

**Harbour Board****20 November 2013****Management Accounts for Harbour Board:
2013/14 – Projected Outturn at Quarter 2****F-059-F****Report Presented by Executive Manager -
Finance****Corporate Services****1. 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 will be delivered within the approved budget. The report is on the projected outturn position for the year as at the end of the second quarter for revenue and capital.
- 1.2 The projected outturn position for Ports & Harbours Operations is an increased surplus of £603k on revenue and a projected outturn underspend of £390k on capital.

2. Decision Required

2.1 The Harbour Board is asked to RESOLVE to:

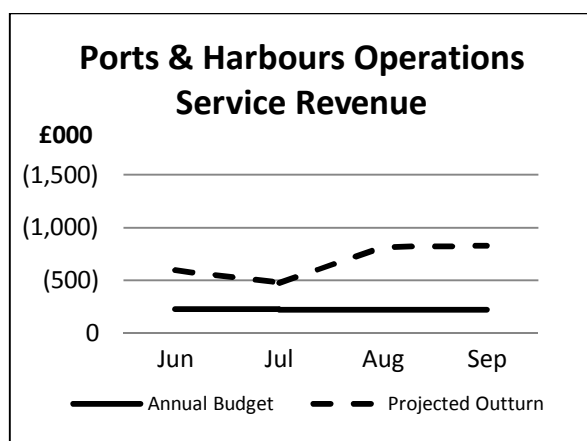
- review the Management Accounts showing the projected outturn position at Quarter 2; and
- instruct the Director of Infrastructure to ensure that the surplus in the approved budget is achieved or exceeded by the end of the year.

3. Detail

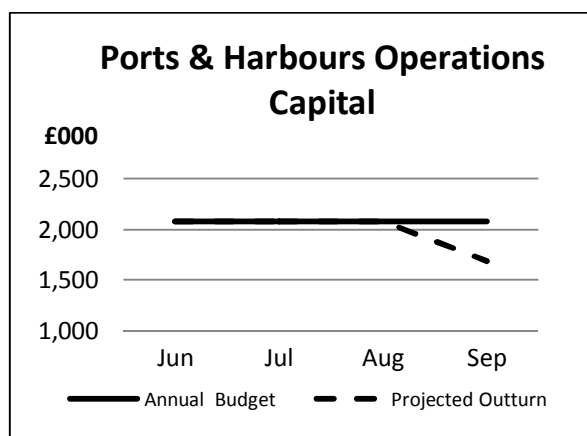
- 3.1 On 20 February 2013 (SIC Min Ref: 9/13) the Council approved the 2013/14 revenue and capital budgets for the Council (including the General Fund, Harbour Account, Housing Revenue Account, Trading Accounts and Spend to Save) requiring a draw from reserves of £27.768m. This is still at an

unsustainably high level and will need to be reduced to ensure that the Council's reserves are not depleted further in the short term.

- 3.2 All charts in this report show a scale range of £1.5m which increases in increments of £500k; therefore they show variances for each service at the same scale, regardless of the size of budget, and the “at a glance” variance position can be compared between charts.
- 3.3 The projected revenue outturn position for Ports & Harbours Operations is an increased surplus of £603k (271%), shown on the following chart, and explained in further detail in Appendix 1 attached:



- 3.4 The projected outturn position on Ports & Harbours Operations' capital project expenditure is an underspend of £390k (19%), as shown on the following chart, and explained in further detail in Appendix 2 attached:



4. Implications

Strategic

4.1 Delivery On Corporate Priorities

There is a specific objective within the Corporate Plan to ensure that the Council is “living within our means” with a range of measures which will enable

the Council to achieve financial sustainability over the next 4 years, and line up spending with priorities and continue to have significant reserves.

The Medium Term Financial Plan also includes a stated objective to achieve financial sustainability over the lifetime of the Council.

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 both revenue and capital budgets for the 2013/14 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 revenue services and capital projects will not be delivered within the approved 2013/14 budget resulting in an additional draw on reserves, which is unsustainable. Failure to deliver the 2013/14 budgets may result in the Council failing to deliver its Corporate Plan and Medium Term Financial Plan.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

4.7.1 At present the Council's level of expenditure is not sustainable and, if left unchecked, will result in reserves continuing to decrease further, eventually becoming fully depleted.

4.7.2 Any instances whereby a budget is overspent, savings targets are not being achieved, or there is growth in a budget, will have a direct impact on the Council's reserves. It is therefore vital to the future economic wellbeing of the Council that its budget is delivered in full with no further growth.

4.7.3 The projected outturn revenue position for Ports & Harbours Operations is an increased surplus of £603k, which is due mainly to additional income relating to the Total Gas Plant and the floatel berthed at Scalloway, and underspends on employee costs due to vacant posts which is partly offset by a reduction in tanker income and ship to ship transfers.

4.7.4 The projected outturn for Ports & Harbours Operations' capital projects is an underspend of £390k, relating to an overspend on the Walls Pier

project resulting from an error in profiling the budget across the years offset by underspending against budget for the new tug modifications.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5. Conclusions

5.1 The projected outturn position for Ports & Harbours Operations is an increased surplus of £603k on revenue and an underspend of £390k on capital project spend.

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List of Appendices

Appendix 1 – Ports & Harbours Operations – Projected Revenue Outturn Position 2013/14

Appendix 2 – Ports & Harbours Operations – Projected Capital Outturn Position 2013/14

Background documents:

[Approved Budget Report, SIC 20 February 2013](#)

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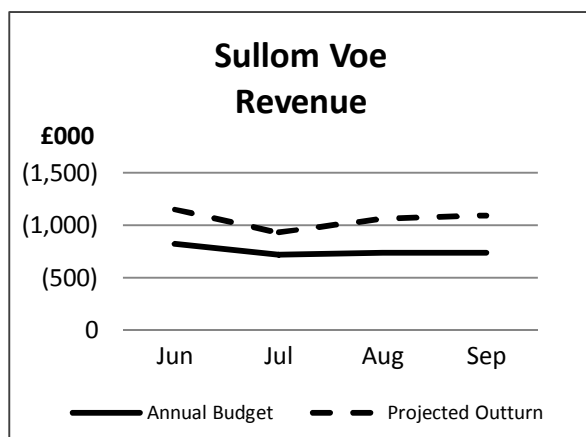
Ports & Harbours Operations

Projected Revenue Outturn Position 2013/14

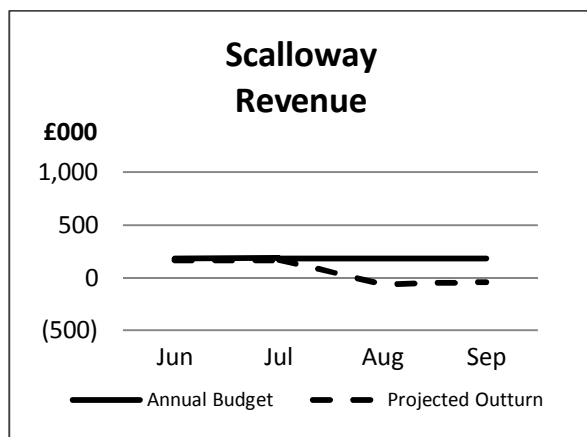
Description	Annual Budget 2013/14 £000	Projected Outturn 2013/14 £000	Budget v Proj. Outturn Variance (Adv)/ Pos £000
Sullom Voe	(818)	(1,172)	354
Scalloway	177	(48)	225
Other Piers	418	395	24
Total Surplus	(222)	(825)	603

Explanation of Projected Revenue Outturn Position:

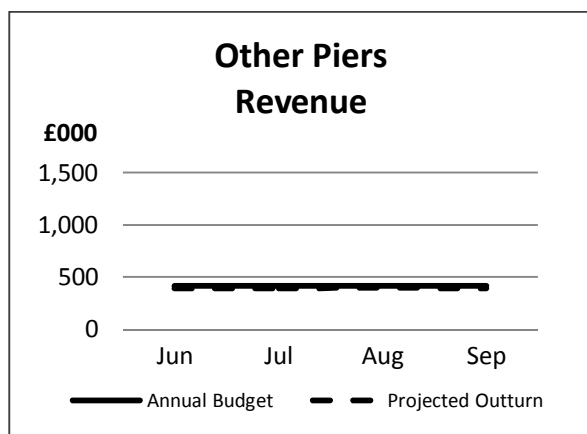
- **Sullom Voe** - £354k (43%) projected increased surplus – relating to additional income from towage work and storage charges for the Total Gas Plant £409k, underspends on employee costs due to vacant posts £106k, and general underspending across the service £304k, partly offset by reduced tanker income (£325k), and less ship to ship transfers than anticipated (£140k).



- **Scalloway** - £225k (127%) projected outturn underspend – relating to additional income for the floatel berthed at Blacksness Pier £260k, partly offset by increased staffing costs (£35k).



- **Other Piers** - £24k (5%) projected outturn underspend – this projection relates to a reduction in employee costs across the service.



Ports & Harbours Operations**Projected Capital Outturn Position 2013/14**

Description	Annual Budget 2013/14 £000	Projected Outturn 2013/14 £000	Budget v Proj. Outturn Variance (Adv)/ Pos £000
Tugs for Sellaness	1,003	500	503
Walls Pier	936	1,069	(133)
Plant, Vehicles & Equipment	70	50	20
Navigational Aids	70	70	0
Total Costs	2,079	1,689	390

Explanation of Projected Capital Outturn Position:

- **Tugs for Sellaness** – £503k (50%) projected outturn underspend. The cost to bring the tugs up to the required standard is anticipated to be approximately £500k.
- **Walls Pier** – £133k (14%) projected outturn overspend – This is due to an error in profiling of the budget across the years, the project is still within the full project budget.
- **Plant, Vehicles & Equipment** - £20k (28%) projected outturn underspend on replacement vehicles/plant.
- **Navigational Aids** – This project is on target.



Harbour Board

20 November 2013

2014-15 Budget and Charging Proposals Harbour Board

F-050-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 ensuring the Harbour Board meets the overall target as set out in the Medium Term Financial Plan.
- 1.2 The summary budget proposals for the services under the remit of the Harbour Board are:

Service	2014-15 Proposed Budget £000
Sullom Voe Harbour	(131)
Scalloway Harbour	(178)
Other Piers	477
Sub-Total Harbour Activity	168
Total Gas Plant contribution	(340)
Ferry Terminal Assets	(2,260)
Overall Total	(2,432)

2.0 Decisions Required

- 2.1 That the Harbour Board RESOLVE to RECOMMEND to Executive Committee and the Council that it:
 - Approves the budget proposals and charges for 2014-15 included within this report and set out in detail in the Ports & Harbours Operations' Budget Activity Sheet attached as Appendix 1 and the Table of Dues for 2014-15 attached as Appendix 2.

3.0 Background

3.1 The Council agreed its Medium Term Financial Plan on 28 August 2013 (min ref 71/13), which sets out an integrated budgeting and reserves strategy for the lifetime of the current Council.

3.2 As part of the budgeting strategy, Ports & Harbours Operations' were provided with a target for 2014-15. This consists of three elements:

- the Harbour Activity target allows for a deficit of £71k, after contributing £2m to the Pension Fund to cover the towage pension liability, in recognition of the current suspension of the Schiehallion throughput which accounts for approximately 40% of the total throughput;
- the Total Gas Plant contribution with a target surplus of £109k, as it is anticipated that a material income stream will not be forthcoming until 2015-16; and
- the transfer of the ferry terminal assets to Ports & Harbours with a new "per berthing fee" charge to Ferry Services for the use of the assets.

3.3 The Target Operating Budget for 2014-15 was set as follows:

Directorate – Infrastructure Services	Original Target 2014-15 £000	Budget Transfers £000	Revised Target 2014-15 (Surplus)/ Deficit £000
Harbour Activity	71	0	71
Total Gas Plant Contribution	(109)	0	(109)
Ferry Terminal Assets	0	(2,260)	(2,260)

3.4 By adhering to these Target Operating Budgets, Members will ensure that the organisation takes a significant step towards achieving a financially sustainable position within the lifetime of the current Council.

3.5 The Harbour Board oversees the following Council services:

- Sullom Voe Harbour
- Scalloway Harbour
- Other Piers
- Total Gas Plant Contribution
- Ferry Terminal Assets

3.6 The approach taken to develop these budget proposals was incremental budgeting using existing budgets as the base-line but ensuring activities are to be carried out in the most efficient way.

3.7 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 2014/15 will be incorporated in future years' budgets.

- 3.8 The results of this detailed budget work have been captured in a Budget Activity Sheet attached as Appendix 1.
- 3.9 The proposed Table of Dues charging structure included in the budget proposals for Ports & Harbours is attached as Appendix 2.
- 3.10 The next section of this report summarises the key budgetary changes included in the detailed Budget Activity Sheet.

4.0 2014-15 Budget Proposals

The following sections describe the proposed budgets for 2014/15 which have been adjusted for service budget transfers.

4.1 Harbour Activity – Proposed Budget - £168k deficit

This deficit is greater than the Target Operating Budget by £97k. The new measures which have been incorporated in the proposed 2014-15 budget are detailed as follows:

- Tanker traffic consolidated charge unchanged but make-up of consolidated charge amended with shipping dues reduced and pilotage and boarding & landing dues increased in order that the Pilotage Accounts of the Council will report a surplus position, as requested by Members;
- All charges outwith Sullom Voe tanker charges increased by 3%;
- New charges for boat hoist at Sellaness.

4.2 Total Gas Plant Contribution – Proposed Budget – (£340k) income

There are no new measures which have been incorporated in the proposed 2014-15 budget;

4.3 Ferry Terminal Assets – Proposed Budget – (£2.260m) net income

- Shore based ferry terminal assets budget transferred to Ports & Harbours with a charge for inter-island ferries introduced on a “per berthing” basis.

5.0 Implications

Strategic

- 5.1 Delivery On Corporate Priorities – The budget has been produced bearing in mind the Corporate Plan which 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 5 November 2013 to consider the proposed table of dues to be levied at Sullom Voe. Representatives of the Sullom Voe Terminal were happy that the charges were not increasing for the next year and stated that this was an important factor in attracting new business.

The Harbour Users Panel B met on 5 November 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 is a matter referred to Executive Committee to provide recommendations to the Council, as set out in Section 2.2.1(6b) of the Council's Scheme of Administration and Delegation.

- 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.

- 5.5 Equalities, Health And Human Rights – None.

- 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 the following budget proposals:

- Harbour Activity – the proposed budget is a £168k deficit which is £97k greater than the Target Operating Budget deficit included in the budget strategy for the Medium Term Financial Plan;
- Total Gas Plant Contribution – the proposed budget for Total Gas Plant contribution is income of £340k which is £231k above the Target Operating Budget;
- Ferry Terminal Assets – the proposed budget is £2.260m net income from terminal costs and berthing charges for Inter Island Ferries.

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. 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 2014.

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 in Ports & Harbours 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 – 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 The proposals in this report present a deficit of £168k on Harbour Activity, a Total Gas Plant contribution of £340k and £2.260m net income in relation to Ferry Terminal Assets.

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List of Appendices

Appendix 1 – Ports & Harbours Operations Budget Activity Sheet

Appendix 2 – Table of Dues 2014/15

END

Ports & Harbours Operations - Budget Activity Sheet
F-050 – Appendix 1

Service	Activity	FTE	Proposed Budget £	Red Amber Green	Proposed Service Level
Sullom Voe	Sullom Voe Harbour	5.00	-4,325,585	A	Tanker traffic consolidated charge amended with shipping dues reduced and pilotage and boarding & landing dues increased; all charges outwith Sullom Voe tanker charges increased by 3%; New charge for boat hoist at Sellaness.
Sullom Voe	Pilotage Operations	6.93	-301,081	A	Tanker traffic consolidated charge amended with shipping dues reduced and pilotage and boarding & landing dues increased;
Sullom Voe	Towage Service	40.83	2,743,510	G	No change
Sullom Voe	Mooring/Pilot Boat Activities	16.00	230,091	A	Tanker traffic consolidated charge amended with shipping dues reduced and pilotage and boarding & landing dues increased;
Sullom Voe	Maintenance – Jetties	3.16	0	A	£1.5m additional work to Jetty 3 in 2014/15 – fully funded by BP
Sullom Voe	Maintenance – Vessels	5.14	464,566	G	No change
Sullom Voe	Maintenance – Buildings	3.59	319,327	G	No change
Sullom Voe	Maintenance – Plant & Vehicles	3.59	242,550	G	No change
Sullom Voe	Maintenance – Other	3.77	453,912	G	No change
Sullom Voe	Sella Ness Kitchen	1.10	26,589	G	No change
Scalloway	Scalloway Harbour	7.63	-141,526	A	All charges increased by 3%
Scalloway	Pilotage Operations	0.07	-36,132	A	Pilotage dues increased
Other Piers	Small Ports	5.63	492,079	A	All charges increased by 3%
Total Gas Plant	Total Gas Plant Contribution	0	-340,431	G	No change
Ferry Terminal Assets	Ferry Terminal Assets	0.54	-2,259,886	A	Ferry Terminal assets transferred to Ports from Ferry Services - new fee for inter-island ferries introduced on a “per berthing” basis

**SHETLAND ISLANDS COUNCIL
TABLE OF DUES TO BE LEVIED AT ALL PORTS AND HARBOURS
SHETLAND ISLANDS COUNCIL PIERS
FROM 1ST APRIL 2014
(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. This charge is made up of the following elements, ship dues, pilotage, mooring and boarding and landing.

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

Shipping Dues	applied per visit	£0.93
Mooring Charge	applied per visit	£0.04
Pilotage Charge	applied (£0.10 x 2)	£0.20
B & L Charge	applied (£0.04 x 2)	£0.08
Total Consolidated Charge		<u>£1.25</u>

RATES AND CONDITIONS OF TOWAGE – SULLOM VOE AREA

- | | | |
|-----------|---|-------|
| 3. | Segregated Ballast Tankers/Other
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

1. Vessels engaged in the provision of services, supply of materials or export of products from the Sullom Voe Terminal and the Gas Processing Plant

Per gross tonne	Segregated ballast tankers	£0.93
	Other	£0.84

2. Any other vessel calling at a Council Pier or Harbour

(a) Per gross ton	£0.49
(b) Barges - Gross Tonnage by calculation or certificate	£0.49
(c) Passenger vessels/Accommodation Barges – Long Term Rate (minimum 1 month stay – per GT per day)	£0.08
(d) Passengers disembarking per person - (tourist traffic/ Passenger liners only)	£2.53
(e) 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 are not liable to charges)	£0.40
(f) Vessels (renewable devices etc) which have no GT assigned – Up to 40 metres – per 4 day period	£6.40 per metre
Rate for each metre in excess of 40 metres per 4 day Period	£4.26 per metre
(g) Minimum charge per entry in stay at any Pier or Harbour	£9.60
(h) All vessels trading regularly on inter –island services per GT per berthing	£0.065

3. Live Fish Carriers

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

4. 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.

5. 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	£211.40
16 gt to 100 gt	£422.80
101 gt to 150 gt	£2,114.01
151 gt to 200 gt	£2,954.18
201 gt to 300 gt	£4,228.00
301 gt to 400 gt	£5,637.34
401 gt to 500 gt	£7,046.67

6. Salmon Cages Launched and Floating in Harbour per 4 day period

Up to 70 Metre Cage	£42.37
70 Metre Cage	£42.72
80 Metre Cage	£49.65

90 Metre Cage	£55.88
100 Metre Cage and over	£62.09

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.

1. Registered fishing vessels

a) Up to and including 8m overall length	£34.08
b) In excess of 8m overall length, per metre or part of overall length	£24.06

2. Vessels regularly providing services within a Council Harbour

(over 8 metres overall length) - per gross tonne per calendar month or part thereof £3.19

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.

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.

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

a) Exceeding 15m overall length	£115.55
b) Exceeding 10m and up to 15m	£84.77
c) Up to 10m	£53.91

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

a) Exceeding 15m overall length	£28.91
b) Exceeding 10m and up to 15m	£21.21
c) Up to 10m	£13.49

GOODS DUES

Conditions:

- (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 £216.74 annually. Where a Council pier or landing place is used, the full tariff is applicable.

SCALE C - RATES ON FISHING GEAR

- 1. **Vessels storing nets on any pier, outwith designated net mending areas**
per net per day £40.67
- 2. **However, where nets are stored in bins as provided by the Council the following bin rates apply:**
 - (a) per Glass Fibre Bin per annum £146.64
 - (b) per Small Metal Bin (1.925m x 1.925m) per annum £323.28
 - (c) per Large Metal Bin (1.925m x 2.60m) per annum £364.68
 - (d) New Style Metal Bins (3.04m x 2.43m) per annum £575.16

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(d) as above) during the period until a bin is available.

- 3. **Charge for the use of designated net mending area where not paying compounded dues or landing dues on that visit -**

£86.71 per net for the first seven days, thereafter the rates for use of hard standing areas will apply
- 4. **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 £37.40

SCALE D - RATES ON GOODS

- | | | |
|----|---|---------|
| 1. | Fresh fish and shellfish - per £1.00 value ad valorem | £0.025 |
| 2. | Farmed Fish - per tonne | £13.91 |
| 3. | Farmed Shellfish – per tonne | £4.44 |
| 4. | Any fish or shellfish landed outwith a Council pier and stored in the Fish market:-
per £1.00 value ad valorem | £0.025 |
| 5. | Fishing vessels less than 15gt engaged in inshore fishing will be required to purchase a Landing Disc for 6 or 12 months as below: | |
| | (a) 6 month disc | £74.64 |
| | (b) 12 month disc | £136.18 |

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.

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|-----|--|-----------------|
| 5. | 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. | |
| 7. | 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 due) per tonne | £7.95 |
| 8. | Machinery – per tonne | £3.98 |
| 9. | Bulk Materials
Aggregates both coarse and fine, fertilisers, boulders and cement/sand - per tonne (bulk includes carriage in flexible intermediate bulk containers - FIBC's) | £0.21 |
| 10. | Salmon Feed - per tonne | £1.56 |
| 11. | Salmon Nets (from/to cages) per net | £23.99 |
| 12. | Ice – per tonne | £1.97 |
| 13. | Fuel/Gas Oil/Diesel – per tonne | £1.91 |
| 14. | Live Animals | £0.41 |
| 15. | Any other goods not specified above , per tonne | £2.04 |
| 16. | Minimum charge on any one item | £8.24 |
| 17. | Water
(a) per tonne
(b) Min Charge - Water | £2.04
£10.66 |
| 18. | Electricity - when electricity is supplied from the power bollards a minimum charge of £6.78 will apply over a seven day period. | |

Where staff are required outwith normal working hours to provide Water or Electricity an additional charge will apply. Rates available on application.

SCALE E - RATES FOR USE OF HARD STANDING AREA

1. Outdoor Storage

- (a) Short Term - per square metre per day £0.21
 - (b) 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)*

2. Warehouse – Indoor Storage, Scalloway

- (a) Short Term – per square metre per day £0.29
 - (b) 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)*

3. Trailers/Containers parked on Harbour property not engaged in loading/discharging of goods (unless a request for long term Storage is received) shall be liable for the following charge:

- (a) per day £4.76
- (b) Minimum charge £6.79

4. Scalloway Harbour – Bulk Cargo Shipments

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

5. Salmon Cages under Construction

- (a) Storage of parts before construction commences – as hard standing rate above.
- (b) Whilst construction takes place - £74.80 per day plus hard standing charge

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

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

6. Craft/Equipment based at Sullom Voe

(a) Hire of the Sullom Spindrift/ Sullom Shoormal/ Sullom Spray per hour or part thereof	£367.80
(b) Hire of the Sullom 'A', 'B' or 'C' per hour or part thereof	£130.39
(c) Hire of Sullom Shearwater per hour or part thereof (Subject to availability)	£130.39
(d) Hire of Fork Lift Truck	£42.44

7. Hire of the Marine Travel Lift

(a) Lifting a boat out of the water and placing on a trailer or onto the set down area including use of equipment and provision of Hoist Driver and banksmen	£475.00
(b) Lifting a boat from a trailer or set down area and lowering into the water including use of equipment and provision of Hoist Driver and banksmen	£475.00
(c) Cancellation charge if lift delayed over one hour	£125.00
(d) Set Down area charge – 180m2 for £36.00/day for days booked	
(e) Over-stay first 7 days – day rate + 50% per day	
(f) Over-stay second 7 days – day rate + 100% per day	
(g) Over-stay after 14 days – day rate + 200% per day	

Hire subject to availability of equipment and staff and acceptance of the Terms and Conditions of Boat hoist Service. These can be found on the Ports website www.shetland.gov.uk/ports/ or by contacting Ports and Harbours Reception at boathoist@shetland.gov.uk

8. Craft/Equipment based at Scalloway

(a) Hire of Scalloway Harbour Launch per hour or part thereof	£91.09
(b) Hire of the Scalloway Harbour Launch to assist berthing per hour or part thereof	£173.50
(c) Hire of Fork Lift Truck per hour or part thereof	£42.44
(d) Hire of power washers per hour or part thereof	£19.51

SCALE F – MISCELLANEOUS CHARGES

1. Attendance of Officers and Administrative Support

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|---|---|
| (a) 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 |
| (b) Administrative Support | £37.32 per hour or part thereof |

2. Security

- | | |
|--|------------------|
| (a) 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. | £59.00 per visit |
| (b) 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. | £59.00 per year |

3. Access

- Gangways - where available and supplied
- | | |
|--|---------|
| (a) per day | £35.43 |
| (b) per week | £106.29 |
| (c) Personnel access control barriers - where available per day. | £3.55 |
- 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/s up to 3 hours). Hourly rate of hire thereafter £320 per vessel.
- (b) Retrieval of materials £686 (includes hire of vessel/s up to 2 hours). Hourly rate of hire thereafter £320 per vessel.

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

**SULLOM VOE HARBOUR AREA
SCHEDULE OF MOORING RATES**

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

- (a) per Gross Tonne £0.04

2. 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.

- (a) At any other jetty - per mooring boat per hour or part thereof £130.39
- (b) At any jetty but not requiring a mooring boat - per hour or part thereof £60.27

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

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:

- (a) per gross tonne £0.10
- (b) Minimum charge per act of pilotage £160.68

2. A charge of £94.85 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)**

1. **For each act of pilotage undertaken every vessel shall pay a boarding fee or a landing fee of:**
 - (a) per gross tonne £0.04
 - (b) Minimum charge per act of pilotage £160.68
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 £367.80
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.

**SCALLOWAY HARBOUR AREA
SCHEDULE OF PILOTAGE CHARGES
(PILOTAGE ACT 1987)**

1. **The following charge is payable for piloting a vessel up to and including 300 GrossTonnes 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

2. **The following charge is payable for piloting a vessel 301 GrossTonnes and over, 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 gross tonne £0.13

3. **A charge of £41.58 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 tonne shall be reckoned as one gross tonne.
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)**

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

£91.09 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	£91.09
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3. An International Tonnage Certificate (1969) shall be produced to the Harbourmaster.
4. In calculating charges a fraction of a gross tonne shall be reckoned as one gross tonne.

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