4.10 The exercise commenced with the tanker aground and a shoreline response centre being set up. Most of the participants had not been pre-briefed on the exercise to help maintain a sense of realism.

5 Evaluation

5.1 Generally the exercise ran with positive feedback from all the participants which included the following remarks:

- Exercise provided a valuable opportunity to engage with other agencies and identify issues that could arise during a real incident.
- Participation of various other organisations / Integration with other groups / set up of different groups / interaction between groups / contact between organisations / the different groups and teams / team decisions / generally, all the teams worked well.
- Administrative support.
- Logging of actions.
- Getting agencies together, as a lot has changed since the “Braer”.
- Media event was good.
- Face to face contact.

5.2 There were some issues that arise at most tabletop exercises regarding the artificiality and the systems to allow a tabletop exercise to work.

5.3 Dealing, and working with, the media was an important part of the exercise. It was agreed at the exercise management team that there would be an agreed single output to the media. This did not happen for the first briefing and resulted in a poor presentation. It should be borne in mind that each agency generally has a media protocol and procedures to follow. Working in a multi agency group presents challenges in this regard. However exercises such as these help create an understanding of what will and what will not work. The approved Shetland Marine Pollution Plan places the Council as the lead agency, with Ports and Harbours taking the lead for oil related pollution.

5.4 Other priorities meant that no one was available to attend the exercise from Public or Environmental Health, although advice was sought by phone. This highlighted the importance that this part of the Council has in allowing the management team to protect the general public, publish the correct advice and protect the staff involved in cleaning up.

5.5 The need for good clerical and financial support was also highlighted both for exercises and for real emergency situations. Further exercises or training would help such support staff to understand the importance of their role and to gain a working knowledge of the plans, systems and terminology.

5.6 It became obvious that not all agencies present were aware of or clear on the contents of the National Contingency Plan and oil spill contingency plans.

5.7 The teams involved with containing and cleaning up the spill coped well and had enough equipment to deal with the spill in this exercise.

5.8 As with many exercises under tight time lines, certain things do get missed or do not get the time to evolve. In this exercise contact with external and national organisations not directly represented at the exercise was missed. These agencies include SEPA and national response of MCA.

6 Conclusions and Comments

6.1 The exercise was very worthwhile and similar such exercises should be repeated at suitable intervals.

6.2 The Shetland Marine Pollution Plan was found sufficient. However the plan will continually remain under review.

6.3 It was noted that there were agencies and bodies that might have benefited from attending. This included the Scottish Government Scottish Resilience and Development Service.

6.4 Thanks need to be extended to the Council volunteers who helped in the administration of the event.

6.5 Emergency Planning and Resilience Service are also to produce a report on the exercise with a view of how to take the issues raised forward.

6.6 A further oil spill exercise is currently being organised at a national level. Emergency Planning and Resilience Service are involved in the planning of the exercise. The Council will be involved in the exercise.

7 Financial Implications

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

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

9 Recommendations

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

14 January 2011
Our Ref: RM/VR RO-PO Report No: P&H-03-11-F

Shetland
Islands Council

REPORT

To: **Harbour Board** **20 January 2011**

From: **Harbour Master**

Report No: **P&H-05-11-F**

Subject: **Environmental Monitoring**

1 Introduction

1.1 This report is to bring to the Members' attention, the current and future marine environmental monitoring, protection and legislation that impacts on the port of Sullom Voe.

2 Links to Corporate Plan

2.1 The content of the report goes to support the Council's commitment to "protect Shetland's renowned natural and built environment".

3 Risk Management

3.1 The contents of this report are for noting only and there are no new risks identified in this report. Environmental monitoring continues and it is likely that new legislation will help to decrease existing risks.

4 Background

4.1 The potential environmental impacts of operations at the Sullom Voe Oil Terminal were recognised when construction of the complex began in 1974.

4.2 The Shetland Oil Terminal Environmental Advisory Group (SOTEAG Monitoring Committee) designs and manages a series of comprehensive environmental monitoring programmes which are contracted out by scientific institutions throughout the UK. They provide an ongoing 'health check' at Sullom Voe by:

- Detecting and measuring changes over time
- Evaluating the amount and significance of change
- Advising Sullom Voe Association Ltd whether remedial action is required

4.3 The core monitoring programmes comprise of:

- Chemical and macrobenthic monitoring
- Rocky shore and dogwhelk monitoring
- Full-time, Shetland-wide ornithological monitoring.

4.4 The rocky shore element of this monitoring programme began in 1976 and, apart from a break of two years (1982-83), the rocky shores in Sullom Voe have been surveyed annually. The surveys are generally carried out during a period of spring tides, at a number of marine sites in Sullom Voe and also at reference points in Vidlin and Burra Voe. The 2010 survey results were generally very similar to the survey of 2009 with any observed changes considered as being due to natural fluctuations.

4.5 A programme of surveys of dogwhelk populations at rocky shore sites around Sullom Voe and Yell Sound is carried out approximately every two years.

4.6 Chemical and macrobenthic monitoring surveys are also regularly carried out approximately every two years.

4.7 Loading and discharging ballast water is an essential part of a ships operation, with large ships requiring many thousands of tonnes of water to maintain their stability, draft and manoeuvrability.

4.8 The current port regulations state that the discharge of ballast water, from segregated or permanent ballast tanks, into the waters of the Harbour will be permitted provided that:

- The Master of the vessel advises the Harbour Authority prior to arrival:
  - The place at which the ballast was taken.
  - The quantity of the ballast.
  - That to his knowledge the ballast is free from oil contamination.
- Samples have been taken and analysed by the Terminal Operator. Hydrocarbon level must be 5 ppm or less.

4.9 Port Safety Officers of the Harbour Authority on occasions board vessels to obtain samples. The Harbour Authority may, as a result of information so obtained, refuse permission for the discharge of segregated ballast water taken on board in certain locations.

4.10 As part of the pre-arrival checks the vessels confirm that the segregated ballast is available for inspections and sample taking.

4.11 Permission for the discharge of ballast water must be obtained from the jetty staff.

4.12 The “International Convention for the Control and Management of Ships Water & Sediments” was adopted by consensus at a Diplomatic Conference at the International Maritime Organisation (IMO) in London on 13 February 2004. The conference was attended by representatives of 74 states, one associate member of IMO, observers from two intergovernmental organisations and eighteen non-governmental international organisations.

4.13 The Convention comes into force 12 months after ratification by 30 States, representing 35 % of the world merchant shipping tonnage. As of October 2010, twenty-seven countries have ratified the Convention, representing 25.32% of the world merchant fleet tonnage. The UK has not yet ratified the Convention however the Maritime and Coastguard Agency (MCA) have issued Marine Guidance Notes that are attached as Appendix A.

4.14 Article 2 of the Convention requires States to prevent, minimise and ultimately eliminate the transfer of harmful aquatic organisms and pathogens through the control and management of ships’ ballast water and sediments, ensuring that ballast water management practices do not cause greater harm than they prevent to their environment, human health, property or resources, or those of other States.

4.15 Article 5 requires that ports and terminals, where cleaning or repair of ballast tanks occurs, have adequate facilities for the reception of sediments. The port of Sullom Voe is not such a port.

4.16 Once the Convention becomes ratified, vessels may be inspected by Port State Control Officers to check that they have certification, Ballast Water Record Book and / or to sample the ballast water.

4.17 The specific requirements for ballast water management are contained in regulation B-3 Ballast Water Management for Ships.

- Ships constructed before 2009 with a ballast water capacity of between 1500 and 5000 cubic metres must conduct ballast water management that at least meets the ballast water exchange standards or the ballast water performance standards until 2014, after which time it shall at least meet the ballast water performance standard.

- Ships constructed before 2009 with a ballast water capacity of less than 1500 or greater than 5000 cubic metres must conduct ballast water management that at least meets the ballast water exchange standards or the ballast water performance standards until 2016, after which time it shall at least meet the ballast water performance standard.

- Ships constructed in or after 2009 with a ballast water capacity of less than 5000 cubic metres must conduct ballast water management that at least meets the ballast water performance standard.

- Ships constructed in or after 2009 but before 2012, with a ballast water capacity of 5000 cubic metres or more shall conduct ballast water management that at least meets the ballast water performance standard.

- Ships constructed in or after 2012, with a ballast water capacity of 5000 cubic metres or more shall conduct ballast water management that at least meets the ballast water performance standard.

4.18 The operating procedures and instructions of the port of Sullom Voe, in regard to ballast water, are due to be reviewed shortly.

4.19 To date no significant change in the marine environment has been discovered or attributed to the ships using Sullom Voe or the ballast water practices.

4.20 The current operation allows Sullom Voe to compete against other ports and has helped to allow the port to attract new business in the face of strong competition.

5 Financial Implications

5.1 This report is for information only. There are currently no known financial implications arising from this report.

6 Policy and Delegated Authority

6.1 Harbour Board has full-delegated authority for the oversight and decision making in respect of the management and operation of the Council's harbour undertakings in accordance with the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations. However, this report is for information only and there are no Policy and Delegated Authority issues to be addressed.

7 Recommendations

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

13 January 2011
Our Ref: RM/VR RO-O Report No: P&H-05-11-F

Maritime and Coastguard Agency

MARINE GUIDANCE NOTE

MGN 363 (M+F)

The Control and Management of Ships' Ballast Water and Sediments

Notice to all Agents, Owners, Operators, Masters and Officers of Ships

This notice should be read with MGN 81, MIN 282 & MIN 283 and replaces MIN 305

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

Summary

- This note draws attention to the developments at the International Maritime Organization with respect to non-indigenous species being transported in ships ballast water.
- This MGN has been written due to the adoption of an International Convention in February 2004, and the development of new supporting Guidelines. The MGN provides information and interim guidance for use until the Convention has been implemented and the UK ratifies the Convention, after developing domestic legislation.

1. Introduction/ Background

1.1. Loading and discharging ballast water is an essential part of a ships operation, with large ships requiring many thousands of tonnes of water to maintain their stability, draft and manoeuvrability. Contained within this ballast water are hundreds of microscopic species that will be carried to new destinations by the ship. The vast majority of these species will not survive the journey; however, the species that do survive may establish themselves in a new environment if the biological and physical conditions are favourable. Such non-native species may cause serious ecological, economic and public health impacts, particularly when they become invasive.

1.2. In response to this the International Maritime Organization (IMO) through its Marine Environment Protection Committee (MEPC), has over many years, been developing international legislation to prevent the harmful effects of transporting aquatic organisms in ships ballast water.

2. IMO Convention

2.1. Over 9-13 February 2004 a Diplomatic Conference was held to adopt the "International Convention for the Control and Management of Ships' Ballast Water and Sediments". The Ballast Water Management (BWM) Convention puts in place international legislation for the first time and will enter into force 12 months (with a first application date of 2009) after it has been signed by 30 States, representing 35% of world merchant shipping tonnage.

2.2. As of 25th June 2007, ten countries have ratified the BWM Convention, amounting to 3.42% of world tonnage. Member States have been urged to ratify the instrument to facilitate its timely entry into force. The UK is intending to begin the process of ratifying the Convention as soon as it has been proved that technology is available to meet the water quality standards under Regulation D-2.

2.3 The Convention provides two ballast water discharge performance standards for the industry – the first providing a standard for ballast water exchange and the second based on ballast water treatment. These are set out below:

- **D1 Standard** - Ballast Water Exchange (at least 95% volumetric exchange) or if using the pump though method - pumping through three times the volume of each tank.
- **D2 Standard** - Ballast Water Treatment systems approved by the Administration which treat ballast water to an efficacy of:
  - less than 10 viable organisms per m^3 $\geq$50 micrometres in minimum dimension, and
  - less than 10 viable organisms per millilitre < 50 micrometres in minimum dimension and $\geq$10 micrometers in minimum dimension.

  Indicator Microbe concentrations shall not exceed: a) toxicogenic vibrio cholerae: 1 colony forming unit (cfu) per 100 millilitre or 1 cfu per gram of zooplankton samples; b) Escherichia coli: 250 cfu per 100 millilitre c) Intestinal Enterococci: 100 cfu per 100 millilitre.

These then apply to different vessels at different times as set out in the table below, depending on the ratification date of the Convention.

Ballast Capacity (m^3)	Construction Date	Application Dates of the D1 and D2 Standard								
		2009	2010	2011	2012	2013	2014	2015	2016	2017
<1500	Before 2009*	D1 or D2							D2	
	In/After 2009	D2								
$\geq$1500 $\leq$5000	Before 2009*	D1 or D2					D2			
	In/After 2009	D2								
> 5000	Before 2012*	D1 or D2							D2	
	In/After 2012	D2								

* Needs to be applied by the First Intermediate or Renewal Survey, which ever occurs first after anniversary date of delivery in the year indicated.

Table 1: Implementation dates of the IMO Ballast Water Convention

2.4. The main requirements of the BWM Convention include the following principles:

i). ships should carry and implement a ballast water management plan that has been approved by the Administration, which must detail safety procedures for the ship and crew, and provide a detailed description of the actions to be taken to implement the ballast water management requirements. It should be noted that for UK Flagged Ships this Ballast Water Management Plan approval will be delegated to Class Societies;

ii). ships should carry a Ballast Water Record Book, which must be completed after each ballast water operation;

iii). the phased implementation of two ballast water discharge performance standards (please see paragraph 2.3), the application dates of which are based on the ships ballast water capacity and its construction date. This approach means that ballast water exchange as a management method will be replaced by treatment to meet stringent water quality standards as suitable technologies become available;

iv). ships undertaking ballast water exchange should conduct it at least 200 nautical miles from the nearest land and in water at least 200 metres in depth; or in cases where the ship is unable to conduct ballast water exchange in accordance with the above, as far from the nearest land as possible, and in all cases at least 50 nautical miles from the nearest land and in water at least 200 metres depth;

v). ships performing ballast water exchange, should do so with an efficiency of at least 95% volumetric exchange of ballast water. For ships exchanging the ballast water by the pumping-through method, pumping through three times the volume of each ballast tank will be considered equivalent to meeting the 95% standard; and

vi). ships treating ballast water should adhere to a specific performance standard (the D-2 Standard), which sets stringent levels of organisms by volume in ships' ballast water discharges.

2.5. Upon ratification the Convention and supporting Guidelines will supersede the IMO's Resolution A.868 (20) which adopted the 1997 "Guidelines for the Control and Management of Ships' Ballast Water to Minimize the Transfer of Harmful Aquatic Organisms and Pathogens" (the 1997 Guidelines), which are the subject of MGN 81.

2.6. As it will be 2009 at the earliest before the Convention comes into force and the Guidelines are fully developed and in place, shipping agents, ship owners and masters of UK Flag vessels are strongly urged to comply with the operational guidance in the 1997 Guidelines and begin preparing and implementing for the requirements the new IMO Convention and its supporting Guidelines. Specifically the interim D-1 Standard and the requirement to exchange ballast water 200 nautical miles from the coastline in waters 200m deep where possible (see 2.8 bullet 4). The 1997 Guidelines are available from the IMO website at: http://globallast.imo.org/resolution.htm

2.7. The overall objectives of the 1997 Guidelines are to assist Governments and appropriate authorities, ship masters, operators and owners, and port authorities in minimising the risk of introducing harmful aquatic organisms and pathogens from ships' ballast water and associated sediments while protecting ships' safety. Advice is given on the procedures for ships and port States, such as recording and reporting; ships' operational procedures, including precautionary practices; training and education; and enforcement and monitoring by port States.

2.8. Masters are advised to contact destination ports to ascertain any local requirements relating to ballast water discharge and to make themselves aware of different countries' ballast water management requirements (please see MIN 282 and MIN 283, which contain some of these requirements).

3. Convention Guidelines

3.1. Fourteen Guidelines are being developed in support of the Convention:

Guideline	***Title***
G1	Guidelines for Sediment Reception Facilities.
G2	Guidelines for Ballast Water Sampling.
G3	Guidelines for Ballast Water Management Equivalent Compliance.
G4	Guidelines for ballast water management and development of ballast water management plans.
G5	Guidelines for Ballast Water Reception Facilities.
G6	Guidelines for Ballast Water Exchange.
G7	Guidelines for Risk Assessment under Regulation A-4.
G8	Guidelines for approval of ballast water management systems.
G9	Procedure for Approval of Ballast Water Management Systems that make use of Active Substances.
G10	Guidelines for approval and oversight of prototype ballast water treatment technology programmes.
G11	Guidelines for ballast water exchange design and construction standards.
G12	Guidelines for sediment control on ships.
G13	Guidelines for additional measures including emergency situations.
G14	Guidelines on designation of areas for ballast water exchange.

Table 2: Guidelines developed to support the IMO Ballast Water Convention

3.2. These new Guidelines will provide Flag Administrations and Port State Authorities with guidance on procedures and principles to minimise the risk of transferring harmful aquatic organisms in ships' ballast water and sediments and how to be in compliance with the Convention. The progress of the Guidelines is high priority, as they are being developed for the uniform implementation of the Convention and the majority are now completed. All the finalised guidelines will be made available on the MCA Website: www.mcga.gov.uk

3.3. The two most significant guidelines – Guideline (G8) Approval of Ballast Water Management Systems and Procedure (G9) Procedure for Approval of Ballast Water Management Systems that make use of Active Substances, were adopted at Marine Environment Protection Committee (MEPC) 53 in July 2005. They provide guidance to manufacturers and/or ship owners on the type approval procedures for ballast water treatment systems.

3.4. Within the UK Type Approval of Ballast Water Management Systems and Ballast Water Management Plans will be delegated to the Class Societies and will be the subject of a separate MIN. As some countries already require vessels entering their waters to have approved Ballast Water Management Plans, the MCA recommends that ship owners should approach their Class Society to begin developing such plans at the earliest possible opportunity.

4. The Review of the Convention

4.1. Regulation D-5 of the Convention states that a review of the Convention must take place three years before Regulation D-2 (the discharge standard for treated ballast water) comes into effect.

As this date is 2009, the review took place during MEPC 53 in July 2005 to meet the 2006 deadline. At this meeting, a Review Group was established to determine whether appropriate treatment technologies will be available to achieve the performance standard by 2009.

4.2 The Review process was concluded at the IMO's Marine Environment Protection Committee (MEPC) meeting in July 2007 (MEPC 56). The review concluded that a limited number of technologies will be available for ship's that are required to meet the first dates of the Ballast Water Management Convention (as described in Regulation B3.3) and recognised a number of practical problems that may delay the availability of suitable technology. Furthermore, it concluded that the available technology may not be sufficient or technically appropriate, for all ships applying the Convention in 2009 to meet the D-2 Standard. Nevertheless, it was also concluded that there would be sufficient technology for all ships having to apply the Convention in 2009 and 2010, to meet the D-2 Standard in 2010 or 2011, if not sooner. The IMO are now considering whether this conclusion should effect the implementation dates of the Convention at BLG 12 and MEPC 57 and the conclusions of this debate will be the subject of a Marine Information Note (MIN) in due course.

5. Ballast Water Management in the North East Atlantic

5.1. Over the last three years the UK has been developing a regional Ballast Water Management Strategy for the North East Atlantic, as part of their commitments to the Fifth North Sea Ministerial Conference held in Bergen in March 2002, and the Sixth North Sea Ministerial Conference held in Göteborg in May 2006. The role of the Strategy is to enable interim procedures to reduce the risk of alien species invasion through ballast water to be implemented in the most efficient and sustainable way within the North East Atlantic prior to the IMO Convention coming into force. This strategy is aimed at risk reduction rather than risk elimination and has been developed through the Committee of North Sea Senior Officials (CONSSO) – Issue Group on Sustainable Shipping (IGSS) and the Biodiversity Committee of The Convention for the Protection of the Marine Environment of the North-East Atlantic (the "OSPAR Convention").

5.2. A scoping study has been undertaken as the 1st Phase of this Strategy. This document investigated how the problems and risks of alien species invasions through ballast water discharges could be managed in the OSPAR Region. It also looked at the difficulties in implementing a regional management plan in the North East Atlantic as well as the environmental data and monitoring strategies needed to do so.

5.3 It is planned that Phase 2 of the Strategy will be put into action in late 2007. This will involve further technical studies, baseline data collection and risk modelling, which will be based on the findings of the scoping study. It is envisaged that phase 2 will take place over a two year time scale from 2007-2008 and provide guidance for vessels in two tranches:

- **Tranche 1**: Developing and applying voluntary interim guidelines for shipping entering the North East Atlantic - that can be achieved through ballast water exchange. ***Target Date: Autumn 2007.***
- **Tranche 2:** Identifying high risk voyages through a risk assessment based management approach to short sea shipping within distinct bioregions and providing guidance on appropriate management measures to reduce this risk. ***Target Date: Autumn 2008*** *subject to obtaining funding for baseline technical studies.*

5.4 Further information on these proposals can be found on the MCA website and will be the subject of a MIN in due course.

More Information

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MARINE GUIDANCE NOTE

MGN 81 (M+F)

Maritime and Coastguard Agency

Guidelines for the Control and Management of Ships' Ballast Water to Minimize the Transfer of Harmful Aquatic Organisms and Pathogens

Notice to Agents, Owners, Operators, Masters and Officers of Ships

Summary

- This guidance note draws attention to the recently published IMO Guidelines for the Control and Management of Ships' Ballast Water to Minimize the Transfer of Harmful Aquatic Organisms and Pathogens.
- This MGN supersedes Merchant Shipping Notice M.1533

1. The Assembly of the International Maritime Organization, by resolution A.868(20), adopted Guidelines for the Control and Management of Ships' Ballast Water to Minimize the Transfer of Harmful Aquatic Organisms and Pathogens. These are published by IMO as publication number IMO-661E, ISBN 92-801-1454-9.

2. Resolution A.868(20) also revoked resolution A.774(18) which adopted the Guidelines for Preventing the Introduction of Unwanted Aquatic Organisms and Pathogens from Ships' Ballast Water and Sediment Discharges. These were published by the UK with Merchant Shipping Notice M.1533 which is now correspondingly withdrawn.

3. The new Guidelines provide Flag Administrations and Port State Authorities with guidance on procedures which will minimize the risk of the transfer of harmful aquatic organisms via ships' ballast water and sediments.

4. The Guidelines also include procedures for ships:

(i) To carry a ballast water management plan which will include procedures for ballast management, and in particular, for safe ballast exchange at sea.

(ii) Recording and reporting.

(iii) Precautionary practices to minimize uptake of organisms, removal of sediment and avoidance of unnecessary discharge.

(iv) Ballast water management options including exchange at sea, discharge to shore reception facilities, non-release and emergent treatment technologies.

5. It should be noted that the Guidelines should not be taken as adding to, or detracting from any statutory or regulatory requirements which will prevail in the case of conflict with the Guidelines. The

attention of ships' Masters is particularly drawn to the hazards associated with the practice of exchanging ballast water at sea and to Appendix 2 of the Guidelines.

6. Compliance with the Guidelines is not, at present, legally required but shipping agents and shipowners are strongly urged to ensure that vessels discharging ballast in United Kingdom waters comply with the Guidelines to reduce the spread of disease and non-indigenous nuisance species that may be in the water. The Government is at present reviewing the need for regulatory controls, which would reflect the IMO Guidelines, for United Kingdom waters.

7. Masters are advised to contact destination ports to ascertain any local requirements relating to ballast water discharge.

Further information on this Note may be obtained from:-

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August 1998

MS 34/18/07

Safe Ships Clean Seas

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An executive agency of the Department of the Environment, Transport and the Regions

Shetland
Islands Council

REPORT

To: **Harbour Board** **20 January 2011**

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

Revenue Monitoring 2010/11 - Period 9
Ports & Harbours Operations
Report No: F-007-F

1. Introduction

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

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 recommendation.

4. Background

4.1 The financial data in this report includes employee costs; operating costs (property costs, supplies & services, administration, transport and agency payments); transfer payments (grants); and income (fees and charges, grant funding and rents).

4.2 The appendix shows the annual budget, year to date (YTD) budget, YTD actual and YTD variance. It is the YTD variances that are referred to in this report. The YTD budget is derived from setting a budget profile, which estimates when spending will occur or income will be received. The YTD variance shows how actual activity has varied from the YTD budget.

5. Financial position at Period 9

5.1 This report presents the overall Ports & Harbours revenue monitoring position as at the end of period 9 (December 2010), showing controllable budgets both by service area and subjective category attached as Appendix A.

5.2 The information in Appendix A indicates that Ports & Harbours Operations have an overspend of £1m as at period 9 against YTD budgets set.

5.3 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.

5.4 A breakdown of the position in relation to each area of the Port Operations is as follows:

5.4.1 Ports Management

This area is £138k underspent against budgets set at period 9 due mainly to underspends on salary costs in relation to vacant posts and other general savings which is a real underspend and likely to continue to year end.

5.4.2 Sullom Voe

There is currently an underspend of £206k against budgets to period 9 which is mainly due to increased income from storage charges in relation to the Total Project and the residual budget from the Stanechakker which has now been sold. The unspent budget from the Stanechakker is intended to be used for embedding the new tugs. Ship to ship transfers are showing a reduction in income of £81k against budgets set to period 9 although this is expected to improve to the end of the year. Harbour dues and towage dues are less than anticipated to this point in the year by a total of £234k. A breakeven position on Sullom Voe will hinge on the level of tanker traffic during the remainder of the year.

5.4.3 Scalloway

This area is currently £111k underspent against budgets to period 9. This is mainly due to increased dues on fish landings and storage and wharfage charges, and income from pilotage dues which were not budgeted and is a real underspend position.

5.4.4 Other Piers

There is an underspend of £51k across the small piers against budgets to period 9. This is made up of underspends on pier maintenance and increased income on annual dues, storage and wharfage charges and shellfish dues across all piers and cruise ship income on Baltasound. This is a real underspend position.

5.4.5 Port Engineering Services

There is an underspend of £55k against budgets to period 9 across Engineering Services. This is due to a reduction in staffing, a vacant post and is a real underspend position.

5.4.6 Ports for the Future

The budgeted return to the Reserves for the port in 2010/11 is £3.9m which included a savings contribution from Ports for the Future Project of £940k and the related sale of two tugs of £1.4m. It is now thought unlikely that the majority of these savings can be realised during the remainder of this financial year and therefore an outturn deficit of £1.6m is predicted.

5.4.7 Major profiling variances have been adjusted to enable an accurate picture.

6. Financial Implications

6.1 On 19 August 2009 (SIC Min Ref 107/09) Council approved the budget strategy to be adopted for the Harbour Account in 2010/11. Members agreed that the Harbour Account should continue to pursue efficiency savings and appropriate charging levels to at least maintain the level of profitability on the Harbour Account at £4m per annum.

6.2 On 17 February 2010 (SIC Min Ref 18/10) the 2010/11 budget for the Harbour Account was approved by Council, proposing a return from the Harbour Account of £3.9m.

6.3 At the end of period 9 Ports & Harbours Operations have an overspend of £1m against YTD budgets.

6.4 It is predicted that there will be an outturn deficit on Ports & Harbours Operations in the region of £1.6m due mainly to the inability to realise savings from the Ports for the Future project during this financial year. This figure will also be affected by tanker traffic numbers should they be less than predicted.

7. Policy & Delegated Authority

7.1 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.

8. Conclusion

8.1 Appendix A to this report provides the most up-to-date financial information on harbour activities in 2010/11. This shows an overspend position of £1m against YTD budgets at period 9.

8.2 An outturn deficit of £1.6m is predicted, mainly due to savings on the Ports for the Future project being delayed until the next financial year.

9. Recommendation

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

Date: 12 January 2011 Report No: F-007-F
Ref: GJ/HKT/BR

Ports & Harbours Revenue Monitoring 2010/11
1 April 2010 to 31December 2010 - Period 9

Report No: F-007 Appendix A

Revenue Expenditure by Service Controllable Budgets Only	**Annual Budget**	**Year to Date Budget**	**Year to Date Actual**	**Year to Date Variance (Adverse)/ Favourable**	**Main Reasons for Variances**
	£	**£**	**£**	**£**	
Ports Management	1,056,416	806,047	668,420	137,627	Underspends on vacancy salary costs
Sullom Voe	-4,527,158	-3,443,173	-3,649,646	206,473	Increased storage charges and residual budget for Stanechakker which has now been sold.
Scalloway	26,311	-52,607	-163,656	111,049	Increased period dues on commercial shipping, wharfage and storage charges.
Other Piers	177,161	101,815	51,210	50,605	Increased period dues on commercial shipping, wharfage and storage charges, salmon & fish landings and underspends on pier maintenance.
Port Engineering Services	654,978	483,271	428,031	55,240	Underspends on basic salary and overtime due to reduction in staff.
Ports for the Future	-940,000	-940,000	0	(940,000)	Savings to be identified from Ports for the Future Project not yet realised.
Transfer to Funds	3,897,769	0	0	0	
Tug Sale Capital Receipts	-1,400,000	-1,400,000	-726,381	(673,619)	Sale of second tug not yet possible.
Ports & Harbours Total Variance	**-1,054,523**	**-4,444,647**	**-3,392,022**	**-1,052,625**	

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	4,877,313	3,657,987	3,573,748	84,239	Underspends on vacant posts in Ports Management and VTS. VTS posts now filled but Pilots covering until new VTS staff fully trained.
Overtime	436,660	345,747	290,674	55,073	Reduction in overtime in Ports Management & Ports Engineering
Other Employee Costs	1,154,425	627,392	1,546,816	(919,424)	Savings to be identified from Ports for the Future Project not yet realised offset by other vacant posts savings.
Employee Costs (sub total)	**6,468,398**	**4,631,126**	**5,411,238**	**-780,112**	
Travel & Subsistence	196,710	134,210	116,841	17,369	Underspends on mileage and travel costs in Ports Management, Engineering and Towage
Property Costs	1,143,963	760,829	623,008	137,821	Underspends on electricity and repairs & maintenance across Service
Other Operating Costs	2,776,594	1,410,498	1,014,730	395,768	Underspends on hired & contracted services, transport fuel and equipment purchase.
Operating Costs (sub total)	**4,117,267**	**2,305,537**	**1,754,579**	**550,958**	
Transfer Payments (sub total)	**3,978,349**	**80,580**	**75,744**	**4,836**	
Income (sub total)	**-15,618,537**	**-11,461,890**	**-10,633,583**	**(828,307)**	Reduction in towage and harbour dues and sale of second tug not yet achieved offset by increased income across Service.
Ports & Harbours Total Variance	**-1,054,523**	**-4,444,647**	**-3,392,022**	**-1,052,625**	
Jetties & Spur Booms excluded - fully funded by BP	*-146,654*	*65,219*	*-4,572*	*69,791*	

Shetland
Islands Council

REPORT

To: **Harbour Board** **20 January 2011**

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

Report No: **P&H-04-11-F**

Subject: **New Business**

1. Introduction

1.1 This report is to brief and inform Members of the New Business and opportunities 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 An economic risk is identified in this report

3.2 The economic risk will be dependant on the decision of the Harbour Board. It has been recognised that there is a potential to advertise and promote the facilities of Ports and Harbours Operations and thereby attract new business to Shetland. However, there is a risk that no business may be generated by attending the exhibition and thereby failing to make a return on the investment.

4 New Business

4.1 The port has successfully managed to attract the winter Russian condensate Ship-to-Ship business in the face of some stiff competition. Work is continuing to retain the business throughout the winter ice season.

4.2 With the winter weather disruptions and seasonal leave, the Harbour Master was unable to arrange a meeting with brokers, agents and buyers before the end of the year. However efforts have resumed to set up a meeting in Shetland to show case the facilities of Ports and Harbours Operations with the aim of attracting new business.

4.3 Work has also been continuing on attracting in business related to the construction of the TOTAL Shetland Gas Plant.

4.4 Officials from both Ports and Harbours and the Economic Development Unit, have continued to promote the use of the industrial estate.

4.5 The Harbour Master is looking into the possibility and justifications for a marketing person for Ports & Harbours. This may be included in the overall management review for Ports & Harbours.

4.6 Work has continued to market Shetland ports in the potential for marine renewables. Part of this future marketing will be by attending the "All Energy" event in Aberdeen on 18 and 19 May 2011. At present six organisations / companies have committed to a joint Shetland stand co-ordinated by Highlands and Islands Enterprise. The stand will be 6 x 8 metres square and within the area already booked by Highlands and Islands Enterprise. A section of the stand has been provisionally reserved for Ports and Harbours Operations. The exhibition is growing every year and is seen as the major UK event for all those interested and dealing with renewable energy. Ports and Harbours Operations have not attended the exhibition before, although many of our competitors, including Orkney, have. It has been recognised that Shetland potentially offers excellent facilities for renewable energy. The facilities of Ports and Harbours Operations potentially complement and serve the needs of the renewable industry, particularly marine renewables. The exhibition would be an ideal opportunity to highlight the facilities Shetland, as a whole, has to offer in the form of renewable energy.

5 Proposal

5.1 The Harbour Board should consider the contents of paragraph 4.6 and grant permission to participate in the All Energy 2011 exhibition.

6 Financial Implications

6.1 Economic Development has agreed to pay and commission production of the stand.

6.2 Each organisation will bear a share of the cost for the ground rental, which should equate approximately to £1715, excluding VAT, to each participant. This can be met within existing budgets.

6.3 Advertising and promotional materials can be met from existing budgets.

7 Policy and Delegated Authority

7.1 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.

8 Recommendations

I recommend that the Harbour Board approve the recommendations below:

8.1 Note the contents of the report; and

8.2 Approve the proposal in paragraph 5.1 granting permission to participate in the All Energy 2011 exhibition as part of a shared Shetland stand.

14 January 2011
Our Ref: RM/VR RO-NB Report No: P&H-04-11-F