

**Harbour Board****7 February 2013****Management Accounts for Harbour Board:  
2012/13 - Quarter 3 (April - December 2012)****F-013-F****Report Presented by Executive Manager -  
Finance****Corporate Services****1.0 Summary**

- 1.1 The purpose of this report is to enable the Harbour Board to monitor the financial performance of services within its remit to ensure that expenditure incurred and income generated has been delivered within the approved budget, so that timely action can be taken when required to mitigate projected overspends. The focus of this report is on the projected outturn position for the year.
- 1.2 The projected outturn is £1.456m which is a reduction in the budgeted surplus of £1.706m.

**2.0 Decision Required**

- 2.1 The Harbour Board is asked to RESOLVE to:
- review the Revenue Management Accounts, from 1 April 2012 – 31 December 2012, including the projected outturn position; and
  - instruct the Director of Infrastructure to reduce expenditure to mitigate the reduction in surplus without compromising safety or regulatory compliance, and recommend to Council that the reduction in income on the Harbour Account be treated as a corporate financial risk.

**3.0 Detail**

- 3.1 The budgeted expenditure and savings levels included in the services within the remit of the Harbour Board were approved by the Council on 9 February 2012. As such, they form part of the Council's objectives of

reducing General Fund expenditure to £119.9m in 2012/13, which includes the requirement to make savings of £15.6m across the Council this year. This is necessary to move the Council towards a position of financial sustainability.

At present the Council's level of expenditure is not sustainable and if left unchecked will result in reserves becoming fully depleted by 2017/18.

Any instances whereby a budget is overspent, or savings targets are not being achieved, have a direct impact on the Council's reserves. It is therefore vital to the future economic wellbeing of the Council that its budget, incorporating that of the services within the remit of the Harbour Board, are delivered in full.

- 3.2 Appendix 1 shows the projected outturn position for the third quarter by service area along with explanations of the major variances. This appendix shows the services under the remit of the Harbour Board indicating the likelihood of a reduced contribution to reserves being required, in breach of Council policy.

## **4.0 Implications**

### Strategic

#### **4.1 Delivery On Corporate Priorities**

There is a specific objective within the Corporate Improvement Action plan to ensure that, "the Council has established a rigorous process to ensure that its use of resources is on a footing consistent with implementing and sustaining its financial strategy, and demonstrate that it delivers services in a way which achieves Best Value".

#### **4.2 Community /Stakeholder Issues – None.**

#### **4.3 Policy And/Or Delegated Authority**

Section 2.1.2(3) of the Council's Scheme of Administration and Delegations states that the Board may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council. The Council approved a budget on 9 February 2012 for the 2012/13 financial year. This Report provides information to enable the Board to ensure that the services within its remit are operating within the approved budgets.

#### **4.4 Risk Management**

There is a risk that services will not be delivered within the approved 2012/13 budget resulting in a reduced contribution to reserves, which is unsustainable, as described in paragraph 3.1.

#### **4.5 Equalities, Health And Human Rights – None.**

#### **4.6 Environmental – None.**

## Resources

### 4.7 Financial

4.7.1 The approved budget is to make a surplus of £5.162m. The projected outturn surplus is £3.456m which is a reduction in surplus of £1.706m.

4.7.2 Once the approved transfer of £2m for the pension liability in relation to the transfer of Shetland Towage employees to the Council has been met, the contribution available for allocation to the Reserve Fund will be reduced to £1.456m.

4.7.3 The projected outturn reduction in surplus of £1.706m will result in a reduced contribution to the reserves.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

## **5.0 Conclusions**

5.1 The projected outturn position is a reduction in surplus of £1.706m which will result in a reduced contribution to reserves.

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## List of Appendices

Appendix 1 – Ports & Harbours Operations - Outturn Position for 2012/13

## Background documents:

Approved Budget Report, SIC 9 February 2012

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=3449>

END

**Ports & Harbours Operations****Projected Outturn 2012/13**

Description	Annual Outturn 2011/12  £000	Annual Budget 2012/13  £000	Projected Outturn 2012/13  £000	Budget v Proj. Outturn Variance (Adv)/Pos £000
Ports Management	25	26	25	1
Sullom Voe	(2,363)	(5,781)	(4,090)	(1,692)
Scalloway	103	315	246	69
Other Piers	50	278	363	(85)
Jetties & Spur Booms	0	0	0	0
<b>Total</b>	<b>(2,185)</b>	<b>(5,162)</b>	<b>(3,456)</b>	<b>(1,706)</b>
<b>Payment for Pension Liability</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
<b>Contribution to Reserve Fund</b>	<b>(2,185)</b>	<b>(3,162)</b>	<b>(1,456)</b>	<b>(1,706)</b>

**Explanation of Projected Outturn Variances:****Sullom Voe**

- £2.000m reduction in income relating to lower tanker traffic than anticipated due to a reduction in throughput of Brent crude. This drop is in excess of the figures provided by the terminal operators when the budget was set;
- £0.087m reduction in income relating to less tanker traffic at the end of the year due to early closure of Schiehallion, which was announced after budgets set in February 2012;
- £0.092m overspend in relation to the hire of towage services to cover Tirrick's refit period;
- £0.161m reduction in income from Ship to Ship transfer from traffic going to Norway for cheaper prices;
- £0.127m additional income in 2012/13 from new business with Total;
- £0.281m underspend on running costs of Solan and Bonxie being out of service.

**Scalloway**

- £0.069m increased income relating to additional traffic with increased oil related activity west of Shetland, and increased lease income for the warehouse on the Pier.

### **Other Piers**

- £0.107m overspend on pier maintenance condition surveys;
- £0.023m less fish landing dues in Cullivoe than expected;
- £0.015m increased salmon landing dues in Mid Yell.



**Harbour Board****07 February 2013****Infrastructure Services Quarter 3 Performance Overview****P&H-05-13F****Report Presented by Director of  
Infrastructure Services****Infrastructure Services Department****1.0 Summary**

- 1.1 This report summarises the activity and performance of the Infrastructure Services Department as it pertains to the functional responsibilities of the Harbour Board for the third quarter of 2012/13 against the objectives and actions in the Infrastructure Services Directorate Plan endorsed by the Environment and Transport Committee on 6 June 2012 (Min Ref: 11/12) and the Harbour Board on the 27 June 2012 (Min Ref 18/12)

**2.0 Decisions Required**

- 2.1 Members are requested to discuss the contents of this report and comment on progress against objectives and outcomes to inform activity for the remainder of this financial year and to inform the planning process for the next and future years.

**3.0 Directorate Plan Objectives and Actions**

- 3.1 The Harbour Board endorsed the Infrastructure Services Directorate Plan on 06 June 2012. The Council's Planning and Performance Management Framework and the Council's constitutional arrangements require periodic reporting of activity and performance to functional committees.
- 3.2 The Infrastructure Services Directorate Plan identified 39 Directorate wide objectives. Appendix 1 details the progress made towards these objectives during the third quarter of 2012/13.
- 3.3 The Infrastructure Services Directorate Plan identified 21 service actions for improvement, operational service delivery, budget savings and risk management in a comprehensive action plan for the Ports and Harbours service within the Infrastructure Services Directorate as part

of the service planning process for 2012/13; the overall performance of the Service against these actions is that 86% of actions are currently on track and classified as Green or Amber and 14% are classified as Red and are “off track” as detailed below:

Service	Number of Actions	RAG Rating	Q1	%	Q2	%	Q2	%
Ports and Harbours Service Action Plan	21	Green	14	67%	12	57%	10	48%
		Amber	1	5%	8	38%	8	38%
		Red	6	28%	1	5%	3	14%

- 3.4 This represents a downturn in performance from the previous quarter when 5% were categorised as off track. Details of the 3 actions categorised as RED which pertain to the functional responsibility of the Harbour Board are given in appendix 2. It should be noted that 2 of these actions have been delayed due to Directorate recourses being prioritised at wider objectives and therefore will not be delivered in the timescales originally anticipated.

#### 4.0 Performance Indicators

- 4.1. The Infrastructure Services Directorate Plan included an ongoing commitment to develop performance indicators for both the Directorate and the service action plans. Appendix 3 details both the “corporate health” indicators and service specific indicators for the Directorate.

#### 5.0 Budget

- 5.1. A detailed report on the quarter 3 financial position of the Harbour Account is presented elsewhere on this agenda.

#### 6.0 Implications

##### Strategic

- 6.1. Delivery On Corporate Priorities – Effective Planning and Performance Management are key features of the Councils Improvement Plan and part of the “Organising our Business” priority in the Council’s Improvement Plan.
- 6.2. Community /Stakeholder Issues – None.
- 6.3. Policy And/Or Delegated Authority

The Councils Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;

“Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –

- (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.



(b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”

6.4. Risk Management – Embedding a culture of continuous improvement and customer focus are key aspects of the Council’s improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny.

6.5. Equalities, Health And Human Rights – None.

6.6. Environmental – None.

#### Resources

6.7. Financial – The actions, measures and risk management described in this report have been delivered within existing approved budgets.

6.8. Legal – None.

6.9. Human Resources - None.

6.10. Assets And Property – None.

## **7.0 Conclusion**

7.1. The report demonstrates good progress against the priorities identified in the 2012/13 Infrastructure Services Directorate Plan although it shows a downturn in performance on the previous quarter, this is a result of Directorate recourses being prioritised at wider objectives and therefore the actions will not be delivered in the timescales originally anticipated.

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29 January 2013

#### List of Appendices

Appendix 1 – Directorate Objectives

Appendix 2 - Off Target Actions and Corrective Action

Appendix 3 - Monthly Performance Indicator Results (where available)

## **Appendix 1 Infrastructure Services Directorate Plan Objectives**

Customer relations:	Target	Progress
<ul style="list-style-type: none"> <li>We will improve our customer relationships by reviewing our existing customer intelligence and feedback processes and develop user friendly feedback forms/methods. Executive Managers will evidence how we have acted on the feedback to improve our services so we can implement service improvements.</li> </ul>	Ongoing	Building and Transport Operations have implemented an electronic customer feedback on all works carried and completed.
Other partners:		
<ul style="list-style-type: none"> <li>We will improve our relationship with Community Councils and other partners by engaging in face to face dialogue about Infrastructure Services in particular and rest of the Council in general. We will be clear about our roles and what we can and can't do. We will respond positively to invitations to meetings/site visits or other opportunities. We will identify issues early to engage before a problem arises. We will ensure issues identified are passed on the next working day and response provided before their next scheduled meeting keeping the informer in the loop.</li> </ul>	Ongoing	<p>Infrastructure Services staff attended 14 consultation events in June / July 2012 as part of Infrastructure Services Review consultation. Staff have also attended Community Council meetings when requested.</p> <p>A comprehensive community and stakeholder consultation exercise was undertaken in November as part of the Inter Island Ferries Review</p>
<ul style="list-style-type: none"> <li>We will prepare an engaging programme of induction for the new Councillors.</li> </ul>	May 2012	Infrastructure Services management team undertook a number of sessions during the members induction fortnight.
<ul style="list-style-type: none"> <li>We will commit to offer Members opportunities for ward walks to build relationships and understanding.</li> </ul>	Ongoing	<p>Several Members attended ferry Review consultation events. Invitation issued to Chair and Vice Chair of Environment and Transport Committee to visit ships and office.</p> <p>Joint Member/Officer consultations undertaken as part of the interisland Ferries Review</p> <p>Infrastructure services represented at members seminars as appropriate.</p>
<ul style="list-style-type: none"> <li>We will involve Committee Chairs in regular meetings with the Director and Executive Managers.</li> </ul>	Ongoing	Chair and Vice Chair of Environment and Transport are involved in the ferries review project

		board and also involved in the early stages of the development of a prioritisation system for road improvements. Chair and Vice Chair involved in the overall Infrastructure review programme, Chair involved in the development of the Infrastructure medium term budget process.
<ul style="list-style-type: none"> <li>We will discuss Member concerns 'Face to Face' rather than emails where possible.</li> </ul>	Ongoing	<p>A number of meetings have taken place with members on ward specific matters involving Director and Executive Managers</p> <p>Member's seminars held for Inter Island Ferries Review and MTFP Directorate Budget.</p>
BV2:		
<ul style="list-style-type: none"> <li>We will evaluate our services using 'How Good is Your Council?' or other industry standards in preparation for BV2.</li> </ul>	December 2012	Building Services, Roads, waste management and cleansing services are compiling APSE performance benchmark data which will compare our performance against that of other Scottish Local Authorities. Other services are also looking at benchmarking data. Data has been received and will be reported to Environment and Transport and Audit and Standards Committee.
<ul style="list-style-type: none"> <li>We will use the evaluation to benchmark our services.</li> </ul>	December 2012	As above
Bottom lines:		
<ul style="list-style-type: none"> <li>We will identify the statutory and mandatory baselines for our services 'bottom lines' for service change.</li> </ul>	August 2012	Work is ongoing to identify additional in year savings to bring the Directorate spend in line with available budgets which will involve identifying statutory and mandatory service levels.
<ul style="list-style-type: none"> <li>We will not lose sight of the need to remain compliant and functional in the process.</li> </ul>	Ongoing	Ports and Harbours have recently been audit by the MCA in regards with the operation of VTS and also have recently retained their ISO accreditation following and audit by DNV. Ferry service and towage service DOC audits undertaken and DOC has been renewed.

Savings targets:		
<ul style="list-style-type: none"> <li>We will identify project leads, timelines, project plans, key milestones, and support and governance arrangements for all the reviews Infrastructure are leading.</li> </ul>	April 2012	The Infrastructure review team are coordinating all reviews which are being led by Executive Managers and are ensuring that reviews progress as effectively as possible within the resources available. Street Cleansing, Street Lighting and winter roads maintenance reviews completed. All other reviews to be completed before February 2013
<ul style="list-style-type: none"> <li>We will participate in corporate and other reviews as needed throughout the year; we will have a clear picture of who is involved in what and a feedback mechanism to ensure Infrastructure views are heard.</li> </ul>	Ongoing	Executive Manager - Roads is member of ICT Board and member of Planning Review. Executive Manager Environmental Health and Trading Standards is a member of the Admin Review Team Director is leading the review of the Employee Review and Development Policy
<ul style="list-style-type: none"> <li>We will update DMT monthly on the progress of reviews.</li> </ul>	Monthly	Service Reviews and Budgets are a standing item on the DMT agenda
<ul style="list-style-type: none"> <li>We will keep elected members updated throughout the year via the agreed governance arrangements.</li> </ul>	Ongoing	Quarterly performance and budget reports are submitted to the relevant committees
Supporting staff :		
<ul style="list-style-type: none"> <li>Regular team meetings will be in place in each service where we will be open about all issues including the Council's financial position.</li> </ul>	Ongoing	Team meetings are in place and seminar on the council's budget has been held for the Infrastructure Services wider management team to ensure all managers are aware of the up to date budget position so staff can be appropriately briefed
<ul style="list-style-type: none"> <li>We will develop mechanisms to encourage staff involvement, innovation, staff recognition and communication by actions such as Executive Managers speaking directly to all front line staff at least once a year and ensuring that Team Briefs are enabling two way communication up and down the organisation.</li> </ul>	Ongoing	Director undertakes front line service visits Building Services carrying out a "Lean2" exercise to explore further areas for improvement. Ports Project involves a staff representative and staff working group. The project has also held an away day for staff with another one planned for

		December, overall project put on “hold” due to resourcing difficulties..
<ul style="list-style-type: none"> <li>We will undertake team building involving the team leaders.</li> </ul>	August 2012	Wider Management team meeting held 2 August 2012
Internal relationships:		
<ul style="list-style-type: none"> <li>Executive managers will participate in other meetings such as Corporate Improvement Theme Groups, Corporate Savings Reviews, Strategic Partnerships and Local Service Delivery Groups</li> </ul>	Ongoing	Executive Managers attending improvement theme groups Lead Director for Improvement Areas 5 and 8 and also a member of Area1 improvement group
<ul style="list-style-type: none"> <li>Self Assessment – peer support to be offered across directorate following the Executive Influence event in June 2012.</li> </ul>	Ongoing	To be progressed
<ul style="list-style-type: none"> <li>Member involvement in cyclical meetings, away days, briefings and seminars will be initiated by the Director at least quarterly or more often when significant service issues arise.</li> </ul>	Quarterly	Member Involvement in the Infrastructure Services away day, ferries review and roads prioritisation project and the development of the Directorate budgets to meet the agreed MTFP
<ul style="list-style-type: none"> <li>Department meetings to include Team Leaders at least 6 monthly.</li> </ul>	Bi-Annual	Wider Management team meeting held 2 August 2012
<ul style="list-style-type: none"> <li>Individual Service Review Projects need to consider cross service implications and ensure appropriate consultation with other Executive Managers.</li> </ul>	Ongoing	Workshop Session held with stakeholders including other Exec. Managers on 7 June 2012 for Infrastructure Services Reviews on going dialogue with other services as part of the ferries review project
Balanced budget:		
<ul style="list-style-type: none"> <li>Monthly monitoring and management of directorate budget by DMT</li> </ul>	Monthly	Monthly budget reports presented by Directorate accountant at DMT
<ul style="list-style-type: none"> <li>Quarterly budget reporting to DMT and CMT</li> </ul>	Quarterly	Quarter 3 budget and performance report to CMT and Environment and Transport Committee in February and Harbour Board in February.
<ul style="list-style-type: none"> <li>Budget delivered to balance or below by March 2013</li> </ul>	March 2013	Quarter 3 monitoring has identified a potential £90k overspend which is an improvement on the £481K overspend predicted at Quarter 2. Work is ongoing to identify additional in year savings to

		bring the Directorate spend in line with available budgets
Medium term budget strategy:		
<ul style="list-style-type: none"> <li>DMT to identify what we continue to do across the Directorate by September 2012</li> </ul>	September 2012	Ports project suspended as a result of the need to work on other key priorities such as Ferries review and Directorate budgets for 13/14 and the MTFP
<ul style="list-style-type: none"> <li>Identify budget trends &amp; predictions</li> </ul>	Ongoing	Monthly budget meetings between BRO's and finance.
<ul style="list-style-type: none"> <li>DMT to feed into CMT's formulation of medium term budget through representation on the Financial Improvement Theme group.</li> </ul>	Ongoing	Infrastructure Services has developed and implemented activity costing model for the development of budget for 13/14 and beyond
<ul style="list-style-type: none"> <li>Review twice a year</li> </ul>	Bi-Annual	Initial Members seminar held on 28 November 2012 as part of the 13/14 budget development process.
<ul style="list-style-type: none"> <li>Develop an asset maintenance plan with budget as part of Improvement Theme Group by October 2012.</li> </ul>	October 2012	Completed for Ferry Terminals. Revised budgets implemented; draft building maintenance policy to be issued for comments Q2; objective is to reduce the Council's footprint and the number of offices in operation. Roads Asset management plan aligned with Activity based budgeting which aligns the RAMP to the Council's budget Strategy which aligns resources to the SOA and Community Plan outcomes.
Improved reputation:		
<ul style="list-style-type: none"> <li>Be proactive in contact with members &amp; customers by using the Communication Team and engaging them in the work of our services.</li> </ul>	Ongoing	Communications team actively participating in Infrastructure reviews and working closely with Infrastructure management team on both review and service specific issues.
<ul style="list-style-type: none"> <li>Work to promote our successes</li> </ul>	Ongoing	Success stories passed to communications team where appropriate e.g. Building Services Apprentice won the national apprentice of the

		year award
• DMT will define our public reputation aspirations.	June 2012	Still to be Started
• DMT will, with support from Communication Team identify the gaps between our aspirations and reality.	September 2012	Still to be Started
• DMT will develop and implement a reputation management action plan.	November 2012	Still to be Started
Sound performance management:		
• DMT to develop Infrastructure Performance Indicators that are customer focussed.	June 2012	Ongoing, performance indicators continue to be refined and developed.
• Quarterly reports to Committee & DMT & CMT by Infrastructure Director	Quarterly	Quarter 3 performance report to CMT and Environment and Transport Committee in February and Harbour Board in February
• Make full use of software	Ongoing	Covalent reports for some indicators now being regularly circulated, ongoing development in place
• Executive Managers to develop Service plans and team plans that are customer focussed in terms of outcomes and performance measures.	June 2012	Done and endorsed by Environment and Transport Committee and Harbour Board in June. Template for 13/14 directorate and service plan developed and circulated to all executive managers, draft plans being developed.

**Appendix 2 Off Target Actions And Proposed Corrective Action (Red Indicators in Service Plan)**  
**Quarter 3: October to December 2012 Inclusive**

Operational Service Delivery Actions									
Ref	Outcome for the Customer	Objective	Action	Alignment with Council Action Plan			Targets	Timescales	Reason For Off Target Performance And Corrective Action For Next Quarter
				SOA Ref	IP Ref	BS Ref			
PHS6	Maintain safe berthing facilities	Maintain small craft / tender facility at Balta Sound	Repair facility (PE)	1 (8)				Temporary fix by July 2012  Permanent fix by April 2013	Temporary Fix implemented in August, damaged almost immediately due to weather. Facility removed for the winter, due to the high maintenance cost consideration is being given to permanently removing the facility due to revenue cost pressures.
PHS9	Improved Information Flow	Increase business throughput and improve performance reporting to users of the service.	Research and develop online information and marketing streams (e.g. Twitter, Facebook etc) (EM)	1 (4)	1.4 3.2		Increase use of facilities through the forum of online media.	March 2013	The current level of staff resources mean that this target has slipped. Will be picked up as part of the work of the Business Development Group.



## Savings Reviews / Assessments

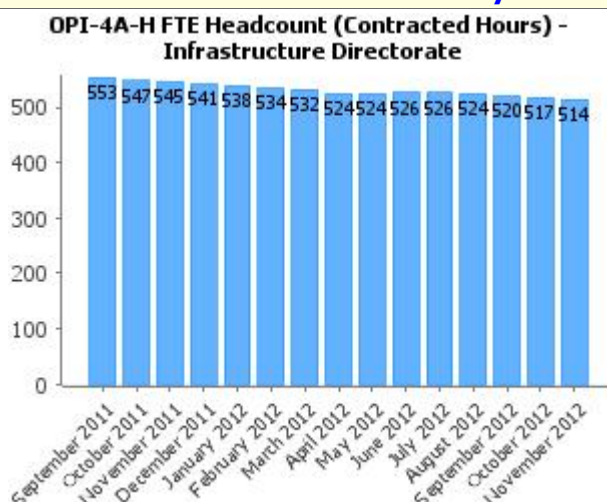
Ref	Outcome for the Customer	Objective	Action	Alignment with Council Action Plan			Targets	Timescales	Reason For Off Target Performance And Corrective Action For Next Quarter
				SOA Ref	IP Ref	BS Ref			
PHE2	<b>Improved service delivery.</b>	Determine best delivery model for Port Operations	Complete review process and instigate findings (EM and Director)	1 (1) 1 (2) 1 (4) 1 (7) 1 (8)			Improve returns to Council and maintain high level of environmental safety.	Complete review by March 2013  Instigate findings by March 2014	Project currently on hold due to resourcing issues at Directorate Level

## **Appendix 3**

### **Infrastructure Services Performance Indicators**

## Full-time equivalents in Infrastructure Services - Contracted Hours only

**November 2012 result**  
514



**Latest Note**

**Short Trend**

Improving



**Service/Directorate**

Infrastructure Services

**3-month Trend**

Improving



**Linked Performance Indicators**

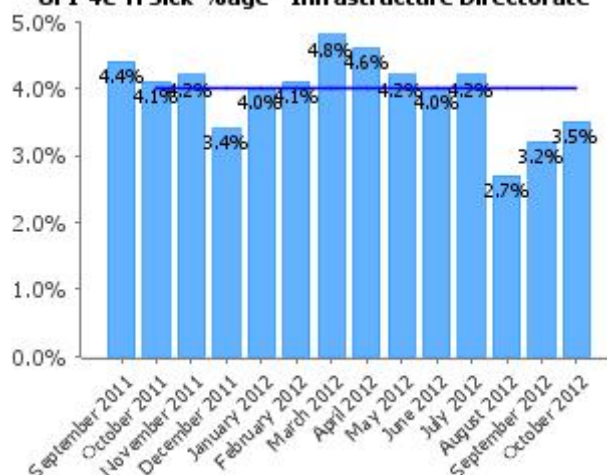
The Number of Full-Time Equivalents - Whole Council - Contracted Hours only	2504
Full-time equivalents in Environmental Health & Trading Standards - Contracted Hours only	17.1
Full-time equivalents in Ferry Operations - Contracted Hours only	148
Full-time equivalents in Infrastructure Services Director's Section - Contracted Hours only	20.4
Full-time equivalents in Harbour Master & Port Operations - Contracted Hours only	97
Full-time equivalents in Roads - Contracted Hours only	87.1
Full-time equivalents in Environment & Transport Operations - Contracted Hours only	145

## Percentage Rate Of Sickness in Directorate - Infrastructure Services

**October 2012 result**



**OPI-4C-H Sick %age - Infrastructure Directorate**



**Latest Note**

**Short Trend**

Getting Worse



**Service/Directorate**

Infrastructure Services

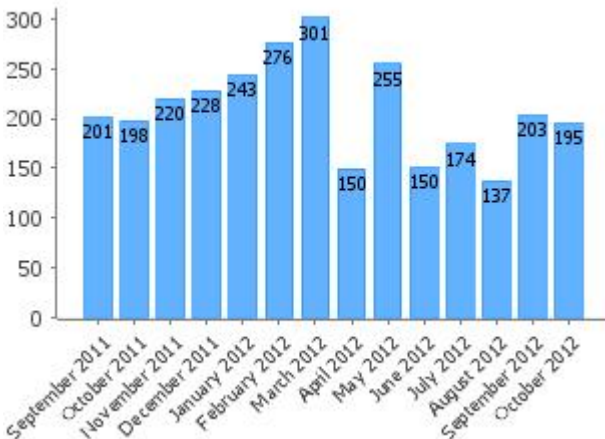
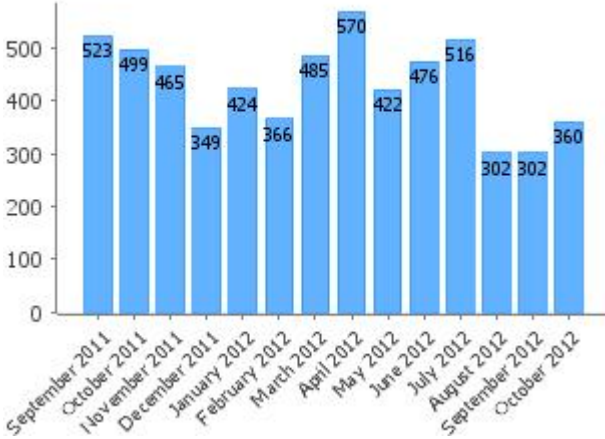
**3-month Trend**

Getting Worse






**Linked Performance Indicators**

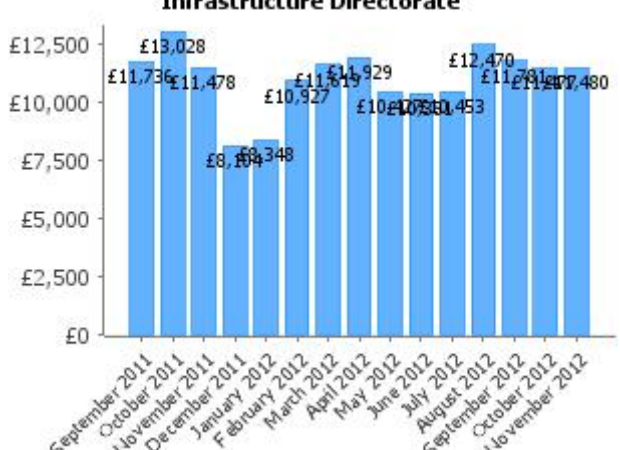
Percentage Rate Of Sickness in Whole Council	3.4%
Percentage Rate Of Sickness in Env Health & TS	1.7%
Percentage Rate Of Sickness in Ferry Operations	1.7%
Percentage Rate Of Sickness in Infrastructure Services Director's (Direct) Section	2.7%
Percentage Rate Of Sickness in Harbour Master & Port Operations	2.0%
Percentage Rate Of Sickness in Roads	6.3%
Percentage Rate Of Sickness in Environment & Transport Operations	4.8%

Days lost due to short-term sickness in Directorate - Infrastructure Services				
<div>October 2012 result</div> <div>195</div>	<div>OPI-4Bs-H Days Sick (Short-term) - Infrastructure Directorate</div> 			
Latest Note		Short Trend	Improving	↑
Service/Directorate	Infrastructure Services	3-month Trend	Getting Worse	↓
Linked Performance Indicators	Days lost due to short-term sickness in Whole Council			923
	Days lost due to short-term sickness in Environmental Health & Trading Standards			8.9
	Days lost due to short-term sickness in Ferry Operations			35.7
	Days lost due to short-term sickness in Infrastructure Services Director Direct Reports			16.4
	Days lost due to short-term sickness in Harbour Master & Port Operations			17
	Days lost due to short-term sickness in Roads			18
	Days lost due to short-term short-term sickness in Environment & Transport Operations			98.8
Days lost due to long-term sickness in Directorate - Infrastructure Services				
<div>October 2012 result</div> <div>360</div>	<div>OPI-4BI-H Days Sick (Long-term) - Infrastructure Directorate</div> 			
Latest Note		Short Trend	Getting Worse	↓
Service/Directorate	Infrastructure Services	3-month Trend	Improving	↑
Linked Performance Indicators	Days lost due to long-term sickness in Whole Council			1741
	Days lost due to long-term sickness in Env Health & TS			0
	Days lost due to long-term sickness in Ferry Operations			41
	Days lost due to long-term sickness in Infrastructure Services Director Direct Reports			0
	Days lost due to long-term sickness in Harbour Master & Port Operations			44
	Days lost due to long-term sickness in Roads Maintenance			157
	Days lost due to long-term long-term sickness in Environment & Transport Operations			118

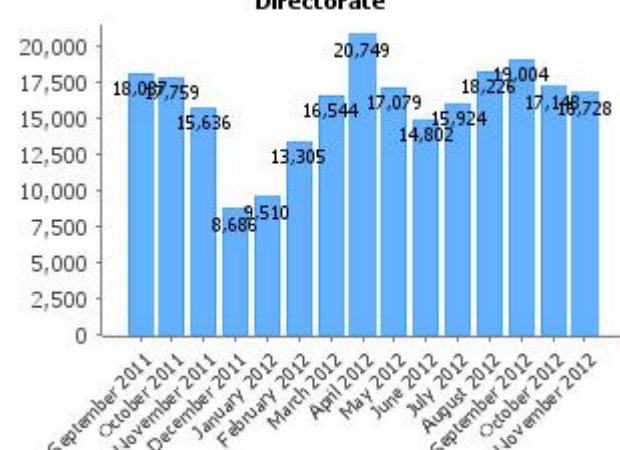
## in Directorate - Infrastructure Services (non-contractual)

<div>November 2012 result</div> <div>£122,663</div>	<div>OPI-4D-H Overtime Cost - Infrastructure Directorate</div> 			
Latest Note		Short Trend	Getting Worse	
Service/Directorate	Infrastructure Services	3-month Trend	Getting Worse	
Linked Performance Indicators	Overtime Cost in Whole Council (non-contractual)		£147,817	
	Overtime Cost in Env Health & TS (non-contractual)		£0	
	Overtime Cost in Ferry Operations (non-contractual)		£39,272	
	Overtime Cost in Infrastructure Services Director's (Direct) Section (non-contractual)		£0	
	Overtime Cost in Harbour Harbour Master & Port Operations (non-contractual)		£24,959	
	Overtime Cost in Roads (non-contractual)		£19,845	
	Overtime Cost in Environment & Transport Operations (non-contractual)		£38,587	
Overtime Hours in Directorate - Infrastructure Services (non-contractual)				
<div>November 2012 result</div> <div>5044</div>	<div>OPI-4E-H Overtime Hours - Infrastructure Directorate</div> 			
Latest Note		Short Trend	Improving	
Service/Directorate	Infrastructure Services	3-month Trend	Getting Worse	
Linked Performance Indicators	Overtime Hours in Whole Council (non-contractual)		6,213	
	Overtime Hours in Env Health & TS (non-contractual)		0	
	Overtime Hours in Ferry Operations (non-contractual)		1779	
	Overtime Hours in Infrastructure Services Director's (Direct) Section (non-contractual)		0	
	Overtime Hours in Harbour Master & Port Operations (non-contractual)		289	
	Overtime Hours in Roads (non-contractual)		947	
	Overtime Hours in Environment & Transport Operations (non-contractual)		2029	

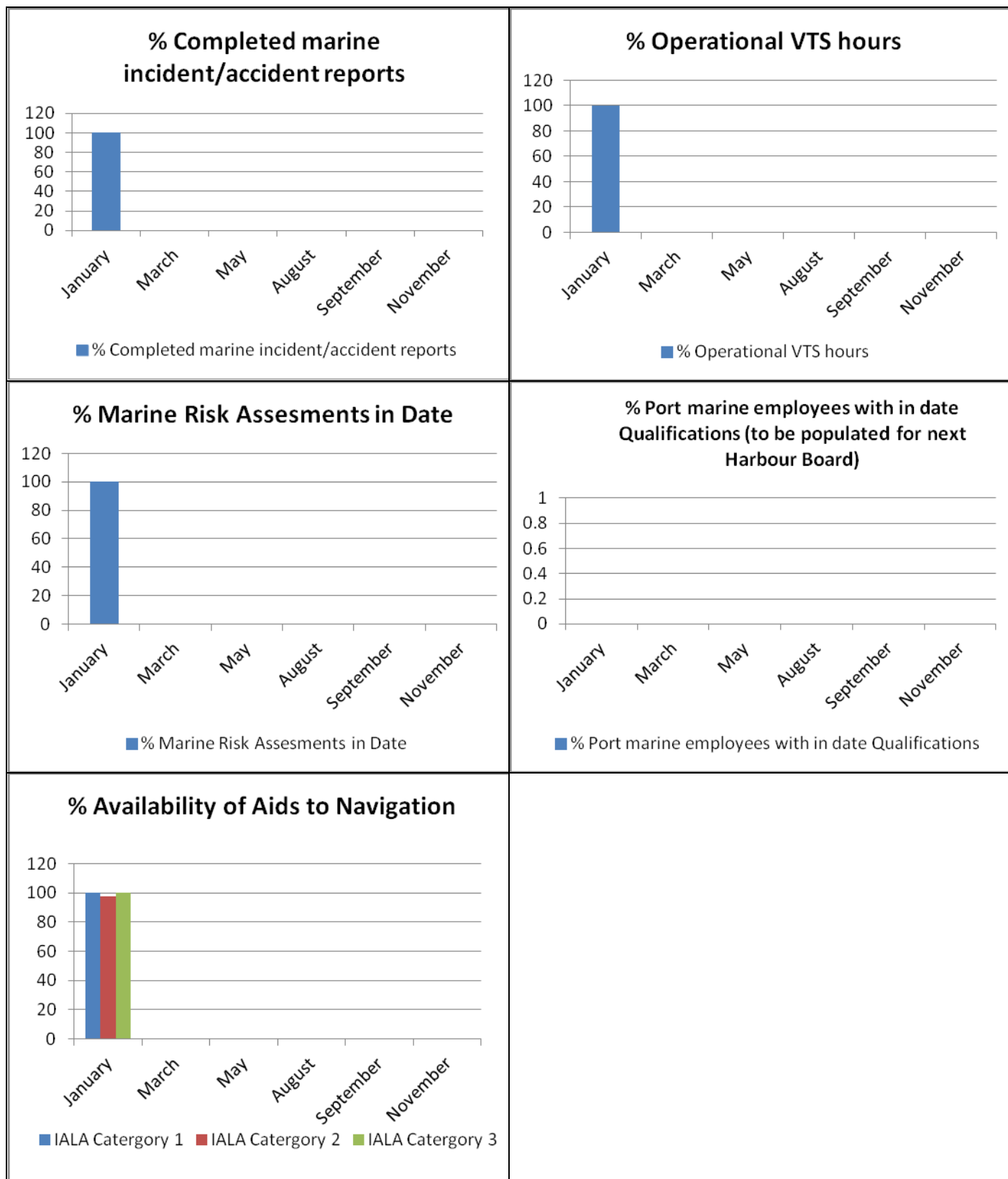
## Employee Mileage/Vehicle Cost in Directorate - Infrastructure Services

<b>November 2012 result</b> £11,480	<b>OPI-4F-H Employee Mileage/Vehicle Cost - Infrastructure Directorate</b> 			
	<b>Latest Note</b>	<b>Short Trend</b>	Getting Worse	↓
<b>Service/Directorate</b>	Infrastructure Services	<b>3-month Trend</b>	Improving	↑
<b>Linked Performance Indicators</b>	Employee Mileage/Vehicle Cost in Whole Council		£79,120	
	Employee Mileage/Vehicle Cost in Env Health & TS		£1,062	
	Employee Mileage/Vehicle Cost in Ferry Operations		£2,335	
	Employee Mileage/Vehicle Cost in Infrastructure Services Director Direct Reports		£68	
	Employee Mileage/Vehicle Cost in Harbour Master & Port Operations		£1,907	
	Employee Mileage/Vehicle Cost in Roads Maintenance		£4,399	
	Employee Mileage/Vehicle Cost in Waste Mgt & Energy		£1,709	
	Employee Miles Claimed in Directorate - Infrastructure Services		16,728	

## Employee Miles Claimed in Directorate - Infrastructure Services

<b>November 2012 result</b> 16,728	<b>OPI-4G-H Employee Miles Claimed - Infrastructure Directorate</b> 			
	<b>Latest Note</b>	<b>Short Trend</b>	Improving	↑
<b>Service/Directorate</b>	Infrastructure Services	<b>3-month Trend</b>	Improving	↑
<b>Linked Performance Indicators</b>	Employee Mileage/Vehicle Cost in Directorate - Infrastructure Services		£11,480	
	Employee Miles Claimed in Whole Council		118,079	
	Employee Miles Claimed in Env Health & TS		1,059	
	Employee Miles Claimed in Ferry Operations		5,624	
	Employee Miles Claimed in Infrastructure Services Director Direct Reports		228	
	Employee Miles Claimed in Harbour Master & Port Operations		2,460	
	Employee Miles Claimed in Roads Maintenance		5,096	
	Employee Miles Claimed in Waste Mgt & Energy		2,261	

## Ports and Harbours Performance Indicators







**Harbour Board****7 February 2013****Pilotage Accounts for Harbour Board:  
2012-13 - Quarter 3 (April – December 2012)****F-001-F****Report Presented by Executive Manager -  
Finance****Corporate Services****1.0 Summary**

- 1.1 The purpose of this report is to enable the Harbour Board to monitor the financial performance of the pilotage services, as requested by Members of the Harbour Board at their meeting on 27 June 2012 (Min Ref 17/12).

**2.0 Decision Required**

- 2.1 That the Harbour Board RESOLVE to review the Pilotage Accounts, from 1 April 2012 – 31 December 2012.

**3.0 Detail**

- 3.1 There is a requirement to prepare accounts relating to pilotage under Section 14 of the Pilotage Act 1987.
- 3.2 The details of what must be included in these accounts is set out in regulations (The Statutory Harbour Undertakings (Pilotage Accounts) (Regulations) 1988, SI 1988/2216).

The accounts must show the details of:

- revenue from pilotage charges and details of the use of pilotage exemption certificates; and
  - total expenditure incurred in providing the service of a pilot, providing, maintaining and operating any pilot boats and administrative or other associated costs.
- 3.3 These accounts must be available for inspection by the public at the harbour authority's offices. Members of the public shall be able to buy a copy for a reasonable fee.

- 3.4 The Council is also under a duty to keep accounts in respect of the “harbour undertaking” in accordance with section 65 of the Zetland County Council Act 1974, (ZCC Act). Pilotage is part of the harbour undertaking and as such should appear in those accounts. Any surplus on the harbour undertaking is credited to the Reserve Fund set up under Section 67 of the ZCC Act.
- 3.5 The Pilotage Accounts for the period 1 April 2012 to 31 December 2012 are attached as Appendix 1.

## **4.0 Implications**

### Strategic

- 4.1 Delivery On Corporate Priorities  
There is a specific objective within the Corporate Improvement Action Plan to ensure that, “the Council has established a rigorous process to ensure that its use of resources is on a footing consistent with implementing and sustaining its financial strategy, and demonstrate that it delivers services in a way which achieves Best Value”.
- 4.2 Community /Stakeholder Issues – None.
- 4.3 Policy And/Or Delegated Authority  
Section 2.1.2(3) of the Council’s Scheme of Administration and Delegations states that the Board may exercise and perform all powers and duties of the Council in relation to any function, matter, service or undertaking delegated to it by the Council; more specifically referred to in paragraph 2.7.
- 4.4 Risk Management – Failure to review the Pilotage Accounts would place the Council in breach of its legal duties.
- 4.5 Equalities, Health And Human Rights – None.
- 4.6 Environmental – None.

### Resources

- 4.7 Financial
- 4.7.1 The Pilotage Accounts for the period 1 April 2012 to 31 December 2012 report a net deficit of £0.574m.
- 4.7.2 The annual budget on the Pilotage Accounts is a net deficit of £0.863m. At the end of quarter 3 the projected outturn on the Pilotage Accounts is a net deficit of £0.916m. This will be an adverse variance of £0.053m due to a reduction in tanker traffic income.
- 4.8 Legal – The Council has statutory obligations to keep separate accounts in respect of the harbour undertaking and also separate pilotage accounts. Section 3(1) of the ZCC Act states that the harbour undertaking means “the harbour undertaking for the time being of the Council authorised by this Act”. This means that the harbour

undertaking must be considered only in terms of what the Council is authorised or duty bound to do under the ZCC Act. Pilotage is part of the harbour undertaking and income and expenditure is accounted for accordingly.

4.9 Human Resources – None.

4.10 Assets And Property – None.

## **5.0 Conclusions**

5.1 This report presents the 2012/13 Quarter 3 Pilotage Accounts to the Board for review.

For further information please contact:  
*Brenda Robb, Management Accountant*  
01595 744690  
[brenda.robbs@shetland.gov.uk](mailto:brenda.robbs@shetland.gov.uk)

### List of Appendices

Appendix 1 – 2012/13 Quarter 3 Pilotage Accounts

### Background documents:

None

END



## 2012/13 Pilotage Accounts - Q3

## F-001 - Appendix 1

	<b>Sullom Voe</b>		<b>Scalloway</b>		<b>Overall Pilotage Account</b>		<b>Overall Pilotage Account</b>	
	Year to Date Budget £	Year to Date Actual £	Year to Date Budget £	Year to Date Actual £	Year to Date Budget £	Year to Date Actual £	Annual Budget £	Projected Annual Outturn £
<b>Charges in respect of :</b>								
Boarding & Landing	(277,943)	(270,384)	(5,250)	(10,127)	(283,193)	(280,511)	(414,616)	(380,535)
Pilotage Services provided as authorised by section 10(1) of the Pilotage Act 1987	(563,519)	(565,055)	(11,250)	(21,846)	(574,769)	(586,901)	(813,329)	(768,717)
Use of PEC issued as authorised by section 10(3) of the Pilotage Act 1987	0	0	0	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>(841,462)</b>	<b>(835,439)</b>	<b>(16,500)</b>	<b>(31,973)</b>	<b>(857,962)</b>	<b>(867,412)</b>	<b>(1,227,945)</b>	<b>(1,149,252)</b>
<b>Employee Costs:</b>								
Boarding & Landing	650,104	620,263	1,574	1,442	651,678	621,705	870,764	832,794
Pilotage	479,860	496,913	14,117	11,416	493,977	508,329	660,201	682,400
<b>Total Employee Costs</b>	<b>1,129,964</b>	<b>1,117,176</b>	<b>15,691</b>	<b>12,858</b>	<b>1,145,655</b>	<b>1,130,034</b>	<b>1,530,965</b>	<b>1,515,194</b>
<b>Supplies &amp; Services</b>								
Boarding & Landing	6,497	4,107	0	0	6,497	4,107	8,662	8,662
Pilotage	4,613	2,515	0	0	4,613	2,515	6,150	6,150
<b>Total Supplies &amp; Services</b>	<b>11,110</b>	<b>6,622</b>	<b>0</b>	<b>0</b>	<b>11,110</b>	<b>6,622</b>	<b>14,812</b>	<b>14,812</b>
<b>Transport &amp; Mobile Plant:</b>								
Boarding & Landing	125,704	100,256	0	0	125,704	100,256	192,604	192,010
Pilotage	9,525	5,141	532	553	10,057	5,694	13,409	9,409
<b>Total Transport &amp; Mobile Plant</b>	<b>135,229</b>	<b>105,397</b>	<b>532</b>	<b>553</b>	<b>135,761</b>	<b>105,950</b>	<b>206,013</b>	<b>201,419</b>
<b>Property &amp; Fixed Plant:</b>								
Boarding & Landing	335	432	0	0	335	432	445	445
Pilotage	0	0	0	0	0	0	0	0
<b>Total Property &amp; Fixed Plant</b>	<b>335</b>	<b>432</b>	<b>0</b>	<b>0</b>	<b>335</b>	<b>432</b>	<b>445</b>	<b>445</b>
Meeting Liabilities under Part III of the Act	0	0	0	0	0	0	0	0
<b>Administration and other costs not included above in respect of pilotage functions:</b>								
Boarding & Landing	163,607	122,726	5,128	3,951	168,735	126,677	224,986	220,037
Pilotage	85,039	71,503	0	0	85,039	71,503	113,384	113,134
<b>Total Admin and Other Costs</b>	<b>248,646</b>	<b>194,229</b>	<b>5,128</b>	<b>3,951</b>	<b>253,774</b>	<b>198,180</b>	<b>338,370</b>	<b>333,171</b>
<b>TOTAL EXPENDITURE</b>	<b>1,525,284</b>	<b>1,423,856</b>	<b>21,351</b>	<b>17,362</b>	<b>1,546,635</b>	<b>1,441,218</b>	<b>2,090,605</b>	<b>2,065,041</b>
<b>(Surplus)/Deficit</b>	<b>683,822</b>	<b>588,417</b>	<b>4,851</b>	<b>(14,611)</b>	<b>688,673</b>	<b>573,806</b>	<b>862,660</b>	<b>915,789</b>



**Harbour Board****7 February 2013****Capital and Revenue Project Progress Report****P&H-01-13F****Team Leader – Port Engineering****Infrastructure Services Department****1.0 Summary**

- 1.1 This report updates the Board on issues pertaining to the projects relating to Ports and Harbours Operations and Appendix 1 provides photographs of project progress for Members information.

**2.0 Decision Required**

- 2.1 The Harbour Board is recommended to:
- 2.1.1 Note the contents of the report and areas of progress made; and
  - 2.1.2 Discuss and highlight any areas of concern.

**3.0 Detail**

Ports and Harbours currently has an interest in the following projects:

**Capital Programme Projects**

- 3.1 Dock Symbister – RCM 2309
- 3.1.1 As previously agreed, no decision will be taken on this project until a decision is reached on the solution to the transport link to Whalsay and possible location of the new Whalsay ferry terminal if required.
  - 3.1.2 Local Consulting Engineers, Arch Henderson and Partners recently visited the Dock, to update previous surveys they had carried out on the structure in recent years.

- 3.1.3 In summary, their report indicates that deterioration of the structure as a whole continues, with the East side of the dock causing the most concern.
- 3.1.4 With regard to the West pier, the report states that it does not show deterioration to the same extent that the East side exhibits, but there is no doubt that the structure is not as stable as it should be.
- 3.1.5 It is evident from the latest survey that a decision on the future of this structure cannot be deferred for much longer.
- 3.1.6 A meeting was held with Shetland Amenity Trust, to discuss options for the future of the dock. The Director of Infrastructure Services will update Members of the Board at the meeting.

### 3.2 Walls – RCM 2316

- 3.2.1 The contractor Frank L Johnston (Shetland) Ltd started work on site on 16<sup>th</sup> April 2012 with an agreed completion date of the end of June 2013. Work is progressing well and the contractor has mobilised all the plant, equipment and materials required to complete the project.
- 3.2.2 The contractor's attention is currently focused on sheet piling work and the erection of the new ferry building. The piling work is making good progress, and the ferry terminal building frame has been block clad, with the roof timber sheeted.
- 3.2.3 The project remains on schedule to be completed within budget and before the agreed completion date.
- 3.2.4 A pier users meeting was arranged by Councillor F. Robertson on 23 January in Walls. The Team Leader – Port Engineering and a representative from the Capital Projects section attended the meeting where a number of issues and concerns were addressed. A verbal update on the outcomes of this meeting will be provided by the Team Leader – Port Engineering at the meeting.

### 3.3 Fetlar Breakwater – GCY 7214

- 3.3.1 The project is now complete and a Completion Certificate was issued to the contractor on 12<sup>th</sup> September 2012.
- 3.3.2 The official opening ceremony took place on 1<sup>st</sup> December 2012.



### 3.4 Skerries South Mouth Dredging – GCY 7215

3.4.1 This is a Development Services transport project, however since it is located within a Harbour Area this project has been included in this report for information to Members.

3.4.2 The contract was awarded to Tulloch Developments Ltd. A start date was agreed with the contractor of 27<sup>th</sup> August 2012 with a contract period of 4 weeks. Unfortunately a suitable weather window was not available within this period so no work other than mobilisation of the contractor's barge in Lerwick has taken place. The contractor has been asked to provide his proposals for the completion of the project and await his response.

### Harbour Account Capital Projects

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

3.5.1 This budget will be used to continue replacing plant and equipment around the Harbour as necessary. Further work to overhaul Pilot Vessel engines is planned for this financial year.

#### 3.6 Navigational Aids – PCM 2104

3.6.1 This budget will be used to continue the upgrade of navigational aids and in particular, the adoption of new LED technology. Incorporation of LED lanterns has already proved to be a complete success, with availability much increased through the dark winter months.

3.6.2 The replacement and fitting of the new LED lights at Gluss is ongoing, and agreement in principle to alter the distance between the lights has been received from the Pilots. The project proposes to remove the two 30 metre towers and football stadium style light arrays on Gluss Isle, and replace them with new LED light arrays on much smaller structures. This will result in savings due to the maintenance required on the existing towers, and also much reduced running costs for the LED arrays. Smaller structures will also provide easier access for maintenance staff, with Health and Safety issues also much reduced. Discussions are ongoing with the Light supplier, to firm up proposals and costs to allow the project to progress.

### Harbour Account Revenue Projects

#### 3.7 Sullom Voe Terminal Maintenance Contract

3.7.1 Malakoff Limited held the Jetty Maintenance Contract, however this Contract has now expired and the process of procuring a new three year contract has begun. A number of expressions of interest were received and at the time of writing this report, technical and financial vetting was almost complete.

3.7.2 The anticipated timescale for the tender process is as follows:

- Issue tender documents – 25 January 2013
- Tender document return – 08 March 2013
- Tender award – 29 March 2013

The Contractor would then have approximately four weeks to mobilise staff and equipment with a start on site around early May.

3.7.3 Close liaison and regular meetings with BP personnel continues, to ensure that work plans are understood and do not conflict.

3.7.4 Particular emphasis is being placed on the Schiehallion shut-down, and where possible, works will be directed on Jetty Three to ensure that future delays and disruption to this Jetty are minimised.

### 3.8 Small Ports – Condition Surveys

3.8.1 A local Civil Engineering Consultant has commenced condition surveys on all small Ports. These will form a baseline to allow maintenance activities for the next five years to be formulated. Results of these surveys are starting to be submitted, and of particular concern is the widespread evidence of Advanced Low Water Corrosion (ALWC), which has manifested itself in the last few years on a number of small Ports. This phenomenon results in particularly aggressive rates of corrosion on steel sheet piled structures, significantly reducing their working lives.

3.8.2 Draft reports have now been reviewed, and final copies will be received in the very near future. It is likely that significant additional resources will be required to address this issue and a detailed asset management plan will be developed and reported to a future meeting of the Board.

## 4.0 Implications

### Strategic

4.1 Delivery On Corporate Priorities – The actions in this report will contribute to the SOA outcomes 1, 3, 13, 14 and 15 in the Council's Action Plan 2012/13 of

“Shetland has sustainable economic growth with good employment opportunities”

“We have financial sustainability & balance across all sectors”

“Our internal and external transport systems are efficient, sustainable, flexible and affordable, meet our individual and business needs and enable us to access amenities and services”

“We live and work in a renowned natural and built environment which is protected and cared for”

“We deliver sustainable services and make decisions, which reduce harmful impacts on the environment “

4.2 Community /Stakeholder Issues – The community and stakeholders of the Ports and Harbours operation have an interest in ensuring that new capital projects are properly monitored and ensuring that they are completed within budget and on schedule.

4.3 Policy And/Or Delegated Authority – The Scheme of Administration and Delegations states that the role and authority of the Harbour Board is:

4.3.1 Strategic oversight and direction in all aspects of the operation of the Council’s harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code;

4.3.2 Act as Duty Holder required by the Port Marine Safety Code and ensure that the necessary management and operational mechanisms are in place to fulfil that function; and

4.4.3 To consider all development proposals and changes of service level within the harbour undertaking, including dues and charges, and make appropriate recommendations to the Council

4.4 Risk Management – Failure to tackle the Advanced Low Water Corrosion where it occurs, will eventually lead to a failure of the structure affected. Failure to address this issue may, over time, also raise the risk of harm to persons or property using the facility. Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council’s financial policies not being adhered to and will require a further draw on Reserves.

4.5 Equalities, Health And Human Rights – None arising from this report.

4.6 Environmental – None arising from this report.

#### Resources

4.7 Financial

4.7.1 It is likely that significant additional resources will be required to address the effects of Advanced Low Water Corrosion. A detailed assessment management plan and programme will be developed and any capital work commencing will be subject to the capital gateway process and the revenue maintenance will need to be met from within approved budgets.

- 4.8 Legal – There are no known legal issues arising from this report. Governance and Law provide advice and assistance on the full range of Council services, duties and functions including those in this report
- 4.9 Human Resources – None arising from this report.
- 4.10 Assets And Property – None arising from this report.

## **5.0 Conclusions**

- 5.1 Projects in this report continue to be monitored in line with Council procedures and guidelines.

For further information please contact:

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*01806 244 264*

*andrew.inkster@shetland.gov.uk*

*28 January 2013*

List of Appendices:

Appendix 1 – Project Progress Photographs.

Background documents:

None.

Capital Project Information available on the Ports and Harbours [website](#)

## **Appendix One – Project Progress Photographs**

### **Walls Pier**



1. View on inner quay face showing completed concrete capping beam.



2. Work continues on outer leg of pier, with pile guides in position and first piles driven.

Appendix one continued.



3. Foundations and frame for Ferry Terminal waiting room.

**Harbour Board****7 February 2013****Harbourmaster's Report****P&H-02-13F****Harbour Master, Ports & Harbours Operations****Infrastructure Services Department****1.0 Summary**

- 1.1 The purpose of this report is to brief and inform the Members and Port Marine Safety Code (PMSC) Duty Holder of the professional concerns and current status as reported by the Harbourmaster.

**2.0 Decision Required**

The Harbour Board is recommended to:

- 2.1 consider the content of this report in its role as Duty Holder, and note that the necessary management and operational mechanisms are in place to fulfill that function.

**3.0 Detail**

- 3.1 Navigational Risk Assessment. The Harbour Board were informed on the 6 September 2012 (Min. Ref. 29/12, report P&H-16-12-F), that ABP Marine Environmental Research Ltd (ABP Mer), a subsidiary of Associated British Ports, had been appointed to undertake a major review and update of the Safety Management System and Formal Risk Assessment.

ABP Mer commenced work on this project in September and have been working with Port Staff to progress the project. In view of the complexity this work has not been finalised, although the navigational risk assessment element was completed in early January. Work is continuing on changes to the Safety Management System.

A number of issues and areas for improvement have been identified. However, this was to be expected given that this was a major review and was the rationale for undertaking the project. A target date of July 2013 has been set for ensuring that these improvements are implemented and the Designated Person's report will monitor progress.



These improvements will be included in the 2013/14 service plan for Ports and Harbours which will be presented at the next meeting of the Board

- 3.2 Designated Person. At the meeting of the Harbour Board on the 6 September 2012 (Min. Ref. 29/12, report P&H-16-12-F) the Board were informed that Captain Trevor Auld had been appointed as the designated person to provide independent assurance directly to the duty holder that the marine safety management system, for which the duty holder is responsible, is working effectively. Captain Auld's report is attached as appendix 1.

No	DPA Comment	Progress/Action Taken	Due Date
1	ABPmer PMSC audits non compliances with current Marine Safety Management Systems	Being addressed and dealt with through update of Safety Management System and 113/14 service planning process.	July 2103
2	Absence of comprehensive training matrix for marine personnel	Matrix being prepared	End of March 2013

- 3.3 Maritime & Coastguard Agency (MCA) audit of VTS. The latest audit was reported to the Harbour Board at previous meetings. Non-conformity No 3 is yet to be closed out. However the MCA is aware of this, however this cannot be closed out until MCA the MCA response is received, discussions with them over how to achieve closure is on-going.

No	Audit comment	Progress / Action Taken	Due date
1	Navigational Risk Assessment	Contractor appointed as above – anticipate completion by due date (see paragraph 3.1)	Dec 2012
2	VTS manning	Port Safety Officer and two pilots now fully trained, remaining four pilots will undertake training as soon as possible – next course available February 2013	Closed
3	VTS annual assessment documentation to prepare	Draft copies with MCA – will need their acceptance to close this item and to date no response has been received	August 2012
4	Vacant post – QA Manager	Deputy Harbourmaster in post and fully trained.	Closed
5	Vacant post – Deputy Harbourmaster	Peter Morgan took up position in July 2012.	Closed

- 3.4 Tug DOC audit. This audit was completed on 9 November. There is one non-conformity open which needs to be closed out by 21 February 2013.

No	Audit comment	Progress / Action Taken	Due date
SVHA 05 / 2012	The Company is responsible for ensuring that adequate resources and shore-based support are provided.	None	21 Feb 2013



- 3.5 Tug SMC audits. The Safety Management Certificate audits on Dunter, Tystie, Tirrick and Shalder were carried out on 18 and 19 December. The same four non-conformities were raised on each vessel per the table below.

No	Audit comment	Progress / Action Taken	Due date
1	Lack of audit schedule	Ferries audit schedule being adapted to suit tugs	March 2013
2	External audit to be carried out	Completed, but schedule also needed as NCN 1 above	March 2013
3	Internal audit to be carried out	A number of P&H staff have recently completed training by Lloyds and audits will be completed in line with new schedule above	March 2013
4	New Chief Executive has not yet signed the Safety & Environmental policy document	To be completed	March 2013

- 3.6 Scalloway Manning. Progress is continuing at looking at working patterns and number of staff required to maintain an adequate level of service at Scalloway. Discussions have taken place with the existing workforce and their input to taking the port forward is invaluable

## 4.0 Implications

### Strategic

- 4.1 Delivery On Corporate Priorities – The actions in this report will contribute to the SOA outcomes 1, 3, 13, 14 and 15 in the Council's Action Plan 2012/13 of

“Shetland has sustainable economic growth with good employment opportunities”

“We have financial sustainability & balance across all sectors”

“Our internal and external transport systems are efficient, sustainable, flexible and affordable, meet our individual and business needs and enable us to access amenities and services”

“We live and work in a renowned natural and built environment which is protected and cared for”

“We deliver sustainable services and make decisions, which reduce harmful impacts on the environment “

- 4.2 Community /Stakeholder Issues – Community and stakeholders have a vested interest in ensuring that the port operation is managed and operated safely and in accordance with legislation and industry best practice.

- 4.3 Policy And/Or Delegated Authority – The Scheme of Administration and Delegations states that the role and authority of the Harbour Board is:
- 4.7.1 Strategic oversight and direction in all aspects of the operation of the Council's harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code;
  - 4.7.2 Act as Duty Holder required by the Port Marine Safety Code and ensure that the necessary management and operational mechanisms are in place to fulfil that function; and
  - 4.7.3 To consider all development proposals and changes of service level within the harbour undertaking, including dues and charges, and make appropriate recommendations to the Council
- 4.4 Risk Management – Failure to comply with the requirements of the PMSC could lead to regulatory action.
- 4.4 Equalities, Health And Human Rights – None.
- 4.5 Environmental – The safe operation of the harbour by appropriately trained and competent staff is essential to the protection of Shetlands marine environment. Sullom Voe is designated by the European Commission as a Special Area of Conservation (SAC)

#### Resources

- 4.6 Financial – There are no direct financial implications to this report.
- 4.7 Legal – None.
- 4.8 Human Resources – None.
- 4.9 Assets And Property – None.

### **5.0 Conclusion**

- 5.1 This report is an update of current issues in the operation of Ports and Harbours within Shetland.

For further information please contact:  
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[colin.reeves@shetland.gov.uk](mailto:colin.reeves@shetland.gov.uk)  
28 January 2013

#### List of Appendices

Appendix 1 Designated Person Report – Captain Trevor Auld

#### Background documents:

None

## Designated Person Report – 7 February 2013

This Designated Person report is provided as an independent view on Shetland Islands Council (SIC) performance against the requirements and standards under the Port Marine Safety Code (PMS). The report is submitted to the SIC Harbour Board, and copied to the Harbour Master for information.

### Introduction

Since my report to the Harbour Board meeting of 22 November 2012 I have maintained a regular dialogue on marine matters with SIC's Harbour Master through an exchange of emails and, if deemed necessary, electronic file transfer. I have also monitored both SIC's website <http://www.shetland.gov.uk> and SIC's ports specific website <http://www.shetland.gov.uk/ports> for items relating to the reported actions, involvement and decisions taken by the Harbour Board and SIC's appointed officers. Prior to writing this report I had a telephone conversation with SIC's Harbour Master in which we discussed a range of issues against a questionnaire of an agreed format. For this report to the Harbour Board and for all future reports, my report will follow the structure of the questionnaire. This structure is split into three elements, namely: monitoring measures, assessing measures and effectiveness of the Marine Safety Management System.

As Designated Person my role is to provide independent assurance to the Harbour Board that the marine safety management system, for which the Harbour Board as duty holder is responsible, is working efficiently. My report is, therefore, an overview of what has been taken into account to reach my conclusion and, of necessity, will not cover the range nor contain the level of detail to be found in the Harbour Master's report.

### Monitoring measures:

**Technical Working Group** – Minutes of the meeting held on 15 November 2012 and the agenda for the meeting held on 17 January 2013 demonstrate an ongoing proactive approach to marine safety through the involvement of SIC personnel from different disciplines and port stakeholders in discussion about a wide range of issues relevant to safe navigation and efficient port operation.

**Examination Panel** – Minutes of the meetings held on 25 October 2012 and 6 November 2012 demonstrate that SIC's marine pilots undergo a well structured and challenging assessment by the Harbour Master and peer group to maintain their authorisations to pilot vessels in Sullom Voe and Scalloway.

**Safety Sub-Committee Ports** – Minutes of the meeting held on 17 October 2012 demonstrate the active involvement of marine personnel in port safety. Reference to, and collective discussion, about recent Marine Accident Investigation Branch (MAIB) reports in such meetings is evidence of good practice.

**Incidents and Accidents** – Two separate and unrelated incidents in January 2013 involving the vessels 'Bravo' and 'Thornbury' were reported, investigated and closed out in accordance with the applicable Marine Safety Management System procedure. It was acknowledged by the Harbour Master that the procedure for 'near miss' reporting should be improved.

It was noted that the Harbour Master has updated the MAIB on the current status of his investigation into the collision in December 2011 between Solan and Loch Rannoch. A final report has yet to be concluded.

**Audits** – External audits of Sullom Voe and Scalloway Harbour's Marine Safety Management System and marine risk assessments were completed by ABPmer in December 2012 and copies for evaluation were received by the Harbour Master on 7 January 2013. In consultation with marine department personnel with appropriate levels of responsibility the Harbour Master will aim to complete the review and implement agreed recommendations by 31 July 2013.

**Consultation** – The agenda and minutes of the Harbour Board meeting of 22 November 2012 were posted on the SIC's website in a timely manner. It was noted that some items were deemed exempt from public view.

The early posting of the schedule of meetings and their venues for the Harbour Board for the year 2013 on SIC's website is evidence of good communication with harbour users and demonstrates best practice.

The Harbour Master's attendance at several national and local marine meetings is evidence of SIC's commitment to the active involvement of their officers in meaningful consultation with other ports authorities and port users to further best practice.

**Training** – A comprehensive marine training matrix has yet to be developed therefore it was not possible to monitor the extent of training required, provided or completed. Targeted management training for senior marine officers and pilots is ongoing.

## Assessing measures:

### Key Performance Indicators (KPIs):

- 1 Number of completed marine incident/accident reports for Sullom Voe and Scalloway Harbour reviewed by the Technical Working Group expressed as a percentage of all completed marine incident/accident reports.

Two incidents were reported in January 2013 and both were reviewed at the Technical Working Group meeting held on 17 January 2013.

KPI = 100%

- 2 Number of hours in which Sullom Voe's Traffic Organisation Service (TOS) VTS functioned as a fully operational service expressed as a percentage of the total number of operational hours.

TOS VTS functioned continuously throughout the period November 2012 to January 2013

KPI = 100%

- 3 Number of Marine Risk Assessments for Sullom Voe and Scalloway Harbour exceeding the review date expressed as a percentage of the total number of marine risk assessments.

As a consequence of the Harbour Master's decision to complete the review of ABPmer's audit of Sullom Voe and Scalloway and implement recommendations by 31 July 2013, all current marine risk assessments will remain in force until that date.

KPI = 100%

- 4 Number of port marine employees with time-expired qualifications required for their job role, expressed as a percentage of the total number of employees undertaking port marine activities.

In discussion with the Harbour Master it was recognised that, as written, the key performance indicator for an ideal situation will be 0%. To be consistent with the other KPI's it was agreed that the key performance indicator should be rewritten as 'Number of port marine employees with in date qualifications required for their job role, expressed as a percentage of the total number of employees undertaking port marine activities and requiring job specific qualifications'.

Without a comprehensive training matrix it is not possible to determine this KPI with any degree of accuracy. It is believed that all job specific qualifications are in date but some doubt exists about compliance with the Maritime and Coastguard Agency's (MCA) requirements for the annual review of VTS officers' log books. Until the training matrix is complete and clear guidance on the MCA requirements is secured, this KPI will not be used.

- 5 Availability of Aids to Navigation (in three classification bands) expressed as a percentage of total availability over a three year period (16-Jan-10 to 16-Jan-13).

KPI	IALA Category 1	Availability	99.93%
KPI	IALA Category 2	Availability	97.54%
KPI	IALA Category 3	Availability	100.00%

## Effectiveness of the Marine Safety Management Systems

The monitoring and assessing measures described above provide assurance that the ports and harbours of Sullom Voe and Scalloway are functioning safely and efficiently. However, there are two issues that prevent me from giving an assurance to the Harbour Board about the effectiveness of the current Marine Safety Management Systems in ensuring compliance with the PMSC.

First, ABPmer's PMSC audits have identified a number of non-compliances with the current Marine Safety Management Systems which have yet to be reviewed and addressed.

Second, the absence of a comprehensive training matrix for marine personnel means that the competence and qualifications of all parties involved in the management and safety of navigation cannot be easily demonstrated to the minimum national standard (as required in section 3.13 of the PMSC).

Captain Trevor Auld  
Designated Person (PMSC)



**Harbour Board****7 February 2013****Pilot Training****P&H-04-13F****Harbourmaster, Ports & Harbours Operations****Infrastructure Services Department****1.0 Summary**

- 1.1 At the last meeting of the Harbour Board (minute 34/12) members requested that Officers bring forward a report on Pilot training with a comparison of training facilities and costs in Rotterdam and Scalloway.

**2.0 Decision Required**

- 2.1 The Harbour Board is recommended to note the training of the six Marine Pilots in Rotterdam on a two yearly cycle on the basis of due diligence and international recognition, also using the Scalloway facility as appropriate.

**3.0 Background**

- 3.1 Owing to geographic location, Sullom Voe Pilots tend to work in isolation from other ports, this coupled with reducing traffic levels means that there is an identified risk that Pilots will be isolated from current industry best practice. Exposure to Pilots with recent experience of other ports and other traffic types will enhance a potentially insular view of safe operation of a port. Accordingly, any training needs to be both recognised internationally and with input from a number of alternate sources of experience.
- 3.2 In the past, BP have required their tanker Masters attached to Loch Rannoch to also attend the Rotterdam course. BP have contributed to the cost of the course for Sullom Voe Pilots. Whilst it is unlikely that this will happen in the next two years, there is a possibility of future funding if Schiehallion traffic returns to Sullom Voe.
- 3.3 The port operates under the Port Marine Safety Code (PMSC). Paragraph 3.13 of this code states;

“Harbour authorities must assess the fitness and competence of all persons appointed to positions with responsibility for safe

navigation. Achieving port safety is a team operation and people in these roles must be competent and adequately trained.”

- 3.4 In order to comply with the above, adequate training should be effective and compliant with the marine certification requirements of the Standards of Training, Certification & Watchkeeping Convention (STCW) Code.

#### **4.0 Rotterdam Training**

- 4.1 Training is undertaken in conjunction with ex Rotterdam Pilots, used to working with larger ships. As a result, objective exchange of knowledge and experience occurs.
- 4.2 This training is recognised under STCW Section B-V/a. The course is based on the International Maritime Organisation (IMO) Model Courses 7.01 and 1.22 and accredited accordingly.
- 4.3 Rotterdam is a dedicated simulator training centre; the facility offers a 360 degree experience and is much larger and more realistic than the facilities available in Scalloway.
- 4.4 The Rotterdam simulator is operated by an experienced operator with an ex-Pilot observing the delegate's actions throughout. This allows the ex-Pilot to concentrate on scrutinising the delegate throughout the session, without the distraction of having to both operate simulator and monitor Pilot's actions during a simulated exercise.
- 4.5 BP, as owner / operator of Loch Rannoch, determined in 1998 that their Masters and Mates should train with Sullom Voe Pilots at the Rotterdam facility. BP not only approved the Rotterdam simulator, but it forms part of their safety case for the Sullom Voe end of their Schiehallion operation. This requirement is also written into the Sullom Voe Safety Management System (SMSP 2001 / 2005 / 2045). This allows Loch Rannoch to continue to operate when other vessels cannot operate in adverse weather conditions.
- 4.6 Whilst it is accepted that the Loch Rannoch will not be involved in Schiehallion shuttle tanker operations for the next 2 years, it is anticipated that once the new Quad 204 FPSO is on station that shuttle tanker operations will return to Sullom Voe, as such it is essential that we maintain the level of expertise in marine Pilotage that is currently available.
- 4.7 Whilst known as a simulator course, the course offers a considerable “added value” in that it covers a number of other areas such as principles and practicalities of ship handling with the training being given by experienced staff including serving and recent Pilots. This theoretical element is then explained and practiced in the simulator to reinforce the training.

#### **5.0 Scalloway Training**

- 5.1 The Scalloway simulator, whilst an excellent facility was designed for the basic requirements of students undertaking courses leading to their



Certificates of Competency and, accordingly, offers a very good basic simulator course, however this is not purpose designed for large vessel / tanker handling theory such as that required by competent Pilots at Sullom Voe.

- 5.2 Training is undertaken with only other Sullom Voe Pilots and, on occasion, Sullom Voe tugmasters with the usual trainer being an ex-Sullom Voe Pilot. Unlike the training in Rotterdam this training undertaken by Pilots at Scalloway has no regulatory approval and is not an accredited training course. However, the use of the facility by Sullom Voe Pilots is very useful as a refresher and it also allows them to simulate acts of Pilotage into Scalloway as Sullom Voe Pilots not only provide compulsory Pilotage at Sullom Voe, they also provide Pilotage at Scalloway.
- 5.3 Scalloway majors on taking youngsters with no experience up to their first Certificate of Competency. We require Sullom Voe Pilots to be Master Marines who have reached the top of their profession. It is unlikely that Scalloway would be able to recruit a suitably qualified lecturer to provide an accredited course for the limited training that is undertaken here by the Council's Pilots.

## **6.0 Costs**

- 6.1 The costs incurred are simulator time, travel time and costs, and hotel costs (Rotterdam only).

### ***Rotterdam***

Course cost: euro 3280 (approx £2743)

Travel costs to Sumburgh: broadly similar to travel to Scalloway.

Travel costs ex Shetland: approx £300

Hotel / subsistence: euro 180 per night x 4 = £600

**Total = £3643 per Pilot for a 3.5 day course**

### ***Scalloway***

Simulator cost: £190 per hour (usually 2 candidates) = £570 per Pilot

Travel costs: broadly similar to travel to Sumburgh.

**Total = £570 per Pilot for a one day simulator.**

## **7.0 Implications**

### Strategic

- 7.1 Delivery On Corporate Priorities – The actions in this report will contribute to the SOA outcomes 1, 3, 13, 14 and 15 in the Council's Action Plan 2012/13 of

“Shetland has sustainable economic growth with good employment opportunities”

“We have financial sustainability & balance across all sectors”

“Our internal and external transport systems are efficient, sustainable, flexible and affordable, meet our individual and business needs and enable us to access amenities and services”

“We live and work in a renowned natural and built environment which is protected and cared for”

“We deliver sustainable services and make decisions, which reduce harmful impacts on the environment “

7.2 Community /Stakeholder Issues – Community and stakeholders have a vested interest in ensuring that the port operation is managed and operated safely and in accordance with legislation and industry best practice.

7.3 Policy And/Or Delegated Authority – The Scheme of Administration and Delegations states that the role and authority of the Harbour Board is:

7.7.1 Strategic oversight and direction in all aspects of the operation of the Council’s harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code;

7.7.2 Act as Duty Holder required by the Port Marine Safety Code and ensure that the necessary management and operational mechanisms are in place to fulfil that function; and

7.4 Risk Management – Failure to comply with the requirements of the PMSC could lead to regulatory action and disruption to Port operations with the associated risk of reduced income to the Council.

The use of competent and adequately trained staff is a key control measure in managing the risks associated with the berthing and sailing of crude oil tankers from the Port of Sullom Voe.

7.5 Equalities, Health And Human Rights – None.

7.6 Environmental – The safe operation of the harbour by appropriately trained and competent staff is essential to the protection of Shetlands marine environment. Sullom Voe is designated by the European Commission as a Special Area of Conservation (SAC)

## Resources

7.7 Financial – A cost comparison of the two venues used for training of Marine Pilots are shown in section 6 above. Appropriate allowance is made each year in the Harbour Account budget to ensure that appropriate standards of training are maintained within the Port. The cost of training 6 pilots at Rotterdam is £21858 over a rolling two year period. The training budget proposed for 2013/14 is £45,000 and this is sufficient to ensure the required standards are maintained. For both this and other training required to ensure that the appropriate safety and regulatory standards are maintained

7.8 Legal – None.

7.9 Human Resources – None.

7.10 Assets And Property – None.

## **8.0 Conclusions**

8.1 This report demonstrates the value of the training undertaken, in both Rotterdam and Scalloway. It is recommended that this current training regime of using facilities at both Rotterdam and Scalloway is continued to ensure that the Council is complying with the Port and Marine Safety Code requirements that our staff in these roles are competent and adequately trained.

For further information please contact:

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*31 January 2013*

### List of Appendices

None

### Background documents:

None



**Harbour Board****7 February 2013****2013-14 Budget and Charging Proposals  
Harbour Board****F-005-F****Report by Executive Manager Finance****Corporate Services****1.0 Summary**

- 1.1 The purpose of this Report is to enable the Harbour Board to consider the budget proposals for services within the Board's remit, which will in turn contribute towards meeting the overall target set in the Medium Term Financial Plan.

**2.0 Decisions Required**

- 2.1 The Harbour Board is asked to RECOMMEND that the Council resolve to:
- approve the budget proposals and charges for 2013-14 included within this report and set out in detail in the budget activity sheet (Appendix 1) and Tables of Dues for 2013-14 (Appendices 2 and 3).

**3.0 Background**

- 3.1 The Council agreed its Medium Term Financial Plan on 20 September 2012 (min ref: 85/12), which set out an integrated budgeting and reserves strategy for the lifetime of the current Council.
- 3.2 The target for the 2013-14 Harbour Account included in the Medium Term Financial Plan is that the Harbour Account is to breakeven after contributing £2m to the Pension Fund to cover the towage pension liability.
- 3.3 There has been a significant reduction in the throughput of oil at Sullom Voe as a result of the temporary suspension of production at the Schiehallion field. This accounts for approximately 40% of throughput.
- 3.4 The terminal operator still requires a 24 hour, 7 day per week harbour operation to facilitate tanker movements. This means that there is a requirement to continue to incur a high level of fixed cost expenditure to maintain this level of service, but the income has dropped significantly to finance it. Unless there is a significant increase in charges at the Sullom Voe harbour to mitigate the loss of income from Schiehallion

tanker movements, the Harbour Account will run at a loss in 2013-14 which will result in a draw in reserves to meet this shortfall. The Council must be careful not to risk being in a situation where it is subsidising the oil industry.

- 3.5 It should be noted that even with an increase of 30% in the consolidated charge the Council's budgeted income for 2013-14 will be £2.932m lower than in 2012-13.
- 3.6 The approach taken to develop these budget proposals was a zero based methodology, which means that the costs of each service were built up by activity from a zero-base instead of using existing budgets as the base-line; at all times ensuring activities are to be carried out in the most efficient way. Where the service has been subject to a SOFIE (Sussing Out Further Internal Efficiencies) review, the recommendations have been included in the budget proposals where possible. Any SOFIE review savings not included in 2013/14 will be incorporated in future years' budgets.
- 3.7 An exercise was then undertaken to prioritise the activities undertaken by the Council according to how they contribute to the approved outcomes in the Single Outcome Agreement and the Council's desire to run the organisation well.
- 3.8 The results of this detailed budget work have been captured in a detailed budget activity sheet at Appendix 1 – electronic format only.
- 3.9 The proposed charging structure included in the budget proposals for the Harbour Account is attached as Appendices 2 and 3.
- 3.10 The next section of this report summarises the key budgetary changes included in the detailed budget activity sheet.

## 4.0 2013-14 Budget Proposals

### 4.1 Harbour Account

2012-13 Budget £000	2013-14 Proposed Budget Surplus £000	Budgeted Reduction in Surplus £000
(3,396)	(222)	(3,174)

The proposed 2013-14 budget for the Harbour Account identifies a reduction in income £2.932m. Measures have been incorporated to achieve the proposed 2013-14 budget are detailed as follows:

#### Increased/new charges for services

- 30% increase in the consolidated Sullom Voe Port charge (includes harbour, mooring, pilotage and boarding and landing elements) to £1.25 per gross tonne;
- Change to charging for towage to £1.10 per gross tonne;
- Increase in other charges by 3.5% (there are some exceptions);

- Scale C – the new large skip style bin;
- Scale D – Tractors, lorries, machinery and motor cars has been changed to vehicular, lorries, motor cars and trailers;
- Scale D – a new charge for machinery which is not vehicular; and
- Scale F - Ship-to-Ship transfer of oil charges have increased by one pence and the charging structure modified

#### Charges remaining at 2012/13 rates

- Scale A – any vessels, barges and vessels engaged in the Gas Processing Plant project calling at a Council pier or harbour per gross tonne . Tankers and LPG vessels have increased as above;
- Scale B – vessels regularly providing services within a Council harbour (used to have an annual charge but this is now to be a monthly minimum charge, the average value remains the same);
- Scale D - the ad valorem charge for fish and shellfish;
- Scale D – the fuel, gas oil and diesel wharfage charge;
- Scale E – the long term storage charges; and
- Scalloway Pilotage Charges – the rate per gross tonne.

## **5.0 Implications**

### Strategic

- 5.1 Delivery On Corporate Priorities – The budget has been produced bearing in mind the Single Outcome Agreement states that there is to be financial sustainability and balance across all sectors with efficient and responsive public services and a reduced reliance on the public sector.
- 5.2 Community/Stakeholder Issues – The Harbour Users Panel A met on 21 January 2013 to consider the proposed table of dues to be levied at Sullom Voe. Representatives of the Sullom Voe Terminal were surprised by the level of increase to the charges as this was usually at the rate of inflation. They had calculated that there would be an increase of approximately 50-85% for some vessels if these proposed changes are agreed. The representative stressed the importance of future business for the port and any such increases could drive away potential companies and give the wrong impression. It was stated that large investments have been agreed recently to modernise the terminal. The current offshore developments are also very important for Sullom Voe and have to be encouraged. The representative asked if the Reserve Fund could be used to offset losses. The representative agreed to seek feedback from companies and shareholders to provide a written response to the Harbour Board.

The Harbour Users Panel B met on 21 January 2013 to consider the table of dues to be levied at all piers and harbours, there were no comments received about the proposed increases in these dues.

- 5.3 Policy And/Or Delegated Authority – The Harbour Board has delegated authority under section 2.7.3 of the Council's Scheme of Administration and Delegations to consider all development proposals and changes of service level within the harbour undertaking, including dues and

charges, and make appropriate recommendation to the Council. Approval of the revenue budget requires a decision of the Council, in terms of Section 2.1.3 of the Council's Scheme of Delegations.

- 5.4 Risk Management – The main risk for the Harbour Account is the level of throughput is insufficient to generate enough income to meet both revenue and capital expenditure.

The proposed level of increase required to ensure the Harbour Account does not go into deficit may affect the competitiveness of Sullom Voe for future business.

- 5.5 Equalities, Health And Human Rights – There are not Equalities, Health and Human Rights issues arising from this report.

- 5.6 Environmental – The safe operation of the harbour by appropriately trained and competent staff is essential to the protection of Shetland's marine environment. Sullom Voe is designated by the European Commission as a Special Area of Conservation (SAC).

### Resources

- 5.7 Financial – This report presents budget proposals that are consistent with the budget strategy included within the Medium Term Financial Plan. Any decision to recommend changes to the proposals in this report will result in an increased or decreased contribution to reserves, and may result in not meeting the targets in the Medium Term Financial Plan. This will require a formal amendment and be fully quantified in the Board's decision.

- 5.8 Legal – Legally the Council is required to stipulate separate charges for each of the chargeable elements of the consolidated charge. This is set out in Appendix 2 - Table of Dues SV. A separate agreement is in place concerning shipping dues paid by the vessel importing Schiehallion cargo. There is a requirement to publicise any changes to Harbour Dues six weeks before the implementation date of 1 April 2013.

The Harbour Board has delegated authority under section 2.7.2 of the Council's Scheme of Administration and Delegation to act as Duty Holder required by the Port Marine Safety Code and ensure that the necessary management and operation mechanisms are in place to fulfil that function. The Port and Marine Safety Code states at paragraph 4.1 that amongst other things:

for the purposes of the Code, the duty holder should ensure that the harbour authority discharges its responsibilities to:

- Have regard to efficiency, economy and safety of operation as respects the services and facilities provided.
- Take such action that is necessary or desirable for the maintenance, operation, improvement or conservancy of the harbour.



In addition, the duty holder must ensure that enough resources are available to discharge their marine safety obligations and set the level of dues accordingly.

- 5.9 Human Resources – There are no human resource implications directly associated with this report. Should the Council make decisions that have an impact on staff within Ports this would be dealt with in line with Council policies and in particular the Council's Policy on Organisational Restructure.
- 5.10 Assets And Property – A detailed Asset Investment Plan and Programme will be developed during 2013/14 and any capital work will be subject to the capital gateway process and the revenue maintenance will need to be met from within approved budgets.

## **6.0 Conclusions**

- 6.1 There has been a significant reduction in the throughput of oil at Sullom Voe as a result of the temporary suspension of production at the Schiehallion field. This accounts for approximately 40% of throughput.
- 6.2 To maintain the service required by the terminal operator, of 24 hour, 7 day per week harbour operation, has required an increase of 30% in the consolidated charge at the Sullom Voe harbour to mitigate the loss of income. Other charges have been increased by around 3.5% unless they have been fixed at the 2012-13 rates.

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### List of Appendices

Appendix 1 – Ports & Harbours Services Budget Activity Sheet available from the following link:

[www.shetland.gov.uk/about\\_council\\_meetings/documents/F-005Appendix1.xls](http://www.shetland.gov.uk/about_council_meetings/documents/F-005Appendix1.xls)

Appendix 2 – Table of Dues to be levied at Sullom Voe

Appendix 3 - Table of Dues to be levied at All Piers and Harbours

END



**SHETLAND ISLANDS COUNCIL  
TABLE OF DUES TO BE LEVIED AT SULLOM VOE  
FROM 1ST APRIL 2013  
(Harbours Act 1964)**

**"All vessels are expected to be adequately insured prior to entry to, and whilst within, harbour limits. The Harbour Authority reserves the right to refuse entry to uninsured vessels."**

**DEFINITION**

**1. Segregated Ballast Tanker**

- 1.1 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**

**2. Consolidated Charge**

- 2.1 The consolidated charge for segregated ballast tankers entering the Port of Sullom Voe will be £1.25 for segregated ballast tankers and £1.50 for LPG/Other vessels. 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	£1.03
Mooring Charge	applied per visit	£0.04
Pilotage Charge	applied (£0.06 x 2)	£0.12
B & L Charge	applied (£0.03 x 2)	£0.06
Total Consolidated Charge		<u>£1.25</u>

**RATES AND CONDITIONS OF TOWAGE – SULLOM VOE AREA**

- |           |   |       |
|-----------|---|-------|
| <b>3.</b> | Segregated Ballast Tankers/LPG/Other<br>Per Gross tonne per visit | £1.10 |
|-----------|---|-------|

#### **4. Tariff - Towage**

##### **4.1 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.

##### **4.2 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.

##### **4.3 Push Up**

A charge of £940 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.

##### **4.4 Escorting Charges/Shifting from one Jetty to another**

Minimum charge of £2886 for 3 hours and £940 per hour, per tug thereafter.

##### **4.5 Standby Charge**

A charge of £940 per tug per hour or part thereof will be levied if tugs are not used within an hour of order time.

##### **4.6 Fire fighting and Oil Dispersal Duties**

Within the Terminal and approaches will be charged at a minimum of £2886 per 3 hours and £940 per hour per tug thereafter plus cost of fire fighting foam and oil dispersant liquids.

##### **4.7 Late Order Charges**

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

##### **4.8 Bunker Charges**

A bunker surcharge will be charged per tug movement, dependent on fuel costs (rates available on application).

#### 4.9 Other

Charges for towage operations not listed above are charged on a case-by-case basis. Rates available on application at time of hire.

**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) and (3) 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. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross tonne shall be reckoned as one gross tonne.
6. 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.
7. 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.

8. 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 AND THE GAS PROCESSING PLANT

Per gross tonne	Segregated ballast tankers	£1.03
	LPG	£1.23
	Other	£0.84

## **ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR**

Per gross ton	£0.48
Barges - Gross Tonnage by calculation or certificate	£0.48
Passenger vessels/Accommodation Barges – Long Term	£0.08
Rate (minimum 1 month stay – per GT per day)	
Passengers disembarking per person - (tourist traffic/ passenger liners only)	£2.46
Vessels and barges working within the harbour limits in Yell Sound and not passing inward past number 5 buoy will be charged per gross tonne. (Note: vessels transiting Yell Sound are not liable to charges.)	£0.40
Vessels (renewable devices etc) which have no GT assigned	
Up to 40 metres- per 4 day period	£6.21 per metre
Rate for each metre in excess of 40 metres per 4 day period	£4.14 per metre

### Annual Compounded Rates

Movements within the harbour prior to successful application of annual compound rates will be charged at published period rates. Evidence of third party liability insurance may be demanded by the Harbour Authority at any time. The Harbour Authority reserves the right to refuse entry to uninsured vessels.

### Live Fish Carriers

Vessels carrying live fish can apply for an annual compound 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 compound 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	£205.24
16 gt to 100 gt	£410.49
101 gt to 150 gt	£2,052.44
151 gt to 200 gt	£2,868.14
201 gt to 300 gt	£4,104.85
301 gt to 400 gt	£5,473.15
401 gt to 500 gt	£6,841.43

SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR per 4 day period

Up to 70 Metre Cage	£41.14
70 Metre Cage	£41.48
80 Metre Cage	£48.20
90 Metre Cage	£54.25
100 Metre Cage and over	£60.28
MINIMUM CHARGE PER ENTRY AND STAY	£9.32

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

Movements within the harbour prior to successful application of annual compounded rates will be charged at published period rates. Evidence of third party liability insurance may be demanded by the Harbour Authority at any time. The Harbour Authority reserves the right to refuse entry to uninsured vessel.

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	£112.18
b) Exceeding 10m and up to 15m	£82.30
c) Up to 10m	£52.34

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

a) Exceeding 15m overall length	£28.07
b) Exceeding 10m and up to 15m	£20.59
c) Up to 10m	£13.10

For registered fishing vessels and salmon farm tenders

(a) Up to and including 8m overall length	£33.09
(b) In excess of 8m overall length, per metre or part of overall length	£23.36

Vessels regularly providing services within a Council harbour (over 8 metres overall length) - per gross tonne per calendar month or part thereof

£3.10

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 2 calendar months. Such vessels will then be liable for period dues as per Scale A.

## **GOODS DUES**

### **Conditions:**

9. (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 £210.43 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 £39.49

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

1) Per Glass Fibre Bin per annum	£142.35
2) Per Small Metal Bin (1.925m x 1.925m) per annum	£313.90
3) Per Large Metal Bin (1.925m x 2.60m) per annum	£354.05
4) New Style Metal Bin (3.04m x 2.43m) per annum	£558.45

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 (No3 as above) 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 - £84.18 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 £36.31



## SCALE D - RATES ON GOODS

Fresh fish and shellfish - per £1.00 value ad valorem	£0.025
Farmed Fish - per tonne	£8.61
Farmed Shellfish – per tonne	£4.31
Any fish or shellfish landed outwith a Council pier and stored in the Fish market – per £1.00 value ad valorem	£0.025

Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below:

6 month disc	£72.47
12 month disc	£132.21

Vessels as above who land mackerel through Scalloway Fish Market will be eligible to apply for a 6 or 12 month disc as above.

NB This exemption will not apply to fish/shellfish being landed through the Fish Market other than as stated above.

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 £3.30 per box will be levied in lieu of the published dues.

Vehicular Tractors, lorries, plant, motor cars and trailers (any goods which they might be carrying will be charged separately in accordance with the table of dues) - per tonne	£7.72
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Machinery – per tonne	£3.86
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### Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's)	£0.20
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Salmon Feed - per tonne	£1.51
Salmon Nets (from/to cages) per net	£23.29
Ice – per tonne	£1.91
Fuel/Gas Oil/Diesel	£1.85
Live Animals	£0.40
Any other goods not specified above, per tonne	£1.98
Minimum charge on any one item	£8.00

Water Per Tonne	£1.98
Min Charge - Water	£10.35

When water is supplied from the water bollards a minimum charge of £6.58 will apply over a seven day period.

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

Electricity - when electricity is supplied from the power bollards a minimum charge of £6.58 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**

### **Outdoor Storage**

Short Term - per square metre per day £0.20

Long Term (min 120 days) - per square metre per day £0.08

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

### **Warehouse – Indoor Storage, Scalloway**

Short Term – per square meter per day £0.28

Long Term (min 120 days) - per square metre per day £0.09

(NB: Long Term Storage rates for Warehouse will 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 £4.62

Minimum charge £6.59

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 400m<sup>2</sup> 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 - £72.62 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**

10. 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 £357.08

Hire of the Sullom 'A', 'B' or 'C' per hour or part thereof	£126.59
Hire of Sullom Shearwater per hour or part thereof (Subject to availability)	£162.12
Hire of the Marine Travel Lift per hour or part thereof	£139.56
Hire of Fork Lift Truck per hour or part thereof	£41.40

## **SCALE F – MISCELLANEOUS CHARGES**

### **1. Attendance of Officers and Administrative Support**

This charge is levied on all parties responsible for the incident, jointly and severally, when officers of the Harbour Authority attend oil pollution incidents to investigate the cause and / or supervise the clean-up and for any other appropriate recharges

£82.80 per officer per hour or part thereof.

Administrative Support

£36.23 per hour or part thereof.

### **2. Security**

A security / administration surcharge is applicable to all vessels, not belonging to the Authority, that are required to report to the Harbour Authority under ISPS regulations and that are not on annual dues.

£57 per visit

A security / administration surcharge is applicable to all vessels, not belonging to the Authority, that are required to report to the Harbour Authority under ISPS regulations and have paid annual dues.

£57 per year.

### **3. Access**

Gangways - where available and supplied - per day £34.40  
per week £103.19

Personnel access control barriers - where available - per day. £3.45

Long Term Rates available on request.

## **SCALE G – 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 Free of Charge  
(b) Export vessel £0.39

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.

For each STS operation up to three hires of the Harbour Launch will be allowed free of charge, thereafter the full hourly/part thereof hire charge for Harbour Craft will apply.

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	Free of Charge
(b) Export vessel per gross tonne	£0.39
(c) Export vessel will be moved once	Free of Charge

Thereafter the export vessel will attract Ship Dues/Pilotage/Boarding and Landing/departure towage, as published, and any other harbour charges as detailed in the Table of Dues.

3. Hire of craft to transfer hoses and fenders to/from vessels involved in Ship-to-Ship operations:

- (a) Deployment of materials £1055 (includes hire of vessel up to 3 hours).  
Hourly rate of hire thereafter £320
- (b) Retrieval of materials £686 (includes hire of vessel up to 2 hours). Hourly rate of hire thereafter £320.

Note: Above figures do not include hire of any shore cranes.

**SULLOM VOE HARBOUR AREA  
SCHEDULE OF MOORING RATES  
Effective from 1st April 2013**

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

Segregated ballast tankers	£0.04
LPG/Other	£0.05

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	£126.59
At any jetty but not requiring a mooring boat - per hour or part thereof	£58.51

**SULLOM VOE HARBOUR AREA  
SCHEDULE OF PILOTAGE CHARGES  
(PILOTAGE ACT 1987)  
Effective from 1st April 2013**

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:

Segregated ballast tankers - per gross tonne	£0.06
LPG/Other - per gross tonne	£0.08

Minimum charge per act of pilotage	£156.00
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2. A charge of £92.09 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 tonne shall be reckoned as one gross tonne.

**SULLOM VOE HARBOUR AREA  
SCHEDULE OF BOARDING AND LANDING CHARGES  
(PILOTAGE ACT 1987)  
Effective from 1 April 2013**

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

Segregated ballast tankers - per gross tonne	£0.03
LPG/Other - per gross tonne	£0.03

Minimum charge per act of pilotage	£156.00
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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

£357.08

3. When a helicopter is used to board or land the Pilot all charges incurred in respect of aircraft usage, including abortive missions, will be charged to the ship's account. In addition, as a launch is required for safety cover, the normal boarding and landing fee will be charged.
4. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
5. In calculating charges a fraction of a gross tonne shall be reckoned as one gross tonne.
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 Executive Manager / Harbourmaster – 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 2013  
(Harbours Act 1964)**

**"All vessels are expected to be adequately insured prior to entry to, and whilst within, harbour limits. The Harbour Authority reserves the right to refuse entry to uninsured vessels."**

**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) and (3) 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.
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. 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. 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**

Per gross ton

£0.48

Passengers disembarking per person - (tourist traffic/passenger liners only)	£2.46
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#### ANY OTHER VESSEL CALLING AT A COUNCIL PIER OR HARBOUR

Per gross tonne	£0.48
Barges – GrossTonnage by calculation or certificate	£0.48
Passengers disembarking per person - (tourist traffic/passenger liners only)	£2.46
Vessels (renewable devices etc) which have no GT assigned	
Up to 40 metres- per 4 day period	£6.21 per metre
Rate for each metre in excess of 40 metres per 4 day period	£4.14 per metre

#### Annual Compounded Rates

Movements within the harbour prior to successful application of annual compound rates will be charged at published period rates. Evidence of third party liability insurance may be demanded by the Harbour Authority at any time. The Harbour Authority reserves the right to refuse entry to uninsured vessels.

#### Live Fish Carriers

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

#### Fish Feed Ships

Vessels regularly involved in the transport of salmon feed using SIC piers and harbours can apply for an annual compound 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	£205.24
16 gt to 100 gt	£410.49
101 gt to 150 gt	£2,052.44
151 gt to 200 gt	£2,868.14
201 gt to 300 gt	£4,104.85
301 gt to 400 gt	£5,473.15
401 gt to 500 gt	£6,841.43

#### SALMON CAGES LAUNCHED AND FLOATING IN HARBOUR

Per 4 day period

Up to 70 Metre Cage	£41.14
70 Metre Cage	£41.48
80 Metre Cage	£48.20
90 Metre Cage	£54.25
100 Metre Cage and over	£60.28
MINIMUM CHARGE PER ENTRY AND STAY	£9.32



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

Movements within the harbour prior to successful application of annual compounded rates will be charged at published period rates. Evidence of third party liability insurance may be demanded by the Harbour Authority at any time. The Harbour Authority reserves the right to refuse entry to uninsured vessels.

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	£112.18
(b) Exceeding 10m and up to 15m	£82.30
(c) Up to 10m	£52.34

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

(a) Exceeding 15m overall length	£28.07
(b) Exceeding 10m and up to 15m	£20.59
(c) Up to 10m	£13.10

For registered fishing vessels and salmon farm tenders:

(a) Up to and including 8m overall length	£33.09
(b) In excess of 8m overall length, per metre or part of overall length	£23.36

Vessels regularly providing services within a Council harbour (over 8 metres overall length) - per gross ton per calendar month or part thereof £3.10

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 2 calendar months. Such vessels will then be liable for period dues as per Scale A.

## **GOODS DUES**

### **Conditions:**

7. (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 £210.43 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	£39.49
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However, where nets are stored in bins as provided by the Council the following bin rates apply:

1) Per Glass Fibre Bin per annum	£142.35
2) Per Small Metal Bin (1.925m x 1.925m) per annum	£313.90
3) Per Large Metal Bin (1.925m x 2.60m) per annum	£354.05
4) New Style Metal Bin (3.04m x 2.43m) per annum	£558.45

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 (No 3 as above) 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 - £84.18 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	£36.31
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## **SCALE D - RATES ON GOODS**

Fresh fish and shellfish - per £1.00 value ad valorem	£0.025
Farmed Fish - per tonne	£8.61
Farmed Shellfish - per tonne	£4.31
Any fish or shellfish landed outwith a Council pier and stored in the Fish Market - per £1.00 value ad valorem	£0.025

Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below:

6 month disc	£72.47
12 month disc	£132.21

Vessels as above who land mackerel through Scalloway Fish Market will be eligible to apply for a 6 or 12 month disc as above.

NB This exemption will not apply to fish/shellfish being landed through the Fish Market other than as stated above.

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 £3.30 per box will be levied in lieu of the published dues.

Vehicular tractors, lorries, plant, motor cars and trailers (any goods which they might be carrying will be charged separately in accordance with the Table of Dues) - per tonne	£7.72
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Machinery – per tonne	£3.86
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#### Bulk Materials

Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's)	£0.20
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Salmon Feed - per tonne	£1.51
Salmon Nets (from/to cages) per net	£23.29
Ice – per tonne	£1.91
Fuel/Gas Oil/Diesel	£1.85
Live Animals	£0.40
Any other goods not specified above, per tonne	£1.98
Minimum charge on any one item	£8.00

Water Per Tonne	£1.98
Min Charge	£10.35

When water is supplied from the water bollards a minimum charge of £6.58 will apply over a seven day period.

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

Electricity - when electricity is supplied from the power bollards a minimum charge of £6.58 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**

#### **Outdoor Storage**

Short Term - per square metre per day	£0.20
Long Term (min 120 days) - per square metre per day (NB: Long term storage rates only apply on receipt of a written request)	£0.08

#### **Warehouse – Indoor Storage, Scalloway**

Short Term - per square metre per day	£0.28
Long Term (min 120 days) - per square metre per day (NB: Long term storage rates for Warehouse will only apply on receipt of a written request)	£0.09

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	£4.62
Minimum charge	£6.59

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 400m<sup>2</sup> 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 - £72.62 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 (BASED AT SCALLOWAY HARBOUR)**

8. 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	£88.44
Hire of the Scalloway Harbour Launch to assist berthing per hour or part thereof	£168.45
Hire of Fork Lift Truck per hour or part thereof	£41.20
Hire of power washers per hour or part thereof	£18.94
Hire of Sullom Spindrift/Spray/Shoormal (if available) per hour or part thereof	£357.08

#### **SCALE F – MISCELLANEOUS CHARGES**

1. Attendance of Officers and Administrative Support

This charge is levied on all parties responsible for the incident, jointly and severally, when officers of the Harbour Authority attend oil pollution incidents to investigate the cause and / or supervise the clean-up and for any other appropriate recharges	£82.80 per officer per hour or part thereof.
Administrative Support	£36.23 per hour or part thereof.

2. Security

A security / administration surcharge is applicable to all vessels, not belonging to the Authority, that are required to report to the Harbour Authority under ISPS regulations and that are not on annual dues.	£57 per visit
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A security / administration surcharge is applicable to all vessels, not belonging to the Authority, that are required to report to the Harbour Authority under ISPS regulations and have paid annual dues.	£57 per year
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### 3. Access

Gangways - where available and supplied - per day	£34.40
per week	£103.19
Personnel access control barriers - where available - per day.	£3.45
Long Term Rates available on request.	

## SCALLOWAY HARBOUR AREA SCHEDULE OF PILOTAGE CHARGES (PILOTAGE ACT 1987) Effective from 1 April 2013

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	£40.37
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2. Vessels in excess of 300 Gross Tonnage entering Scalloway Harbour shall pay the following charge

Per gross ton	£0.13
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3. A charge of £40.37 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 Executive Manager - Harbourmaster & Port Operations.

**SCALLOWAY HARBOUR AREA  
SCHEDULE OF BOARDING AND LANDING CHARGES  
(PILOTAGE ACT 1987)  
Effective from 1 April 2013**

1. For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee of:  
  
£88.44 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 pilotage charges, a charge shall apply as follows:  
  
For each hour or part thereof £88.44
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.