

PERTH & KINROSS COUNCIL**Enterprise & Infrastructure Committee 18 January 2006****PERTH HARBOUR DEVELOPMENT AND REVIEW OF CHARGES 2006-2008****Report by Head of Economic Development**

This report reviews the current scale of charges and recommends revisions to be implemented from the start of the next fiscal year and also recommends that Perth Harbour initiate a navigation training capability.

RECOMMENDATIONS

It is recommended that the Committee approve:

- 1) the scale of charges in Appendix A for the period 2006-2008
- 2) the expenditure of up to £7,500 for the establishment of an upper River Tay navigation training simulator model which will be eligible for European funding support.

BACKGROUND

1. The Enterprise and Infrastructure Committee approved the Perth Harbour Development Plan 2004-2007 which is part funded by the European Sustaccess Project. This is aimed at increasing the use of the facility by improving navigation, infrastructure and marketing. To date this has involved navigation improvements and selective dredging in the Upper Tay to improve the "tidal window" and the construction of a new quay at the south end of the Harbour. Both of these projects have been completed. A strategic study is currently being undertaken into overall land use in the wider Harbour area which includes investigating the viability of creating a sea/rail interface utilising the disused railway land which lies behind the Harbour and other key sites. The Convenor and Leader of the Administration met the Minister for Transport in June 2005 at Perth Harbour and outlined the proposals which had been made in the plan. Crucial to this is Scottish Executive approval for Competent Harbour Authority status and this is now expected to be attained in February 2006.
2. In the last six months there have been further changes in the companies operating in the Harbour with the departure of Grosvenor Grain and the arrival of Cefetra and this has led to an increase in the amount of animal feed being handled. Danish Softwood has consolidated its Perth operation by leasing an additional warehouse from Grosvenor Grain and this has resulted in a significant increase in the amount of timber being handled. Recent port trading conditions throughout Scotland has remained competitive but the Harbour has retained its share of trade. In addition marketing efforts are ongoing to identify potential customers and to attract new cargoes through Perth Harbour.

3. This report sets out the revised Harbour charges for the next two years in consultation with Harbour users and the Harbour Development Plan in respect of navigation training.

PROPOSAL

HARBOUR CHARGES

4. The rate and operation of charges at Perth Harbour are aimed at maintaining and promoting safe and efficient berthing and navigation facilities. A decision was made in April 2002 that the Schedule of Charges be fixed for a period of 2 years instead of annually as was previously the case. This was to provide operators with more stability, ensure continuing competitiveness and enable them to plan ahead with greater certainty. Harbour users have expressed their satisfaction with this arrangement. It is suggested that a similar approach be adopted for 2006-2008.
5. It is recommended that all rates and duties levied on vessels and commodities be increased by two pence (2p) across the period. This would give an average increase of 2.1% per annum calculated on all sources of income which is in line with inflation. Sundry charges are shown and described in Schedule C. All new rates will apply from 1 April 2006. It is proposed to introduce a new charge to cover the costs of providing towage assistance to vessels over 90 metre however the new towage charge would be dependent on the commissioning of the new vessel in late 2006. Harbour Users have been consulted on the proposals and are in agreement with the proposed revision.

NAVIGATION TRAINING

6. The recent Audit Report on Perth Harbour which was approved by the Committee on 30 November 2005 highlighted the need to continue to modernise navigation training and suggested that we should be investing in a training computer simulator model. Harbour staff have visited a computerised navigation simulator at Aberdeen Harbour and found it to be extremely worthwhile. It is recommended that we invest in a computerised simulator model of the section of the Upper River Tay. The model will incorporate the recently completed side scan sonar survey which was prepared prior to the dredging work being undertaken. This will allow Perth Harbour to expedite the training of new pilots and provide training for staff and for existing pilots to undergo refresher training. It is estimated that expenditure to provide this facility will cost up to £7,500 and will be funded from Harbour revenue and the Sustaccess Project.

CONSULTATION

7. The Chief Executive and Director of Corporate Services have been consulted on this report.

RESOURCE IMPLICATION

8. The proposed increase in charges for 2006/2008 will contribute to Harbour income during the period and the cost of up to £7,500 to provide the pilot

training simulation model will be met from the existing budget and the Sustaccess European Project.

CONCLUSION

9. The upgrading of the Harbour is in line with the Harbour Development Plan 2004-2007 and recent trade figures show that the withdrawal of Daltrade and Grosvenor Grain has been compensated for with the arrival of Cefetra and the expansion of Danish Softwood's activities. The proposed investment in a computer simulation model will ensure the continuing modernisation of the Harbour facilities.

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Date of Report	03 March 2006

NOTE

No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above Report; (list papers concerned)

Schedule A

Rates and Duties Leviable on Vessels at the Port and Harbour of Perth

Item	Charge (per Grosse Tonne)
All vessels to or from all destinations outwith the precincts of the River Tay	26p
All vessels employed in the River Tay carrying goods and entering the precincts of the Port of Perth	21p
All vessels employed in the River Tay only and carrying passengers and their luggage exclusively	23p

Notes:

- a) *It shall be in the option of the Council to charge the above dues on the voyage inwards or outwards at the rates specified*
- b) *All vessels not carrying passengers and arriving in the Harbour in ballast and departing again in ballast shall be liable only for half the above stated dues.*

Port Information

Maximum length of vessels accepted 90 metres – acceptance at sole discretion of Harbour Master.

Ample cranes with safe working loads of up to 40 tonnes are available together with mobile handling equipment suitable for all types of cargoes. Fresh water is available at all berths – stores and fuel can be arranged by the agents. Floodlights are available for night work.

Perth harbour is very convenient for the motorway network to all parts of Scotland and the north of England and is well served by direct rail services and by air services (Dundee Airport – 22 miles).

The Port is owned and operated by Perth and Kinross Council who are also the navigation authority for the River Tay between the Harbour and Balmerino. The Harbour Master arranges for pilots to and from Dundee and provides VHF coverage (working channel is 09).

Schedule B

Rates and Duties Leviable on Commodities at the Port and Harbour of Perth – Imported or Exported

Commodity	Charge (per Tonne)
All animal feed stuffs	54p
Cement	50p
Coal, coke and patent fuels	51p
Corn and cereals	54p
Chemicals	55p
Fertilisers	55p
General Cargo	54p
Metals – iron and steel	54p
Metals – scrap	51p
Marble and granite chips	44p
Ores, crude materials including barytes and road salt	44p
Paper pulp and newsprint	54p
Potatoes, onions and other vegetables	43p
Sand and gravel	32p
Timber and all Forest Products	52p
Timber – Softwood for pulping	48p
Surcharge on all commodities stored on quay before or after shipment – maximum period of 4 days after which charge C8 will apply	05p

Notes:

- a) *All other commodities, goods and articles not specified above, shall be chargeable in proportion to other goods of similar bulk and value.*
- b) *The Tonne designated above is the tonne of 1,000kgs, or, in cases where weight cannot be established, of 40 cubic feet.*