



Shetland Islands Council

REPORT

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

**2 February 2006
9 February 2006**

From: **Management Accountant
Executive Services Department**

PORTS AND HARBOUR ESTIMATES – 2006/07 REPORT NUMBER: F-004-F

1.0 Introduction

- 1.1 On 14 September 2005 (min ref: 143/05), the Shetland Islands Council approved the budget strategy to be adopted for the Harbour Account for the 2006/07 revenue estimates process. The Executive Committee had previously considered the matter at its meeting on 6 September 2005 (min ref. 41/05).
- 1.2 Members agreed to recognise the Council's interest in the achievement of the Harbour Board's objective of developing a long-term way forward for the Port of Sullom Voe, in collaboration with the Oil Terminal and Towage operations now that operational life of the Port is expected to be much greater than that foreseen when the Harbour Agreements were originally drawn up.
- 1.3 For information Shetland Towage will be acquired by the Council, and run by Ports and Harbours Operations, prior to the new financial year. Accordingly the Harbour Estimates includes towage services and charges.

2.0 Links to Corporate Priorities

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

3.0 2006/07 Estimates Compared to Ceiling

3.1 Support and Recharged Ledgers

3.1.1 Ports & Harbours

Appendix A(1) compares the 2006/07 Support Ledger estimates put forward by the General Manager Ports and Harbours against the ceiling set by the Council. The position is summarised in the following table:

Table 1 Ports & Harbours Support Ledger	2006/07 Ceiling £000	2006/07 Budget £000	2006/07 Variance £000
Income	-16.7	-17.2	0.5
Employee Costs	768.0	862.3	-94.3
Operating Costs	181.7	205.8	-24.1
Net Controllable Expenditure	933.0	1050.9	-117.9
Financing Costs	31.6	34.6	-3.0
Net Recharges	-964.6	-1085.5	121.0
Total Net Expenditure	0.0	0.0	0.0

3.1.2 Table 1 shows that there is an unfavourable variance in Net Controllable Departmental expenditure on the Support Ledger of £117,949. This is due to the inclusion of 2 members of towage staff, one Engineering Superintendent – Marine and one Store man.

3.1.3 Appendix A(3) compares the 2006/07 Recharged Ledger estimates put forward by the General Manager Ports & Harbours against the ceiling set by the Council. The position is summarised Table 2 below:

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Table 2	2006/07	2006/07	2006/07
Ports & Harbours	Ceiling	Budget	Variance
Recharged Ledger	£000	£000	£000
Income	-29.0	-27.0	-2.0
Employee Costs	578.4	588.5	-10.1
Operating Costs	2090.9	3281.5	-1190.5
Net Controllable Expenditure	2640.4	3843.0	-1202.6
Financing Costs	0.0	0.0	0.0
Net Recharges	-2640.4	-3843.0	1202.6
Total Net Expenditure	0.0	0.0	0.0

3.1.4 Table 2 shows that there is an unfavourable variance in Net Controllable Departmental expenditure on the Recharged Ledger of £1,202,647. Of this £1,180,733 is due to the inclusion of towage vessel costs. The remaining £21,914 is mainly the increase in maintenance workshop fuel oil.

3.2 Harbour Account

3.2.1 Ports & Harbours

Appendix A(2) compares the 2005/06 Harbour estimates put forward by the General Manager Ports & Harbours against the ceiling set by the Council. The position is summarised in the following table:

Table 3	2006/07	2006/07	2006/07
Ports & Harbours	Ceiling	Budget	Variance
Harbour Ledger	£000	£000	£000
Income	-12089.9	-16663.0	4573.1
Employee Costs	2557.7	5571.2	-3013.4
Operating Costs	942.9	1438.8	-495.9
Transfer Payments	91.8	102.2	-10.4
Net Controllable Expenditure	-8497.5	-9550.8	1053.3
Financing Costs	4847.0	4639.0	208.0
Net Recharges	3650.5	4911.8	-1261.3
Total Net Expenditure	0.0	0.0	0.0

3.2.2 Table 3 shows that there is a favourable variance in Net Controllable Departmental expenditure on the Harbour Ledger of £1,053,335. This is due to a combination of the inclusion of Shetland Towage into the estimates and a reduction in capital charges for use of capital assets. The Charge Equalisation Reserves were set up to enable the phased closure of the Port (then expected around 2000/2001) without distorting charge levels unreasonably, has now been eliminated. It is therefore required that the Port operates without being able to draw on any further Reserves. The acquisition of a rationalised Towage operation and with the reductions that have been made and will continue to be made in port operational costs will go some way to achieve a sustainable situation. However, it is vital that volumes of oil and gas being received at the Port are maintained to as high as possible levels in order to achieve sustainability of inflation only charge increases in the future.

3.2.3 Appendix B (1) and B (2) compare the 2006/07 estimates to the ceiling by cost centre for the Ports & Harbours service. The major change to the estimates is the inclusion of the Towage Service.

3.3 Review of Charges

3.3.1 A separate report on the Table of Dues is being presented to the Harbour Board today and as such does not form part of this report.

3.4 Reserve Fund Estimates

3.4.1 There are two Reserve Fund Estimates for Ports & Harbours namely, Redevelopment West Blacksness retention and new Sellaness Pier. This forms part of the Capital Expenditure report and is reported to the Council separately. The budget for next year is estimated at £4,504,493.

4.0 Financial Implications

4.1 Ports & Harbour's Support and Recharged Services are over the net controllable ceilings by £117,949 and £1,202,647 respectively. This is due to the inclusion of Shetland Towage. The Harbour estimates are under the net controllable ceiling set by £1,053,335. This is due to the inclusion of Shetland Towage and a reduced charge from the Reserve Fund. This is in line with the budget strategy to pursue a long-term viable future for the Port of Sullom Voe.

5.0 Policy and Delegated Authority

- 5.1 The Harbour Board has no authority to approve the revenue estimates report. Therefore, any motion approved by the Harbour Board will form a recommendation to the Shetland Islands Council for their overall consideration within the resources available.
- 5.2 There are no delegated powers for the General Manager Ports & Harbours to determine the level of revenue resources required to fund the Council's harbour undertakings. The Harbour Board is asked to initially recommend the estimates put forward in this report and forward this to the Council meeting at which the ultimate decisions on the budget are taken.
- 5.3 The ultimate decision on approving the revenue estimates lies with the Council.

6.0 Conclusions

- 6.1 In summary this report sets out the proposed Harbour estimates for 2006/07 financial year, as put forward by the General Manager Ports & Harbours detailed in Appendices A(1), A(2), A(3), B(1) and B (2). These estimates have been compared against the ceilings set by the Council's budget strategy and explanations of any major variances from ceiling have been given.
- 6.2 The budgets put forward by the General Manager Ports & Harbours on the Support Ledger is over by £117,949, the Recharged Ledger by £1,202,647 and the Harbour Ledger is under the ceiling set by the Council's budget strategy for the net controllable element of the budget by £1,053,335.
- 6.3 A review of charges is discussed in a separate report titled "Harbour Dues 2006/07".
- 6.4 The Reserve Fund estimates put forward by the General Manager Ports & Harbours forms part of the Capital Programme and as such are the subject of a separate report to the Council.

7.0 Recommendations

- 7.1 I recommend that the Harbour Board consider and accept the 2006/07 estimates contained in Appendices A(1), A(2), A(3) and B(1), B(2);
- 7.2 subject to the above, these estimates should be forwarded for consideration by the Council at the final budget-setting meeting on the 9 February 2006.

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Agenda Item No. 01 - Public Report

Date: 23 January 2006
Our Ref: HKT/E/1/AE(P&H)
004-F

Report No: F-



Shetland Islands Council

REPORT

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

**2 February 2006
9 February 2006**

**From: Management Accountant
Executive Services Department**

**TABLE OF DUES 2006/07
REPORT NO: F-003-F**

1.0 Introduction

- 1.1 On 14 September 2005 (min ref: 143/05), the Shetland Islands Council approved the budget strategy to be adopted for the Harbour Account for the 2006/07 revenue estimates process. The Executive Committee had previously considered the matter at its meeting on 6 September 2005 (min ref. 41/05).
- 1.2 Members agreed to recognise the Council's interest in the achievement of the Harbour Board's objective of developing a long-term way forward for the Port of Sullom Voe, in collaboration with the Oil Terminal and Towage operations now that operational life of the Port is expected to be much greater than that foreseen when the Harbour Agreements were originally drawn up.
- 1.3 The 2006/07 revenue estimates along with the Table of Dues for the Harbour Accounts to be proposed by the General Manager Ports & Harbours will be presented today. It is necessary to set the Dues at this meeting to give the customary six weeks notice of any changes.
- 1.4 This report has been considered by the Harbour User Panels who have an advisory role. The General Manager Ports & Harbours will convey the views of the panels verbally to the Harbour Board.
- 1.5 The key assumptions used in estimating expenditure are provision for 22 launch crew, 14 marine officers, 48 tug crew and 2 towage shore staff, a revised helicopter service and meteorological office service, together with ongoing maintenance and upkeep of the harbour.
- 1.6 Shetland Towage Ltd will be acquired by the Council, and run by Ports and Harbours Operations, prior to the new Table of Dues being

introduced. Accordingly the Table of Dues Appendix A has a new, separate section dealing with towage services and charges.

2.0 Links to Corporate Priorities

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

3.0 Review of Charging Structure

- 3.1 The proposed charging system for Sullom Voe, to be levied from 1 April 2006, is presented as Appendix A; it incorporates charges for all services. Appendix B sets out the charges for all other ports and Harbours.
- 3.2 A consolidated Sullom Voe Port charge, which includes harbour, mooring, pilotage and boarding and landing elements, has now been established. In addition to its usefulness as a tool for comparing the Council's charges with that of our major competitors, it has also simplified the charging process within the Ports and Harbours Service. It is recommended that the Council increase the charge for 2006/07 by inflation only. The consolidated charge for a segregated ballast tanker visiting the harbour in 2006/07 is proposed to be £0.65 per GT.
- 3.3 Legally the Council is required to stipulate separate charges for each of the chargeable elements and proposals are set out in the Table of Dues (attached as Appendix A). A separate agreement is in place concerning shipping dues paid by the vessel importing Schiehallion cargo.
- 3.3 There are a number of charges, which are to be held at the 2005/06 rate under:-
- Scale A – Passengers disembarking per person
Scale D – Fresh Fish/Farmed Fish/Shellfish landed and Salmon Feed
Scale F – Ship to Ship Transfer of Oil
- There is a very competitive market in the aforementioned areas and it is considered that if charges were increased this would discourage new customers, and existing customers might take their business elsewhere.
- 3.4 There are 6 new charges being introduced (included in Appendix A & B):-
- Under Scale A – For vessels primarily engaged in the supply/operation or harvesting of farmed fish/farmed shellfish can apply for an annual rate based on the gt bands. This is being introduced for commercial boats

working at salmon farms going in and out of harbour areas daily or at least more than once each day. These vessels have been incurring harbour charges each time, which has been expensive and has reduced their use of harbours. This is seen as a way of encouraging use of Harbours.

Under Scale B – Compounded Advance Annual Charges, an additional proviso has been added, namely, that the compounded charge referred to in Scale B shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A. This is being introduced to stop individuals tying up to a berth for long periods particularly for older vessels, often just left unattended which are not always safe and could be hazardous.

Under Scale D – Fishing vessels/pleasure craft less than 15gt engaged in inshore fishing and not represented by a local agent may be exempt for the above charges by subscribing to the Land Disc System. This is being introduced to help collect landing dues from small boat owners who work independently and not through an agent. If they have a disc the Council can be confident that they are paying their dues.

Under Scale D – Charges for Ice/Fuel/Gas Oil and Diesel per tonne have now been set out separately in the Table of Dues. These were previously included under “any other goods” category. They have been itemised separately as the rates for these items are frequent requests by users.

Under Scale D – Water and Power Bollards, when electricity or water is supplied from the electricity or water bollards a minimum charge of £5.00 will apply over a seven day period. Where staff are required to attend out with normal working hours an additional charge will apply. This is the introduction of a charge for a new service, which is being provided at Scalloway.

Under Scale E – Trailers/containers parked on harbour property not engaged in loading /discharging of goods unless a written request for long term storage is received shall be liable for a charge of £3.50 per day or a £5.00 minimum charge. This is to allow proper utilisation of the pier space and stop any parking abuses.

- 3.5 In general, other than that set out in paragraphs 2.5 and 2.6 it is proposed to adjust the charges for non-oil related traffic and for goods dues by 2.5%.
- 3.6 The Charge Equalisation Reserves were set up to enable the phased closure of the Port (then expected around 2000/2001) without distorting charge levels unreasonably, has now been eliminated. It is therefore required that the Port operates without being able to draw on any further Reserves. The acquisition of a rationalised Towage operation and with the reductions that have been made and will continue to be made in port

operational costs will go some way to achieve a sustainable situation. However, it is vital that volumes of oil and gas being received at the Port are maintained to as high as possible levels in order to achieve sustainability of inflation only charge increases in the future.

4.0 Conclusions

- 4.1 In summary, this report sets out the proposed Harbour Charges for 2006/07 as put forward by the General Manager Ports & Harbours.
- 4.2 A review of charges at Sullom Voe has been undertaken and the proposals are detailed in Appendix A. The charges proposed for all the Council's Harbours (i.e. not just Sullom Voe) are detailed in Appendix B.
- 4.3 A consolidated charge has been established which includes a charge for ship dues, mooring, pilotage and boarding and landing. This charge is £0.65 per GT for segregated ballast tankers and £0.79 for non-segregated. This does not include towage charges.
- 4.4 The charges detailed in paragraph 2.5 are to be held this year at the 2005/06 rates and there are 6 new charges as set out in paragraph 2.6 along with the reasons for introduction.

5.0 Policy and Delegated Authority

- 5.1 There are no delegated powers of the General Manager Ports & Harbours to determine the level of Harbour Dues, so the Harbour Board is asked to initially accept or comment on the Table of Dues.
- 5.2 The Harbour Board has no authority to finally approve the Table of Dues for 2006/07; therefore a decision of the Council is required.

6.0 Recommendations

- 6.1 I recommend that: the Harbour Board consider and agree the Tables of Dues contained in Appendices A and B;
- 6.2 subject to the above, these estimates should be forwarded for consideration by the Council at the final budget-setting meeting on the 9 February 2006.

Date: 23 January 2006

Ref: HKT/E/1/AE (P&H)

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APPENDIX A

SHETLAND ISLANDS COUNCIL

TABLE OF DUES TO BE LEVIED AT SULLOM VOE

**FROM 1ST APRIL 2006
(Harbours Act 1964)**

DEFINITION

Segregated Ballast Tanker

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

CONSOLIDATED CHARGE

Consolidated Charge

1. The consolidated charge for segregated ballast tankers entering the Port of Sullom Voe will be £0.65 for segregated ballast tankers and £0.79 for non-segregated ballast tankers. This charge is made up of the following elements, ship dues, pilotage, mooring and boarding and landing.

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

Shipping Dues	- applied per visit	£0.53
Mooring Charge	- applied per visit	£0.03
Pilotage Charge	- applied (£0.03 x 2)	£0.06
B & L Charge	- applied (£0.015 x 2)	£0.03
Total Consolidated Charge		<hr/> £0.65 <hr/>

RATES AND CONDITIONS OF TOWAGE – SULLOM VOE AREA

2. Cost per tug vessel movement on or off jetties.

Gross Tonnage	Arrival/Departure Per Tug
0 up to but not including 10,000	£2,978.00
10,000 up to but not including 65,000	£3,644.00
65,000 up to but not including 100,000	£5,494.00
over 100,000	£7,708.00

TARIFF

Cancellation

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

Aborted Berthings or Sailings

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

Push Up

A charge of £431.00 per tug per hour or part thereof will be levied if a tug or tugs are required to push-up on a vessel during periods of extreme weather conditions

Escorting Charges

Minimum charge of £1,155.00 for 3 hours and £385.00 per hour per tug thereafter

Standby Charge

A charge of £385.00 per tug per hour or part thereof will be levied if tugs are not used within an hour of order time.

Firefighting and Oil Dispersal Duties

Within the Terminal and approaches will be charged at a minimum of £1,155.00 per 3 hours and £385.00 per hour per tug thereafter plus cost of firefighting foam and oil dispersant liquids.

Late Order Charges

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

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

SHIPS DUES

Conditions

1. Ship Dues shall apply to all vessels entering the limits of any of the Council's harbours except in circumstances mentioned at (2), (3) and (4) below. These rates shall also be charged by way of berth rents where a Council pier is used in any location outside the Council's harbour areas. Vessels will be allowed to overstay the four-day period in port without additional charge if the harbour is closed, or if cargo/unberthing is suspended due to adverse weather conditions, or if the vessel is permitted to wait alongside until a second crude oil type becomes available. For the avoidance of doubt, if for operational reasons, the Terminal requires the berth to be vacated, then the above will NOT apply.
2. Ship Dues will not be levied on any vessel, which enters a harbour area in order to enable a pilot to board in difficult weather conditions, and subsequently has to depart as a result of the pilot not being able to board. Pilotage and Boarding and Landing charges will however apply in accordance with section 2 (ii) of the schedule of Pilotage Charges.
3. If a vessel is required to leave the harbour by the Harbourmaster for any reason unconnected with defects in the vessel, or the vessel's operation, no ship dues will be levied on the subsequent re-entry. Please note this concession does not apply to pilotage, boarding and landing or mooring boats.
4. Vessels that for operational reasons enter the harbour area and anchor at the request of the Harbour master shall only become liable for the Ship Dues on occupying a berth. Should the vessel sail without berthing full Ship Dues for a stay of up to four days will be payable, without regard to the actual length of stay.
5. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
6. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
7. Craft based at Sullom Voe and operated by the Oil Industry for the sole purpose of pollution control shall be exempted from Harbour Dues provided they occupy berths designated by the Harbourmaster. When berthed other than at a berth designated for the purpose by the Harbourmaster the full Harbour Dues will be payable.

8. With reference to the four-day period in section 1 above, the following times will be subtracted from the overall time in port:
- a) Tankers that for operational reasons, are called to the pilot station in advance of bad weather conditions, a fixed period of 12 hours.
 - b) Tankers that are required to move berth for two or more types of crude oil, a fixed period of three hours per move.
9. Ships dues are inclusive of a fee for garbage waste disposal.

SCALE A -

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

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

Per gross ton - segregated ballast tankers

£0.53

- non-segregated ballast tankers

£0.64

ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR

Per gross ton

£0.39

Barges – GrossTonnage by calculation or certificate

£0.39

Live Fish Carriers

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

Fish Feed Ships

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

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

Up to 15 gt

£156.00

16 gt to 100 gt

£312.00

101 gt to 150 gt

£1,560.00

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151 gt to 200 gt
£2,180.00
201 gt to 300 gt
£3,120.00
301 gt to 400 gt
£4,160.00
401 gt to 500 gt
£5,200.00

SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR
Per 4 day period

Up to 70 Metre Cage
£31.28
70 Metre Cage
£32.06
80 Metre Cage
£36.64
90 Metre Cage
£41.23
100 Metre Cage and over
£45.81

MINIMUM CHARGE PER ENTRY AND STAY
£6.25

**SCALE B -
COMPOUNDED ADVANCE ANNUAL CHARGES COVERING USE OF ALL
COUNCIL PIERS AND HARBOURS**

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

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

a) Exceeding 15m overall length
£85.27
b) Exceeding 10m and up to 15m
£62.54
c) Up to 10m
£39.79

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

a)	Exceeding 15m overall length	
£21.33		
b)	Exceeding 10m and up to 15m	
£15.63		
c)	Up to 10m	£
9.96		

For registered fishing vessels and salmon farm tenders

a)	Up to and including 8m overall length
£25.15	
b)	In excess of 8m overall length, per metre or part of overall length
£17.75	

Vessels regularly providing services within a Council harbour
(over 8 metres overall length) - per gross ton
£28.15

The compounded charge herein referred to shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A

GOODS DUES

Conditions:

8. (i) Goods dues shall apply to all goods discharged or loaded over one of the Council's piers or handled in the fish market, or to any transfer of goods from craft to craft, craft to shore and from shore to craft which takes place within the limits of a Council harbour but which does not involve the use of a pier except as in (ii) below. Goods dues SHALL NOT apply to goods carried on scheduled ferry services operated or subsidised by the Council. Goods dues SHALL NOT apply in respect of oil or gas loaded into tankers over the oil jetties in Sullom Voe.
- (ii) Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are required to pay a due of £127.34 annually. Where a Council pier or landing place is used, the full tariff is applicable.

SCALE C - RATES ON FISHING GEAR

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Vessels storing nets on any pier, outwith designated net mending areas
Per net per day
£30.01

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

Per Glass Fibre Bin per annum
£108.84

Per Small Metal Bin (1.925m x 1.925m) per annum
£237.60

Per Large Metal Bin (1.925m x 2.60m) per annum
£269.04

The above rates are inclusive of insurance and shall be applied to pro rata on a daily basis as appropriate.

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

Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit - £63.98 per net for the first seven days, thereafter the rates for use of hard standing areas will apply.

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

Minimum	charge	per	hour
£27.60			

SCALE D - RATES ON GOODS

Fresh fish and shellfish - per £1.00 value
£0.025

Farmed Fish and Farmed Shellfish - per £1.00 value
£0.005

Any fish or shellfish landed outwith a Council pier and stored in the Fish market – per £1.00 value	£0.025
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Fishing vessels/pleasure craft less than 15gt engaged in inshore fishing and not represented by a local agent may be exempt for the above charges by subscribing to the Landing Disc System

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6 month disc
£55.00
12 month disc
£100.00

*This exemption will not apply to fish/shellfish being landed through the Fishmarket

Fishermen, vessel owners and agents are advised that if the value of fish consigned through a Shetland Islands Council port is not declared within 1 calendar month of landing, a charge of £2.50 per box will be levied in lieu of the published dues.

Tractors, lorries, machinery and motor cars, (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne
£5.76

Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne
(bulk includes carriage in flexible intermediate bulk containers - FIBC's) £
0.14

Salmon Feed - per tonne £1.15

Salmon Nets (from/to cages) per net
£17.51

Ice – per tonne
£1.46

Water - per tonne £
1.50

Fuel/GasOil/Diesel
£1.46

Any other goods not specified above, per tonne £1.50

Minimum charge on any one item
£6.25

Water/Power Bollards

Electricity – when electricity is supplied from the power bollards a minimum charge of £5.00 will apply over a seven day period.

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

Water – when water is supplied from the water bollards a minimum charge of £5.00 will apply over a seven day period.

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

SCALE E - RATES FOR USE OF HARD STANDING AREA

Short Term - per square metre per day
£0.14

Long Term (min 120 days) - per square metre per day
£0.05

(NB: Long Term Storage rates only apply on receipt of a written request)

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

Per day

£3.50

Minimum charge

£5.00

However, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m² per 1000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above rate.

SALMON CAGES UNDER CONSTRUCTION

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

Whilst construction takes place - £55.19 per day plus hard standing charge for parts.

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

CHARGES FOR HARBOUR CRAFT AND PLANT

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

Hire of the SULLOM SPINDRIFT/SULLOM SHOORMAL/

SULLOM SPRAY per hour or part thereof

£240.08

Hire of the Sullom 'A', 'B' or 'C' per hour or part thereof

£ 85.12

Hire of the Marine Travel Lift per hour or part thereof

£106.07

Hire of Fork Lift Truck per hour or part thereof

£ 31.46

SCALE F – SHIP TO SHIP TRANSFER OF OIL

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

(a) Import vessel(s) per gross cargo tonne

£0.49

(b) Export Vessel

Free of Charge

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

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

(a) Import vessel(s) per gross cargo tonne

£0.49

(b) Export vessel will be berthed and moved once

Free of Charge

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

SULLOM VOE HARBOUR AREA

SCHEDULE OF MOORING RATES

Effective from 1st April 2006

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

- segregated ballast tankers

£0.03

- non-segregated ballast tankers

£0.03

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

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

£83.19

At any jetty but not requiring a mooring boat

- per hour or part thereof

£37.70

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

Effective from 1st April 2006

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

Per gross ton	- segregated ballast tankers
£0.03	
	- non-segregated ballast tankers
£0.04	
Minimum charge per act of pilotage	
£76.98	

2. A charge of £47.24 per hour or part thereof shall be applicable in the following cases: -

- (i) when a pilot is requested for the departure, moving or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, move or arrival;
 - (ii) when a pilot is requested and the requirement is cancelled after the pilot has set out to undertake pilotage;
 - (iii) for detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered, and
 - (iv) when a pilot is in attendance on board a vessel berthed alongside during periods of severe weather.
3. Vessels, which are being towed, by a vessel under pilotage and any vessel being led within the Harbour Area by a vessel which is under pilotage shall pay pilotage dues as if the pilot were on board.
4. Marine Officers of the Shetland Islands Council undergoing training may from time to time accompany the pilot but such trainees shall not be considered to be assistants to the pilot and no extra charge shall accrue to any vessel in respect of such trainees.
5. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
6. In calculating pilotage charges a fraction of a gross ton shall be reckoned as one gross ton.

SULLOM VOE HARBOUR AREA

SCHEDULE OF BOARDING AND LANDING CHARGES

(PILOTAGE ACT 1987)

Effective from 1 April 2006

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

Per gross ton - segregated ballast tankers
£0.015

£0.02	-	non-segregated	ballast	tankers
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2. If the pilot launch is detained under any of the circumstances as mentioned in paragraph two of the scale of charges for pilotage a charge shall apply as follows: -

For each hour or part thereof
£240.08

3. If the Harbour Authority requires a pilot to board or land by helicopter the ship will be charged the normal boarding or landing fee as specified above except in cases where the service arranged by the Harbour Authority is not accepted by the ship. In such cases all costs for alternative aircraft usage will be charged to the ship.
4. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.
6. Vessels which cannot provide regulation boarding equipment and in particular those with forward leading accommodation ladders, may receive or land their pilots by helicopter, if a helicopter is available. In such cases all charges incurred in respect of aircraft usage, including abortive missions will be charged to the ships account.
7. Special rates are applicable for the performance of duties outside those normally associated with pilotage and these are available on request from the General Manager – Ports and Harbours Operations.

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

SHETLAND ISLANDS COUNCIL

TABLE OF DUES TO BE LEVIED AT ALL PIERS AND HARBOURS

**FROM 1ST APRIL 2006
(Harbours Act 1964)**

DEFINITION

SHIPS DUES

Conditions

1. Ship Dues shall apply to all vessels entering the limits of any of the Council's harbours except in circumstances mentioned at (2), (3) and (4) below. These rates shall also be charged by way of berth rents where a Council pier is used in any location outside the Council's harbour areas. Vessels will be allowed to overstay the four-day period in port without additional charge if the harbour is closed, or if cargo/unberthing is suspended due to adverse weather conditions, or if the vessel is permitted to wait alongside until a second crude oil type becomes available. For the avoidance of doubt, if for operational reasons, the Terminal requires the berth to be vacated, then the above will NOT apply.
2. Ship Dues will not be levied on any vessel, which enters a harbour area in order to enable a pilot to board in difficult weather conditions, and subsequently has to depart as a result of the pilot not being able to board. Pilotage and Boarding and Landing charges will however apply in accordance with section 2 (ii) of the schedule of Pilotage Charges.
3. If a vessel is required to leave the harbour by the Harbourmaster for any reason unconnected with defects in the vessel, or the vessel's operation, no ship dues will be levied on the subsequent re-entry. Please note this concession does not apply to pilotage, boarding and landing or mooring boats.
4. Vessels that for operational reasons enter the harbour area and anchor at the request of the Harbour master shall only become liable for the Ship Dues on occupying a berth. Should the vessel sail without berthing full Ship Dues for a stay of up to four days will be payable, without regard to the actual length of stay.
5. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
6. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.

7. Ships dues are inclusive of a fee for garbage waste disposal.

SCALE A -

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

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

Per gross ton

£0.46

Passengers disembarking per person -
(tourist traffic/passenger liners only)

£2.00

ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR

Per gross ton

£0.39

Barges – GrossTonnage by calculation or certificate

£0.39

Live Fish Carriers

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

Fish Feed Ships

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

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

Up to 15 gt	£156.00
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16 gt to 100 gt	£312.00
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101 gt to 150 gt	£1560.00
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151 gt to 200 gt	£2180.00
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201 gt to 300 gt	£3120.00
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301 gt to 400 gt	£4160.00
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401 gt to 500 gt	£5200.00
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SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR
Per 4 day period

Up to 70 Metre Cage	£31.28
70 Metre Cage	£32.06
80 Metre Cage	£36.64
90 Metre Cage	£41.23
100 Metre Cage and over	£45.81

MINIMUM CHARGE PER ENTRY AND STAY
£6.25

**SCALE B -
COMPOUNDED ADVANCE ANNUAL CHARGES COVERING USE OF ALL
COUNCIL PIERS AND HARBOURS**

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

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

a)	Exceeding 15m overall length	£85.27
b)	Exceeding 10m and up to 15m	£62.54
c)	Up to 10m	£39.79

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

a)	Exceeding 15m overall length	£21.33
b)	Exceeding 10m and up to 15m	£15.63
c)	Up to 10m	9.96

£

For registered fishing vessels and salmon farm tenders

a) Up to and including 8m overall length
£25.15

b) In excess of 8m overall length, per metre or part of overall length
£17.75

Vessels regularly providing services within a Council harbour
(over 8 metres overall length) - per gross ton
£28.15

The compounded charge herein referred to shall cease to be applicable to any vessel continuously occupying a berth at a pier for a period in excess of 3 calendar months. Such vessels will then be liable for period dues as per Scale A

GOODS DUES

Conditions:

8. (i) Goods dues shall apply to all goods discharged or loaded over one of the Council's piers or handled in the fish market, or to any transfer of goods from craft to craft, craft to shore and from shore to craft which takes place within the limits of a Council harbour but which does not involve the use of a pier except as in (ii) below. Goods dues SHALL NOT apply to goods carried on scheduled ferry services operated or subsidised by the Council. Goods dues SHALL NOT apply in respect of oil or gas loaded into tankers over the oil jetties in Sullom Voe.
- (iii) Salmon Farmers and Shellfish Farmers operating within or serviced from a harbour area but not making use of a Council pier or landing place are required to pay a due of £127.34 annually. Where a Council pier or landing place is used, the full tariff is applicable.

SCALE C - RATES ON FISHING GEAR

Vessels storing nets on any pier, outwith designated net mending areas
Per net per day
£30.01

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

Per Glass Fibre Bin per annum
£108.84

Per Small Metal Bin (1.925m x 1.925m) per annum
£237.60

Per Large Metal Bin (1.925m x 2.60m) per annum
£269.04

The above rates are inclusive of insurance and shall be applied to pro rata on a daily basis as appropriate.

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

Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit - £63.98 per net for the first seven days, thereafter the rates for use of hard standing areas will apply.

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

Minimum	charge	per	hour
£27.60			

SCALE D - RATES ON GOODS

Fresh fish and shellfish - per £1.00 value
£0.025

Farmed Fish and Farmed Shellfish - per £1.00 value
£0.005

Any fish or shellfish landed outwith a Council pier and stored in the Fish market – per £1.00 value	£0.025
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Fishing vessels/pleasurecraft less than 15gt engaged in inshore fishing and not represented by a local agent may be exempt for the above charges by subscribing to the Landing Disc System

6 month disc
£55.00
12 month disc
£100.00

*This exemption will not apply to fish/shellfish being landed through the Fishmarket

Harbour Board - Thursday 02 February 2006

Agenda Item No. 02 - Public Appendix

Fishermen, vessel owners and agents are advised that if the value of fish consigned through a Shetland Islands Council port is not declared within 1 calendar month of landing, a charge of £2.50 per box will be levied in lieu of the published dues.

Tractors, lorries, machinery and motor cars, (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne
£5.76

Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne
(bulk includes carriage in flexible intermediate bulk containers - FIBC's) £
0.14

Salmon Feed - per tonne £1.15

Salmon Nets (from/to cages) per net
£17.51

Ice – per tonne
£1.46

Water - per tonne £
1.50

Fuel/GasOil/Diesel
£1.46

Any other goods not specified above, per tonne £1.50

Minimum charge on any one item
£6.25

Water/Power Bollards

Electricity – when electricity is supplied from the power bollards a minimum charge of £5.00 will apply over a seven day period.

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

Water – when water is supplied from the water bollards a minimum charge of £5.00 will apply over a seven day period.

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

SCALE E - RATES FOR USE OF HARD STANDING AREA

Short Term - per square metre per day
£0.14

Long Term (min 120 days) - per square metre per day
£0.05

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

Per day

£3.50

Minimum charge

£5.00

However, to avoid any delay to the ship when bulk cargo is being handled e.g. sand, aggregate, limestone etc., the consignee/shipper shall be assigned an area of the quay for stock piling purposes at the rate of 400m² per 1000 tonnes. The shipper shall be responsible for clearing up the designated area after the total cargo has been shipped. One week (7 days) per cargo will be allowed free of hard standing storage fees. Any cargo remaining after one week will attract hard standing storage dues at the above rate.

SALMON CAGES UNDER CONSTRUCTION

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

Whilst construction takes place - £55.19 per day plus hard standing charge for parts.

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

CHARGES FOR HARBOUR CRAFT AND PLANT

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

*	Hire of the Scalloway Harbour Launch per hour or part thereof	£ 67.22
	Hire of Fork Lift Truck per hour or part thereof	£ 31.46
*	Hire of power washers per hour or part thereof	£
	14.40	

* These items are based at Scalloway Harbour.

SCALLOWAY HARBOUR AREA

SCHEDULE OF PILOTAGE CHARGES

(PILOTAGE ACT 1987)

Effective from 1 April 2006

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

Per act of pilotage
£27.86
2. Vessels in excess of 300 Gross Tonnage entering Scalloway Harbour shall pay the following charge, which is a proportion of a composite harbour charge levied on all such vessels: -

Per gross ton
£0.07
3. A charge of £25.57 per hour or part thereof shall be applicable in the following cases: -
 - i) When a pilot is requested for the departure, shifting or arrival of a vessel and the vessel fails to move or arrive within one hour of the stated time of departure, shift or arrival;
 - ii) when a pilot is requested and the request is cancelled after the pilot has set out to undertake pilotage, and
 - iii) for detention aboard ship of a pilot by request of the Master, Owner or Agent and no pilotage service is being rendered.
4. Vessels that are being towed by a vessel under pilotage and any vessel being led within the Pilotage District by a vessel, which is under pilotage, shall pay pilotage dues as if the pilot were on board.
5. Marine Officers of the Shetland Islands Council undergoing training may from time to time accompany the licensed pilot but such trainees shall not be considered to be assistants to the pilot and no extra charge shall accrue to any vessel in respect of such trainees.
6. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
7. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.

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

SCALLOWAY HARBOUR AREA

SCHEDULE OF BOARDING AND LANDING CHARGES

(PILOTAGE ACT 1987)

Effective from 1 April 2006

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

£67.22 per hour or part thereof for use of the pilot cutter plus, outside normal working hours, there shall be an additional charge for labour involved. Rates available on application.
2. If the pilot launch is detained by virtue of any of the circumstances in paragraph three of the scale of charges for pilotage a charge shall apply as follows: -

For each hour or part thereof £67.22
3. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
4. In calculating charges a fraction of a gross ton shall be reckoned as one gross ton.

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

