



Perth Harbour

Competent Harbour Authority Removal Order

Briefing pack for consultation

Date: December 2025

Purpose

This note provides an explanation of the reasons for Perth Harbour to remove its Competent Harbour Authorities (CHA); harbour authorities that have been given statutory powers relating to the provision of pilotage in their waters. This briefing covers the reasons for the pilotage function removal order and closure to commercial traffic, details of what users would be adversely affected, and actions that Perth and Kinross Council have taken to keep the port operating, including seeking another owner for the port.

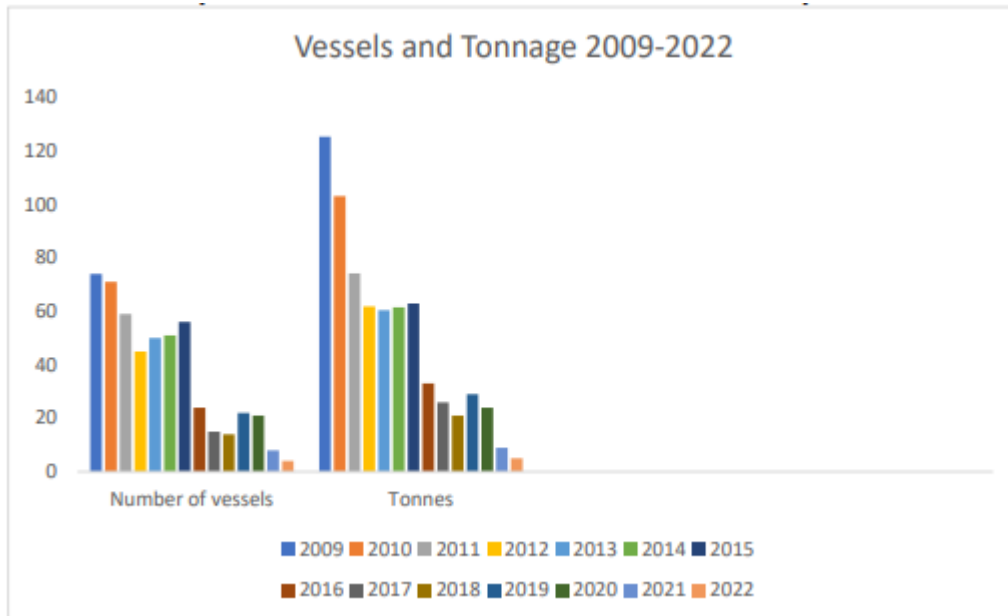
Briefing Information

On 8 February 2023, Perth and Kinross Council considered a report providing an update on Perth Harbour Business Plan and an option appraisal for Perth Harbour future. The report considered by the Council is available at Appendix A. Both 'Business Plan update' and 'Future Options Appraisal' are available at Appendix B and Appendix C respectively. A summary is provided below.

Business Plan Update

The Business Plan update concluded that Perth Harbour was no longer commercially viable with an increasing deficit of £285,000 in 2022/23 which was not sustainable. Costs are increasing and are not matched by increased income, and the potential demand would not be sufficient to increase the level of income needed to reduce the deficit or even break even. **It is important to note that Perth and Kinross Council is incurring significant costs**

even when there are no vessel movements.



There were just 4 movements in 22-23 and 4 in 23-24 and just 2 in 2025.

In addition, Perth Harbour faces structural challenges which will require additional investments as summarised below:

Pilotage – Maintaining pilotage services for commercial traffic remains a key challenge for the current and future operations of Perth Harbour in terms of availability of authorised pilots. It is also important to note that Perth Harbour is dependent on pilotage services provided by Forth Ports (Dundee) as any commercial vessel passing through Dundee waters must use Dundee Harbour pilotage services. This is also increasing costs for shipping agents.

Navigation Channel and dredging – Secure consents and carry out maintenance dredging as and when needed remain a key challenge for the current and future commercial operations of Perth Harbour in terms of costs, navigational risks and commercial proposition. With the River Tay being the largest river by water volume discharge in Great Britain, surveying of the entire channel should be regularly carried out to assess depths of waters along the 22 miles channel and at basin entrance. In addition, nationally significant oil and gas pipelines located on the riverbed cross the navigation channel and have to be safeguarded by any dredging at these locations. Although this could focus on critical locations, an on-going dredging programme would be needed to maintain the commercial channel and reduce natural recurring silting. Recent surveying has indicated that dredging at the basin entrance is necessary and mitigation measures have been put in place to reduce the risks. These have led to increased costs for the harbour which are not recoverable from shipping agents and has made the harbour less commercially attractive as a result of reduced tidal time accessibility and reduced cargo. Dredging costs have been estimated at £60K for basin entrance Phase 1, and £350K to £850K for basin entrance Phase 2, depending on the depth target.

Charges – As part of the Business Plan, it was agreed that the best pricing strategy to adopt was a market-based strategy. This means understanding what the closest competition are charging and the Harbour's position relative to them, with pricing linked to an understanding of the overall cost of bringing ships to Perth. Based on this strategy, the schedule of charges is reviewed annually and is set to keep in line with inflation, but also to maintain a competitive advantage. Importantly, pricing at Perth Harbour is affected by pricing at Dundee Harbour as vessels calling at Perth Harbour have to pay charges when crossing Dundee waters. Maintaining low charges to keep Perth Harbour competitive and compensate for additional charges at Dundee remain a key challenge for the current and future commercial operations of Perth Harbour.

Vessel – The majority of commercial vessels calling at Perth Harbour since 2019 were built in the 1990s, and with an average vessel age of 30 years. As such they are now coming to the end of their service lifespans. However, these types of vessels (cargo vessels under 90m length) continue to be built as demand remains buoyant for small seagoing vessels capable of river navigation. This is due to the need for such vessels to carry cargo along continental European rivers, most notably the Rhine. However, newer vessels focusing primarily on the European river trade may be deeper in draft than can be used in the shallower Perth Harbour waters. Availability of commercial vessels suitable to Perth Harbour waters could be a challenge for current and future commercial operations of Perth Harbour.

Storage – As noted above, the Council's operational footprint to deliver harbour operations is limited to the harbour office, basin, berths and navigation channel. The adjacent land or properties are held in the Perth Common Good Fund, the General Fund or by third parties. Unlike other ports, nearby land or properties do not necessarily support harbour commercial operations. The lack of covered or open storage to be used by existing or potential harbour commercial users is often mentioned as a key current, and future, challenge for Perth Harbour commercial operations. The UK EU exit has also triggered changes in Border Control including for Products of Animal Origins such as fishmeal. A review has been carried out with the regulatory agency (APHA), and new Border Control facilities would have to be put in place. These would require additional inspection facilities and abiding to strict procedures to process cargos at the ports. Although it would be possible to put in place such facilities, the review has highlighted that the layout of existing private storage facilities was not entirely suitable. Sustaining compliance would require on-going monitoring particularly to avoid cross contamination between cargos. This would add costs and complexity to ports commercial operations at the Harbour.

Market – Feedback from current harbour commercial users and recorded interests from potential users indicate that there is some demand, but it is subject to specific individual company circumstances which could rapidly change based on increased competition from other ports. It is worth noting that the number of interested parties is small, namely 2 - Calport Ltd and Glenalmond timber - increasing dependency on a few commercial users. Current restrictions at the basin entrance are making commercial operations less viable, which could be addressed with Phase 1 and Phase 2 dredging. However, the lack of covered or open storage to be used by existing or potential harbour commercial users is often mentioned as a key challenge. The market statistics show that recovery from Covid-19 in dry bulk tonnage is beginning to reach pre-pandemic levels. Analysis of the dry bulk comparison for neighbouring East of Scotland ports - Dundee, Aberdeen and the Forth – indicates that all these major ports have a percentage increase in the volume of dry bulk tonnage and percentage of cargo type.

In addition to these challenges, the economic impact and the environmental impact have also been used to inform the SWOT analysis and risk analysis.

Economic and commercial users' impact – Jobs and Gross Value Added (GVA). A study (Biggar economics 2021) commissioned by Calmac, the previous harbour operator, evaluated the economic impact of Perth Harbour. For the year 2020/21, directly through its own commercial operations and indirectly through its wider business and sector users, the Harbour is estimated to support £3.9 million GVA and 54 jobs throughout Perth and Kinross. Across Scotland, this impact grows to £5.5 million GVA and 74 jobs. This is based on 24 shipments carrying 33 thousand tonnes of cargo. This economic impact of Perth harbour is now much less due to fewer ships and cargos namely £650K GVA and 9 jobs for PK and £910K GVA and 12 jobs for Scotland based on 4 ships and around 6 thousand tonnes. However, as business and sector users have shifted their modes of transport to road, the economic benefits arising from their activities would still be realised for the Perth and Kinross and Scottish economy, regardless of use of the harbour itself. The level of activities has not reduced because users have been able to use roads and other ports. Glenalmond Timber has already shifted their cargoes to Dundee and when needed Calport Ltd has shifted their cargoes to Grangemouth. This economic impact of Perth harbour is now less due to fewer

ships and cargos. However, as business and sector users have shifted their modes of transport to road, the economic benefits arising from their activities would still be realised for the Perth and Kinross and Scottish economy, regardless of use of the harbour itself. The level of activities has not reduced because users have been able to use roads and other ports. PKC have been in contact with users and stakeholders, providing them with regular updates on the harbour order. As regards pilotage and user costs, there are a limited number of pilots available for use in Scotland, and it is highly likely that those previously engaged will be able to work elsewhere. The impact upon the a single user is likely to be minimal given their other options.

Environmental impact - Carbon emissions / Biodiversity & Pollution risk. As an inland harbour, Perth Harbour could contribute to remove road traffic and cut emissions through a more direct central access to arterial routes. Perth Harbour is also well positioned to serve the North and Northwest of Scotland as arterial routes can be accessed directly with a short transit. It is estimated that road haulage would emit 5 times more than maritime shipping over a journey from European ports to Perth Harbour. However, as business users are switching to other Scottish ports (e.g. Dundee, Grangemouth), carbon emission reduction estimates can only be applied to the short distance between Dundee or Grangemouth and Perth, or the end local destination. Carbon emissions would still be realised between European ports and these Scottish ports. The river Tay is a sensitive habitat for fauna and flora and a reserve for biodiversity. The area which is crossed by commercial vessels calling at Perth Harbour has been classified as a Special Conservation Area (SCA), Special Protection Area (SPA), Sites of Special Scientific Interests (SSSI), Ramsar site and local nature reserve. The river hosts the UK's largest continuous reedbed as well as freshwater pearl mussels, one of Scotland's most endangered species with the country hosting two-thirds of the world's remaining population. There are also rare birds. Although Perth harbour commercial operations are strictly controlled in line with PSMC via pilotage and navigational risk assessments, the risk of a commercial vessel grounding and potential subsequent pollution is still present. This could have a very significant negative impact on the river Tay and its fauna and flora, particularly where the oil and gas pipelines are located.

Pilotage Function Removal Order to support - Future Options Appraisal decision

This consultation for the avoidance of doubt is on the Pilotage Function Removal Order. This order has been initiated as a necessary step to execute the council's mandate for closing the port as a commercial operation as we aim to unlock significant opportunities for regeneration.

For the council to reach the position to take the decision of "Closure as a commercial port and regeneration" five main options were identified, and a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis carried out for each. Each option was appraised and scored against the following criteria: Strategic Policy, Legal responsibilities, Finance, Environmental, Land ownership/Estates and Reputation/Stakeholders. Assessment was also informed by the current and future challenges faced by the Harbour. A weighting was then applied to the score to reflect the relatively higher importance of specific criteria. Finally, each option was given a total weighted score.

These options were:

Option 1 – Do Nothing or Do minimal

Option 2 – Dredging and income transfer

Option 3 – Sale or Sale with properties

Option 4 – Joint Venture without or with properties

Option 5 – Closure as a commercial port and regeneration

Option 5 was ranked 1st and agreed as the preferred option by the Council on 8 February 2023. This option would see the cessation of the Council's involvement and obligations to manage the harbour as a commercial port. Further encouragement would be given to other uses including renewable energy production/storage where possible, water-based leisure (sailing, boating, water sports etc) and complementary employment or ancillary uses in the short term prior to medium and long consideration of alternative uses via supplementary guidance and the Local Development Plan review. This would be consistent with Perth City Plan and promoting a better use of the river Tay as a significant biodiversity and recreation resource. It would also link to proposals in the Tay Cities Deal e.g. Tay Adventure (a recreation, tourism and infrastructure investment programme). This Option will require a Pilotage Function Removal Order (to restrict commercial traffic) to be submitted to Scottish Ministers for consideration.

However, and given that the legal process to officially close the harbour to commercial traffic via statutory instruments would take a period of time and would be subject to formal consultation requirements, the Council instructed officers to test the market for interest in a potential long lease opportunity (Option 3 – Sale to third party). If there was such an interest, a further paper could be brought back to the Council for consideration.

Seeking another owner for the port to continue port commercial operations

Informal marketing was undertaken from 8 February 2023 providing information to possible interested parties. The formal marketing process started on 16 May 2023 via Council's commercial agent. Interested parties had access to a data room where relevant information was made available. A closing date was set on 12 June 2023 for expression of interest. 1 expression of interest was received by the deadline from Calport Ltd.

The expression of interest was assessed in line with Statutory Harbour Authority and Competent Harbour Authority requirements, financial standing requirements and commercial requirements. The bidder commercial offering by Calport Ltd included specific conditions which were not included in the particulars issued by the Council making the expression of interest non-compliant. As it was the only offer, an opportunity has been given to Calport Ltd

to make the expression of interest compliant by 30 June 2023. Calport Ltd withdrew some of the conditions and the expression of interest became compliant.

The expression of interest was re-assessed against the requirements as stated in the particulars, and in line with Council's decision a further paper was brought back to the Council for consideration at its meeting on 30 August 2023.

The Council agreed to accept the Calport Ltd's expression of interest, *excluding* the sale of the Fair Maid tugboat at nil value, and instructed the Head of Planning & Development and the Head of Legal & Governance Services to conclude a legal agreement with Calport Ltd on that basis. The Council agreed to ask Calport Ltd for a reply within a week and should Calport Ltd formally advise that it does not wish to enter into a lease that excludes the sale of the Fair Maid at nil value, the Executive Director (Communities) was instructed to seek the approval of the Scottish Ministers for a Pilotage Function Removal order *to close* the Harbour to commercial traffic in line with Option 5 as agreed on 8 February 2023.

A letter was sent to Calport Ltd with a deadline for a reply on 8 September 2023 (midday). A meeting took place with Calport Ltd on 6 September 2023 to discuss the Council's position. Calport Ltd then responded and indicated that as a compromise could not be reached regarding the Fair Maid, they would stand aside from the process unless matters changed, regarding offsetting some of the operating losses. In line with subsidy control requirements, the Council could not provide subsidies to a commercial operator to offset operating losses.

Through engagement with Transport Scotland, PKC also engaged with Scottish Enterprise (SE). SE's analysis of the harbour did not find any case for involvement. SE adopts a non-interventionist approach with Ports generally, which aligns with the policy position of the British Ports Association and the Council. Typically, where any support is provided, it is at a relatively modest proportional level to support key strategic priorities for Scotland. There would be no case to support Perth Harbour without market distortion.

PKC has been actively maintaining its engagement with our designated person. In collaboration with river users, we have established a post commercial closure navigational risk assessment. This assessment not only reduces the risk from the current situation but also brings about a positive alteration to the river channel.

Following an assessment of activities to be conducted in the area on an ongoing basis following the Order entering into force, it has been determined that pilotage is no longer required due to the nature of the vessels then using the area. Our top priority is to ensure compliance with the Port Marine Safety Code. We are also in discussions with all our partners, including the Northern Lighthouse, regarding the safe decommissioning of the relevant Aids to Navigation.

The continued retention of competent harbour authority status and provision of pilotage is currently operating at a loss; as such the removal of the competent harbour authority function and pilotage provision will result in cost savings. Given envisaged ongoing use of the area, additional costs are unlikely to arise following the entry into force of the Order.

In May 2025 the councils Economy and Infrastructure Committee discussed [Report Number 25/130](#) presenting the information and costs on a Harbour Revision Order to remove CHA duties and commercial vessel over 24 meters. This outlines what the CHA duties are to support this consultation. [Competent Harbour Authority \(CHA\)](#)

Conclusion:

Once the liabilities associated with pilotage for commercial operations are removed, the harbour quarter will be able to advance the initiatives outlined in the [Draft Perth City Centre Development and Design Framework.pdf](#). This progress will enhance recreational usage and the realise the associated benefits.

PKC commissioned a Navigation Risk Assessment (NRA) review to identify any hazards that are no longer relevant, those that should be amended, and whether any hazards have been overlooked for operations following the cessation of commercial traffic. The report indicates that there would be a reduced likelihood of serious environmental incidents in the area, which would consequently lessen the need for the current level of surveys conducted to support the existing channel depths for commercial traffic. The primary focus regarding marine risk is on recreational activity at Perth Harbor and the requirements to accommodate future operations.

Taking into account that the market has been tested and that no third party was able to take on the harbour as a commercial concern and that it is not financially viable for Perth and Kinross Council to incur significant financial losses to continue to support commercial traffic at Perth Harbour, we seek the approval of the Scottish Ministers to remove Competent Harbour Authority (Pilotage Function Removal) to close the Harbour to commercial traffic in line with Option 5 as agreed by the Council on 8 February 2023. PKC estimate this could significantly lower the operational cost of the harbour operations.

Contact for further information:

Serge Merone - smerone@pkc.gov.uk

Alan Dobson – adobson@pkc.gov.uk

Appendix:

HRO Appendix A – Perth and Kinross Council Report 8 February 2023

HRO Appendix B – Perth Harbour Business Plan Update

HRO Appendix C – Perth Harbour Future operations Options Appraisal

APPENDIX A

PERTH AND KINROSS COUNCIL

8 February 2023

PERTH HARBOUR BUSINESS PLAN UPDATE AND FUTURE OPTIONS APPRAISAL

Report By Executive Director (Communities)
(Report No. 23/42)

1. PURPOSE

- 1.1 This report provides an update on the delivery of the Perth Harbour Business Plan (2021-2026) and recommends the preferred option for the future operation of the Harbour as requested by the Finance & Resources Committee at its meeting of 7 September 2022 (Report No. 22/208 refers).

2. RECOMMENDATIONS

- 2.1 It is recommended that the Council:

- (i) notes the contents of the report
- (ii) notes the update on Perth Harbour Business Plan
- (iii) considers the option appraisal
- (iv) agrees Option 5 as the preferred option
- (v) requests that the Perth Harbour Board considers the report and develops a timescale and plan with officers to implement the preferred option.

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background/Main Issues
 - Perth Harbour Business Plan Update
 - Perth Harbour Options Appraisal
- Section 5: Conclusion
- Appendices

4. BACKGROUND / MAIN ISSUES

- 4.1 At its meeting on 1 September 2021 (Report No 21/150 refers), the Strategic Policy and Resources Committee approved the Perth Harbour Business Plan (April 2021-March 2026) and requested the Head of Planning and Development to bring forward an update report by March 2023.

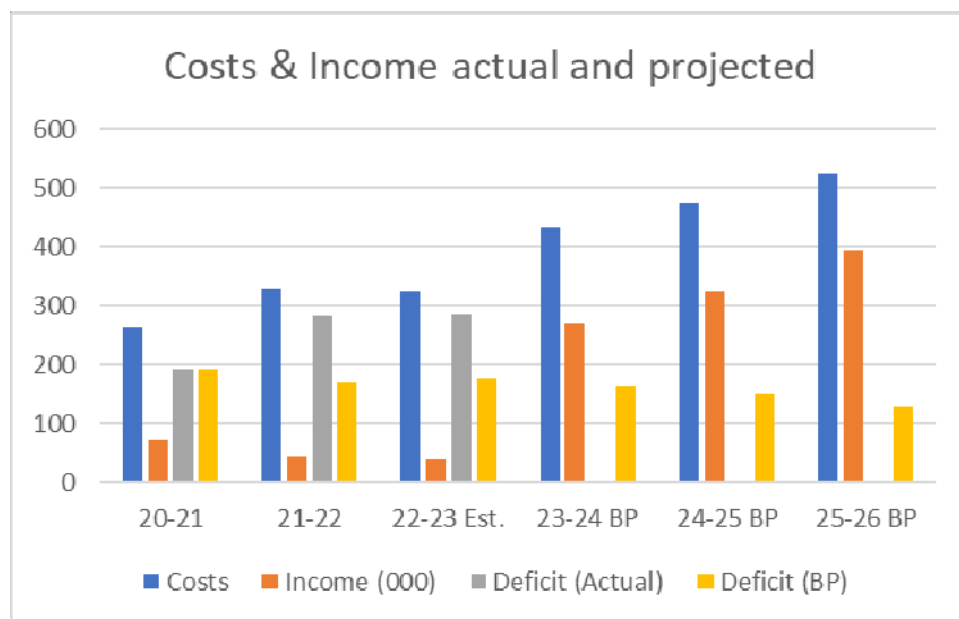
- 4.2 At its meeting on 7 September 2022 (Report No 22/208 refers), the Finance & Resources Committee requested an operational review of Perth Harbour operations for consideration by elected members.
- 4.3 Appendix 1 provides a detailed update on the Perth Harbour Business Plan (2021-2026). Appendix 2 provides a detailed options appraisal to inform the review of Perth Harbour operations to be considered by the Council. Summaries are provided in this report. Members are advised that Appendix 1 provides important context for Appendix 2.
- 4.4 Perth & Kinross Council is the statutory Harbour Authority for Perth Harbour. The Council's Scheme of Administration states that the role of the Executive Director (Communities) is to exercise the functions of the Council in terms of Section 154 of the Local Government (Scotland) Act 1973 and all relevant subordinate legislation in relation to Perth Harbour. A Harbour Board was set up following the approval of the first Harbour Business Plan by the Council on 18 May 2016 (Report no 16/222 refers). The Harbour Board was not set-up as a sub-committee within the Scheme of Administration, but as an advisory Board with an Officer acting as the Harbour Duty Holder. With the approval of the second Business Plan in 2021, it was noted that, since the first business plan and over time, the Board's role has evolved. As such, the Board has taken on more responsibilities and acts as the Harbour Duty Holder, providing strategic direction, public representation and ensuring compliance with the Port Marine Safety Code (PSMC) (Report No 21/150 refers). The Council is advised by a Designated Person (DP) in line with the statutory PMSC. Based on the Designated Person's audit, Perth Harbour was reported as compliant to the Maritime and Coast Guard Agency (MCA) in March 2021. The DP also undertook a further audit in the summer of 2022, with the report demonstrating the improvements made lead to a move from 'fair' to 'satisfactory' and again reporting a compliant port.
- 4.5 While previously Council officers directly managed the Harbour, at its meeting on 25 April 2018, the Council agreed to outsource the day-to-day operation of Perth Harbour to CalMac Ferries Ltd (Report No.18/151 refers). CalMac commenced running of Harbour operations on 2 July 2018 for a period of 5 years, with the contract expiring on 2 July 2023. The Council is required to decide on the future of this contract and on the use of a possible 2-year contract extension allowed for in the contract. In addition, the Council owns the Fair Maid tug, which was chartered to Montrose Port Authority until December 2022. Montrose Port Authority has indicated it does not want to renew this contract. Therefore, the Council will also have to decide on the future of the Fair Maid, given that currently there are insufficient vessel movements at Perth to justify a dedicated tug.

Perth Harbour Business Plan update (Appendix 1)

- 4.6 The current Business Plan set out actions to revitalise and sustain Perth Harbour as an economic hub to benefit the local economy, environment, and community. The following strategic objectives have been identified as underpinning this overarching objective:
- Strategic Objective 1: To operate Perth Harbour safely and effectively in compliance with the Port Marine Safety Code and embed into business-as-usual operations.
 - Strategic Objective 2: To turn around Perth Harbour to become a self-sufficient business which generates an operating surplus, and which is promoting sustainable freight transport.
- 4.7 A Perth Harbour Dashboard was developed and is used by the Perth Harbour Board to see trends, reduce operational risk, and optimise decision-making. The dashboard also includes the Perth Harbour risk register, tracking mitigations to reduce risk.
- 4.8 Progress has been made against the first strategic objective, with the recent PMSC (Port Marine Safety Code) audit demonstrating compliance and improvement. The Designated Person undertook the PCMS Review in summer 2022 conducting interviews and site visits at Perth Harbour. The final overall assessment was issued in October 2022 and stated that the harbour has been managed safely and effectively and is compliant with the PMSC. The assessment ranking moved from 'Fair' to 'Satisfactory' showing improvement. However, the DP noted that pilotage services, navigation channel and dredging, and Fair Maid use and maintenance remain key challenges for future operations of Perth Harbour.
- 4.9 The second strategic objective has been more challenging, and progress has not been achieved as planned. Due to external factors such as Covid 19, the UK EU exit, the war in Ukraine, increased competition, and market changes, as well as local factors such as lack of warehousing capacity, change in local demand due to change in commercial contract/partnering or operations, the long-term downwards trend in shipping at Perth Harbour has been accelerated. The position is further exacerbated by limitations imposed by the tidal window at Perth and cargo load restrictions triggered by recurring natural silting at the basin entrance. While the dry bulk market has shown some signs of recovery, c.80 ships would have to be attracted to reduce the deficit as projected in the Business Plan. To break even, c.120 ships would have to be use the harbour. In addition, costs are increasing and are not matched by increased income, while the potential demand is not likely to be sufficient to increase the level of income needed to reduce the deficit or break even.

4.10 The Council's ownership footprint to deliver harbour operations is limited to the harbour office, basin, berths and navigation channel. Income from harbour operations is limited to cargo and Fair Maid Tug income. The adjacent land or properties are held in the Perth Common Good Fund, the Council's General Fund or by third parties. Perth Common Good Fund and General Fund's interests are almost exclusively very long-term ground leases (30 to 175 years) with buildings which are usually privately-owned. As such, income generated by nearby ground leases flows to the Perth Common Good Fund or Council's General Fund and does not support harbour operations.

4.11 The chart below outlines the projected costs and income as approved in the business plan vs actual income with the deficit bar in grey showing the deficit.



4.12 It is estimated that 80 ships would have to be attracted by 2025/26 to meet the level of income and deficit projected in the Business Plan. This assumes Fair Maid income remaining at £60,000 which is not guaranteed as the vessel is no longer chartered out. It is estimated that c.120 ships would have to be attracted by 2025/26 to break even. This assumes Fair Maid income remaining at £60,000 per annum.

4.13 Based on actuals and projections, the number of ships is currently estimated at 5 and Fair Maid income is estimated at £24,000 in 2022/23.

4.14 Despite a dry bulk market which shows some signs of recovery, reduction or eradication of the deficit is considered very unlikely as it would have to be achieved in an extremely competitive environment with other ports as well as the shift to road.

4.15 Perth Harbour faces the current and future key challenges as summarised below:

- **Pilotage** – Maintaining pilotage services remains a key challenge for the current and future operations of Perth Harbour in terms of availability of authorised pilots. It is also important to note that Perth Harbour is dependent on pilotage services provided by Forth Ports (Dundee) as any vessel passing through Dundee waters must use Dundee Harbour pilotage services. This is also increasing costs for shipping agents.
- **Navigation Channel and dredging** – Secure consents and carry out maintenance dredging as and when needed remain a key challenge for the current and future operations of Perth Harbour in terms of costs, navigational risks and commercial proposition. With the River Tay being the largest river by water volume discharge in Great Britain, surveying of the entire channel should be regularly carried out to assess depths of waters along the 22 miles channel and at basin entrance. In addition, nationally significant oil and gas pipelines located on the riverbed cross the navigation channel and have to be safeguarded by any dredging at these locations. Although this could focus on critical locations, an on-going dredging programme would be needed to maintain the channel and reduce natural recurring silting. Recent surveying has indicated that dredging at the basin entrance is necessary and mitigation measures have been put in place to reduce the risks. These have led to increased costs for the harbour which are not recoverable from shipping agents and has made the harbour less attractive as a result of reduced tidal time accessibility and reduced cargo. Dredging costs have been estimated at £60K for basin entrance Phase 1, and £350K to £850K for basin entrance Phase 2, depending on the depth target.

Fair Maid - The Fair Maid is not needed at Perth Harbour to support operations most of the time. It has been used for checking Aids to Navigation and intervene in exceptional circumstances (e.g. facilitate basin entry of very long vessel). For that reason, commercial chartering opportunities were explored, with the Fair Maid chartered to Montrose Port Authority until December 2022, generating income approximately £60K per annum if used regularly. However, Montrose Port Authority indicated that they did not wish to renew the charter beyond December 2022. A new charterer will now need to be identified as otherwise there is little for the Fair Maid to do. In addition, the vessel needs regular maintenance and repairs to achieve tugboat certification. The Fair Maid was built 13 years ago, and the recent inspection and repair visit has triggered several additional costs which were not planned but had to be done to keep the tug usable. The costs incurred at the last visit were approximately £60K. Even with a future 5-year maintenance programme which could help to spread the costs, costs will continue to increase as the vessel ages.

- **Charges** – As part of the Business Plan, it was agreed that the best pricing strategy to adopt was a market-based strategy. This means understanding what the closest competition are charging and the Harbour's position relative to them, with pricing linked to an understanding of the overall cost of bringing ships to Perth. Based on this strategy, the schedule of charges is reviewed annually and is set to keep in line with inflation, but also to maintain a competitive advantage. Importantly, pricing at Perth Harbour is affected by pricing at Dundee Harbour as vessels calling at Perth Harbour have to pay charges when crossing Dundee waters. Maintaining low charges to keep Perth Harbour competitive and compensate for additional charges at Dundee remain a key challenge for the current and future operations of Perth Harbour.
- **Vessel** – The majority of vessels calling at Perth Harbour since 2019 were built in the 1990s, and with an average vessel age of 30 years. As such they are now coming to the end of their service lifespans. However, these types of vessels (cargo vessels under 90m length) continue to be built as demand remains buoyant for small seagoing vessels capable of river navigation. This is due to the need for such vessels to carry cargo along continental European rivers, most notably the Rhine. However, newer vessels focusing primarily on the European river trade may be deeper in draft than can be used in the shallower Perth Harbour waters. Availability of vessels suitable to Perth Harbour waters could be a challenge for current and future operations of Perth Harbour.
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- **Market** – Feedback from current harbour users and recorded interests from potential users indicate that there is some demand, but it is subject to specific individual company circumstances which could rapidly change based on increased competition from other ports. It is worth noting that the number of interested parties is small, increasing dependency on a few users. Current restrictions at the basin entrance are making operations less viable, which could be addressed with Phase 1 and Phase 2 dredging. However, the lack of covered or open storage to be used by existing or potential harbour users is

often mentioned as a key challenge. The market statistics show that recovery from Covid-19 in dry bulk tonnage is beginning to reach pre-pandemic levels. Analysis of the dry bulk comparison for neighbouring east of Scotland ports - Dundee, Aberdeen and the Forth – indicates that all these major ports have a percentage increase in the volume of dry bulk tonnage and percentage of cargo type.

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The river Tay is a sensitive habitat for fauna and flora and a reserve for biodiversity. The area which is crossed by vessels calling at Perth Harbour has been classified as a Special Conservation Area (SCA), Special Protection Area (SPA), Sites of Special Scientific Interests (SSSI), Ramsar site and local nature reserve. The river hosts the UK's largest continuous reedbed as well as freshwater pearl mussels, one of Scotland's most endangered species with the country hosting two-thirds of the world's remaining population. There are also rare birds. Although Perth harbour operations are strictly controlled in line with PSMC via pilotage and navigational risk assessments, the risk of a vessel grounding and potential subsequent pollution is still present. This could have significant negative impact on the river Tay and its fauna and flora, particularly where the oil and gas pipelines are located.

- 4.16 Taking the above into consideration, officers are of the view that the current approved Business Plan cannot be delivered.

Perth Harbour Options Appraisal (Appendix 2)

Options appraisal methodology

- 4.17 5 main options were identified, and a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis carried out for each.
- 4.18 Each option was appraised against the list of criteria detailed in the table below and scored, assessing the relative benefits and disbenefits from the Council's perspective. To facilitate assessment, each scoring criteria was marked with an initial and then used to link criteria and bullet points in the SWOT analysis. Bullet points were also informed by the current and future challenges faced by the Harbour. A weighting was then applied to the score to reflect the relatively higher importance of specific criteria. Finally, each option was given a total weighted score.

Criteria	Definition	Weighting %
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20
Finance (F)	How the option impacts on capital and revenue costs?	20
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15
Land Ownership/Estates (L)	How the option impacts on the Council's estates and land ownership?	10
Reputation/Stakeholders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20
Total score		100

4.19 Each option has also been assessed in terms of risks. The risk assessment was based on probability and impact. Each option was risk ranked against the current harbour baseline risk register, comprising of twelve risks which also linked to the current and future challenges faced by the Harbour. An overall risk assessment of low, medium or high risk has been allocated to each option.

4.20 Finally, the weighted scores and risk rating have been brought together to provide an overall assessment of all options to allow comparison. The SWOT analysis and risk analysis have been informed by the current and future challenges that Perth Harbour faces which are highlighted above.

4.21 Officers undertook the review with support from external advisors covering legal and harbour duty requirements as these areas are very specialised. External advice was taken from Calmac, the harbour operator and the Perth Harbour Designated Person who provides independent advice to the Harbour Duty Holder.

4.22 This review used current and available data and evidence, and no additional feasibility studies were commissioned. Current market conditions are volatile and may impact upon the assumptions made during the review. However, best efforts were made to reflect the current position within context.

4.23 The options appraisal has been developed and discussed with the Harbour Board, Calmac as the current harbour operator, Perth Harbour Designated Person and legal advisers for comments.

Options appraisal results

4.24 A summary of results of the weighted Options Appraisal is provided in the table below followed by explanatory narrative for each of them.

Rank	Option	Total Weighted Score (0-4)	Risk Rating
1	Option 5 (Closure as commercial port & regeneration)	2.35	High
2	Option 3A (Sale)	2.20	High
3	Option 1B (Do minimal)	2.15	Medium
4	Option 4A (Joint Venture)	2.10	High
5	Option 2 (Dredging + Income Transfer)	1.95	High
6	Option 1A (Do Nothing)	1.75	High
7	Option 3B (Sale & Properties)	1.50	High
8	Option 4B (Joint Venture & properties)	1.40	High

4.25 Option 1B was marked as medium risk because more detailed and specific mitigation measures have been identified leading to a reduction of risk. For all the other options, risks have been identified with some mitigation measures, but at a higher level. Risks could be reduced if more risk analysis or detailed and specific mitigation measures are identified which would require further investigations. However, it is unlikely that any option would be rated as a low risk.

Option 1A - Do Nothing - This option has been ranked 6th.

4.26 This option will involve continuing to manage Perth Harbour in the same way. This option will involve minimal intervention in line with the Business Plan and will continue to charter the Fair Maid to maintain the revenue stream and incur related maintenance costs of the Fair Maid. Montrose Port Authority has indicated that they would not continue current charter, so a new charterer would have to be found. It also included an extension of the current CalMac contract for two years from July 2023.

4.27 Based on the option assessment, it is not recommended to select Option 1A as the preferred option as it is ranked 6th and it would not address any of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – Maintaining pilotage services would become increasingly difficult or impossible due to the reduction in the number of vessels.
- Navigation Channel and dredging – access to navigation channel would become increasingly difficult or impossible due to natural silting and lack of dredging.

- Fair Maid – Chartering the Fair Maid would be possible assuming there is a customer. However, charter would be constraint as the Fair Maid would be needed to mitigate navigational risks at Perth.
- Charges – Market-based strategy and low charges would be difficult to sustain as income reduction would increase deficit, leading to the need to increase charges and potentially reducing business further.
- Vessel – Natural silting and a requirement for a reduced draft might not be suitable to the type of vessel calling at Perth Harbour.
- Storage – Storage issues would continue including Border Control requirements.
- Market – Current and potential demand could not be accommodated.
- Economic impact – jobs and GVA – Economic impact would reduce, but however it would be protected if business and sectors users shifted to road transport.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions would increase, and risk pollution would remain although reduced as number of vessels would reduce.

Option 1B - Do Minimal - This option has been ranked **3rd**.

4.28 Option 1B will involve continuing to manage Perth Harbour in the same way (Option 1A) as well as the completion of dredging phase 1 to remove current depth restriction for commercial shipping and maintain access for commercial shipping on an ongoing basis.

4.29 Based on the option assessment, it is not recommended to select Option 1B as the preferred option as it is ranked 3rd and would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – Maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – Access to navigation channel could be improved by Phase 1 dredging, but could increasingly become difficult due to recurring natural silting, and if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Fair Maid – Chartering the Fair Maid would still be possible, assuming there is a customer.
- Charges – Market-based strategy and low charges would be difficult to sustain as increased costs from dredging and surveying would lead to the need to increase charges.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Storage – The storage issues would continue including Border Control requirements.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained if the number of vessels and cargo increases.

- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the growth in the number of vessels.

Option 2 - Transfer of income from adjacent Council commercial properties from the Perth Common Good Fund and the General Fund to the Harbour budget - This option has been ranked 5th.

4.30 This option will involve continuation of current harbour operations arrangements by the Council (Option 1B) plus transfer of income of adjacent commercial properties enabling operations (ground leases, warehouses as listed in Annex 3 of Appendix 2) from the Perth Common Good Fund (PCGF) and the General Fund (GF) to the Harbour budget. This would reduce PCGF/GF revenue income (c.£90,000/annum: 75K PCGF/15K GF). This will involve developing an improved offer to maintain existing markets (e.g timber and feed stocks) and invest in new commercial shipping markets (e.g food security; biofuels; grain imports and exports). This includes exploring a long-term dredging solution, i.e. a phase 2 dredging campaign.

4.31 The Perth Common Good Fund income from rents, fees and charges for 2022/23 was budgeted at £244,000 of a total income of £250,900. The expenditure was projected at £228,700 including financial assistance and support to Christmas events. £22,200 was budgeted as a surplus. Transfer of an income of £75K would put pressure on the Perth Common Good Fund Budget. Perth Common Good Fund committee has not been consulted on this option.

4.32 Based on the option assessment, it is not recommended to select Option 2 as the preferred option as it is ranked 5th and would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – Maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – Access to navigation channel could be improved by Phase 1 dredging but could increasingly become difficult due to recurring natural silting, and if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Fair Maid – Chartering the Fair Maid would need to be possible.
- Charges – Market-based strategy and low charges would be difficult to sustain as increased costs from dredging and surveying would lead to the need to increase charges. This would be mitigated, in part by income transfer from Council's general fund and Perth Common Good Fund.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Storage – The storage issues would continue including Border Control requirements. However, additional financial capacity may be used to find suitable storage solutions (e.g. leasing of nearby warehouse).

- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 3A - Full Transfer/Sale of Harbour Operations facilities to a third party - This option has been ranked 2nd.

4.33 This option will involve transfer of harbour operations facilities (berths, basin, office, aids to navigation) by sale or concession/lease agreement to another party and sale of the Fair Maid as part of the transfer or separately. This will involve transferring all harbour statutory duties with no further Council involvement in harbour operations. This option does not include adjacent Council's commercial land and property which would remain as present. This Option will require a Harbour Revision Order (Transfer) to be submitted to Scottish Minister for consideration.

4.34 Based on the option assessment, it is not recommended to select Option 3A as the preferred option as it is ranked 2nd and would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – Maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – Access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of private party to invest in dredging and surveying.
- Fair Maid – Fair Maid would be sold to private party or other party.
- Charges – Private party would have to define its own pricing strategy taking into account costs and competition.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – Storage issues could continue including Border Control requirements. However, private party would have the flexibility to find suitable storage solutions.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 3B - Full Transfer/Sale of Harbour Operations facilities to a third party and sell Perth Common Good Fund and General Fund properties -
This option has been ranked 7th.

- 4.35 This option will include option 3A and would explore the feasibility of also seeking Court approval to sell ground leases held in the Perth Common Good Fund to a third party and sale of General Fund properties (as listed in Annex 3 of Appendix 2).
- 4.36 This option will involve loss of income from adjacent commercial properties enabling operations (ground leases, warehouses as listed in Annex 3 of Appendix 2) currently held under the Perth Common Good Fund (PCGF) and the General Fund (GF). This would reduce PCGF/GF revenue income (c.£90,000/annum: 75K PCGF/15K GF).
- 4.37 The Perth Common Good Fund income from rents, fees and charges for 2022/23 was budgeted at £244,000 of a total income of £250,900. The expenditure was projected at £228,700 including financial assistance and support to Christmas events. £22,200 was budgeted as a surplus. Transfer of an income of £75K would put pressure on the Perth Common Good Fund Budget. Please note that Perth Common Good Fund committee has not been consulted on this option.
- 4.38 Based on the option assessment, it is not recommended to select Option 3B as the preferred option as it is ranked 7th and would only address some of the current and future challenges faced by Perth Harbour as follows:
- Pilotage – Maintaining pilotage services could become difficult if the number of vessels is not sufficient.
 - Navigation Channel and dredging – access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of private party to invest in dredging and surveying.
 - Fair Maid – Fair Maid would be sold to private party or other party.
 - Charges – Private party would have to define its own pricing strategy considering costs and competition. Additional income from properties transferred could help private party to implement pricing strategy. However, there is no guarantee that additional income would be used for that purpose.
 - Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
 - Storage – Storage issues could continue including Border Control requirements. However, private party would have the flexibility to find suitable storage solutions.
 - Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity. Additional income from properties transferred could help finding a storage solution. However,

there is no guarantee that additional income would be used for that purpose.

- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 4A - Sharing Harbour Operations facilities via a Joint Venture -
This option has been ranked 4th.

4.39 This option will involve transfer of harbour operations facilities (berths, basin, office, aids to navigation) and Fair Maid via a joint venture agreement to a special purpose vehicle on a proportionate risk and reward basis. This will involve transferring all harbour statutory duties to the joint venture and/or the Council retaining some harbours statutory duties. This will indirectly continue Council's involvement in harbour operations. This Option will require a Harbour Revision Order (Transfer) to be submitted to Scottish Minister for consideration. There would be costs to set up a Joint Venture which have not been estimated as it would depend on the negotiations with a potential partner who has not been identified. Any income generated by the Joint Venture would be re-invested in the Joint Venture to support the Harbour operations, but they have not been estimated as they would depend on the market circumstances.

4.40 Based on the option assessment, it is not recommended to select Option 4A as the preferred option as it is ranked 4th and would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – Maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – Access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of joint venture to invest in dredging and surveying.
- Fair Maid – Fair Maid would be transferred to joint venture or sold to other party.
- Charges – Joint venture would have to define its own pricing strategy considering costs and competition.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – Storage issues could continue including Border Control requirements. However, joint venture would have the flexibility to find suitable storage solutions.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.

- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 4B - Sharing Harbour Operations facilities via a Joint Venture and sale of Perth Common Good Fund and General Fund properties - This option has been ranked **8th**.

4.41 This option will include option 4A and would explore the feasibility of also seeking Court approval to sell ground leases held in the Perth Common Good Fund to a third party and sale of General Fund properties (as listed in Annex 3 of Appendix 2).

4.42 This option will involve loss of income from adjacent commercial properties enabling operations (ground leases, warehouses as listed in Annex 3 of Appendix 2) currently held under the Perth Common Good Fund (PCGF) and the General Fund (GF). This would reduce PCGF/GF revenue income (c.£90,000/annum: 75K PCGF/15K GF).

4.43 The Perth Common Good Fund income from rents, fees and charges for 2022/23 was budgeted at £244,000 of a total income of £250,900. The expenditure was projected at £228,700 including financial assistance and support to Christmas events. £22,200 was budgeted as a surplus. Transfer of an income of £75K would put pressure on the Perth Common Good Fund Budget. Please note that Perth Common Good Fund committee has not been consulted on this option.

4.44 Based on the option assessment, it is not recommended to select Option 4B as the preferred option as it is ranked 8th and would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – Maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – Access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of joint venture to invest in dredging and surveying.
- Fair Maid – Fair Maid would be transferred to joint venture or sold to other party.
- Charges – Joint venture would have to define its own pricing strategy taking into account costs and competition. Additional income from properties transferred could help joint venture to implement pricing strategy. However, there is no guarantee that additional income would be used for that purpose.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – Storage issues could continue including Border Control requirements. However, joint venture would have the flexibility to find suitable storage solutions.

- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity. Additional income from properties transferred could help finding a storage solution. However, there is no guarantee that additional income would be used for that purpose.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 5 - Closure as a commercial port and regeneration - This option has been ranked 1st.

4.45 This option has been identified as the highest-ranking option with high risk. However, the risk for this option is not any higher than the other higher risk options.

4.46 This option would see the cessation of the Council's involvement and obligations to manage the harbour as a commercial port. Further encouragement would be given to other commercial uses including renewable energy production/storage where possible, water-based leisure (sailing, boating, water sports etc) and complementary employment or ancillary uses in the short term prior to medium and long consideration of alternative uses via supplementary guidance and the Local Development Plan review. This would be consistent with Perth City Plan, promoting better use of the river Tay as a biodiversity and recreation resource. It would also link to proposals in the Tay Cities Deal e.g. Tay Adventure (a recreation, tourism and infrastructure investment programme). This option includes the sale of the Fair Maid. This Option will require a Harbour Revision Order (Closure) to be submitted to Scottish Ministers for consideration. A separate option to mothball Commercial Shipping Operations has been explored (i.e. stop commercial shipping activities for the foreseeable future), but following consultation with Harbour Designated Person, the process and outcome will be similar to a formal closure of the harbour commercial traffic.

4.47 Based on the option appraisal, it is recommended to select Option 5 as the preferred option as it is ranked 1st and would address most of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – no need for pilotage services.
- Navigation Channel and dredging – no need to maintain navigation channel.
- Fair Maid – Fair Maid would be sold.
- Charges – no need for charges or very basic links to leisure and property uses.
- Vessel – not applicable anymore.
- Storage – not applicable anymore in relation to harbour use.
- Market – current and potential demand could only be accommodated via other ports and by road.

- Economic impact – jobs and GVA – Economic impact could be reduced if business and sector users do not use other ports and road. Other economic activities (e.g. tourism, renewable energy) could generate alternative economic impact.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions would increase, and risk pollution from commercial shipping would be removed as no commercial vessel would use the river.

5. CONCLUSION

- 5.1 The Perth Harbour Business Plan (2021-2026) was approved on 1 September 2021, and at its meeting on 7 September 2022, the Finance & Resources Committee approved an officer review of the Council's involvement in Perth Harbour operations, the results to be presented back.
- 5.2 Although progress has been made to operate the Harbour safely and effectively in compliance with the Port Marine Safety Code, the long-term delivery of the Business Plan will remain a challenge as Perth Harbour needs to address its structural access constraints, leading to increased costs and limited flexibility. It would need significant increase in income while facing increased competition from other major and minor ports.
- 5.3 An options appraisal has been carried out and a preferred option has been recommended in the report for consideration by the Council.
- 5.4 Based on the Options appraisal, the Council is asked to agree Option 5 as the preferred option. This option would see the cessation of the Council's involvement and obligations to manage the harbour as a commercial port and further encouragement to other uses such as recreational use. Taking the above into consideration, officers are of the view that the current approved Business Plan cannot be delivered, and that Option 5 is the only viable way forward.
- 5.5 As the acting Harbour Duty Holder, the Council would request the Perth Harbour Board to consider the report and develop a plan to implement the preferred option.

Author

Name	Designation	Contact Details
Alan Dobson	Economic Development Officer	(01738) 475000 ComCommitteeReports@pkc.gov.uk
Graham Pinfield	Smart Perth & Kinross Team Leader	
Serge Merone	Climate Change & Smart Investment Manager	

Approved

Name	Designation	Date
Barbara Renton	Executive Director (Communities)	30 January 2023

APPENDICES

- Appendix 1 – Perth Harbour Business Plan update
- Appendix 2 – Perth Harbour Options appraisal

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You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 The activities detailed in the report supports the delivery of Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:
- (i) Giving every child the best start in life;
 - (ii) Developing educated, responsible, and informed citizens;
 - (iii) Promoting a prosperous, inclusive, and sustainable economy;
 - (iv) Supporting people to lead independent, healthy and active lives; and
 - (v) Creating a safe and sustainable place for future generations.
- 1.2 This report relates to (iii) Promoting a prosperous, inclusive, and sustainable economy Creating a safe and sustainable place for future generations.

Corporate Plan

- 1.3 The activities detailed in the report supports the achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible, and informed citizens;
- (iii) Promoting a prosperous, inclusive, and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.4 This report relates to (iii) Promoting a prosperous, inclusive, and sustainable economy.

2. Resource Implications

Financial

- 2.1 There are financial implications arising from the recommendations in the report. The option appraisal identifies different options which would have financial implications for the Revenue Budget such as increased pressure or transfer of income. Implications are detailed in the option appraisal (Appendix 2).

Workforce

- 2.2 There are no workforce implications arising from the recommendations in the report.

Asset Management (land, property, IT)

- 2.3 There are asset management implications arising from the recommendations in the report. The option appraisal identifies different options which would have asset management implications such as transfer/sale of assets. Implications are detailed in the option appraisal (Appendix 2).

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment Process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals have been considered under the Act and no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009, the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
 - in the way best calculated to deliver any statutory adaptation programmes; and
 - in a way that it considers most sustainable.
- 3.6 The information contained within this report has been considered against the Council's Principles for Sustainable Development and the report aims to ensure compliance with the reporting requirements under the Acts.

Legal and Governance

- 3.7 The Head of Legal and Governance has been consulted.

Risks

- 3.8 There are key risks associated with the options identified through the option appraisal. Each option has been assessed using risk assessment methodology and details are provided in the option appraisal (Appendix 2).

Risks are financial, reputational, legal, asset management, environmental and policy/strategic.

Communication

- 3.9 The decisions from the report will be communicated to stakeholders and the press through the media team. All options will carry risks including reputational risk which would have to be managed through a clear communication plan.

4. Consultation

Internal

- 4.1 There has been internal consultation with Head of Legal and Governance, Head of Finance and the Harbour Board.

External

- 4.2 There has been external consultation with Calmac Ferries Ltd (current harbour operator), Designated Person for Perth Harbour, harbour users and agencies.

2. BACKGROUND PAPERS

- 2.1 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 a material extent in preparing the above report.



PERTH HARBOUR BUSINESS PLAN UPDATE

Version no	Author	Date
V7.0 Final	Serge Merone	30.01.23

Content

Introduction	3
Business Plan update	5
Conclusion	14
Annex 1 – Dashboard	15
Annex 2 – Risk Register	17
Annex 3 – Maps	18
Annex 4 – Fair Maid Update	20

PERTH HARBOUR
BUSINESS PLAN PROGRESS UPDATE

1. INTRODUCTION

- 1.1 At its meeting on 1 September 2021 (Report No 21/150 refers), the Strategic Policy and Resources Committee approved the Perth Harbour Business Plan (April 2021-March 2026) and requested the Head of Planning and Development to bring forward an update report by March 2023.
- 1.2 The **Perth Harbour Business Plan April 2021 – March 2026** was intended to provide an extensive strategic review and considered plan to progress towards a sustainable future. However, the business environment at the port has been impacted by some unprecedented shocks including Covid 19, the UK EU exit and the war in Ukraine causing a European energy crisis and driving up inflation. In addition, as a result of increased competition, and market changes as well as local factors such as lack of warehousing capacity, change in local demand due to change in commercial contract/partnering or operations, the long-term downwards trend in shipping at Perth Harbour has been accelerated.
- 1.3 Ports in Scotland vary in size from large commercial operations to small slips and piers. 43 harbours are currently handling freight. 10 are defined as major ports regularly handling over 1M tonnes per year (not included fishing): Forthports, Dundee, Aberdeen, Peterhead, Cromarty Firth, Sullom Voe (Shetland), Scapa Flow (Orkney), Glensanda (Oban), Clydeport, and Stranraer (Cairnryan/Loch Ryan). The others are classified as minor ports including Perth Harbour. The top 15 ports, which include the 10 major ports, Perth, Montrose, Inverness, Lerwick and Ayr handle 97% of all freight in Scotland (2021). Perth is the smallest, handling 0.01% of this total.
- 1.4 Ports in the UK are either privately owned, independent Trust Ports or local authority owned. Of the 15 top ports in Scotland, 4 are owned and operated by private companies (handling 50% of all freight) (Forthports, Dundee, Clydeport, Ayr), 8 are Trust Ports and 3 are run by local authorities: Scapa Flow, Sullom Voe (both largely oil related) and Perth. A Trust Port is an independent statutory body governed by its own local legislation and run by independent boards. Unlike private ports, they have no shareholders, so all the surpluses from port operations are re-invested back into the port. Trust ports must be run as commercial businesses, seeking to generate a surplus or otherwise directed towards the interests of the port's stakeholders. Scottish Ministers expect Trust ports to be operated efficiently and effectively, and to generate a commercially acceptable rate of return, consistent with their size and level of operations. Failure to do so would, essentially, result in unsustainable debt and closure.
- 1.5 Perth & Kinross Council is the statutory Harbour Authority and a Competent Harbour Authority (Pilotage) for Perth Harbour. The Council's Scheme of Administration states that the role of the Executive Director (Communities) is to exercise the functions of the Council in terms of Section 154 of the Local Government (Scotland) Act 1973 and all relevant subordinate legislation in relation to Perth Harbour. A Harbour Board was set up following the approval of the first Harbour Business Plan by the Council on 18 May 2016 (Report no 16/222 refers). The Harbour Board was not set-up as a sub-committee within the Scheme of Administration, but rather as an advisory Board with an Officer acting as the Harbour Duty Holder. With the approval of the second Business Plan, it was noted that over time the Board's role has evolved. It has taken on more responsibilities acting as the Harbour Duty Holder, providing strategic direction, public representation and ensuring compliance with the Port Marine Safety Code (PSMC) (Report No 21/150 refers).

- 1.6 The Council is advised by a Designated Person (DP) in line with the statutory PMSC. Based on the DP's audit, Perth Harbour was reported as compliant to the Maritime and Coast Guard Agency (MCA) in March 2021. The DP undertook a further audit with the report (October 2022) demonstrating the improvements made moving from 'fair' to 'satisfactory' and again reporting a compliant port.
- 1.7 The Business Plan set out actions to revitalise and sustain Perth Harbour as an economic hub to benefit the local economy, environment, and community. The following strategic objectives were identified as underpinning the Business Plan:
- Strategic Objective 1: To operate Perth Harbour safely and effectively in compliance with the Port Marine Safety Code and embed into business as business-as-usual operations
 - Strategic Objective 2: To turn around Perth Harbour to a self-sufficient business which generates an operating surplus, and which is promoting sustainable freight transport
- 1.8 The Perth Harbour Dashboard (**Annex 1**) was developed with the Harbour Board and is used by the Board to monitor trends, reduce operational risk, and optimise decision-making. The Dashboard utilises a traffic light rating, and this acts as a visual indicator of key performance targets. Also known as RAG (red, amber and green), this traffic light performance reporting shows where performance is on track and where attention is needed. The dashboard also includes the Perth Harbour risk register tracking mitigations to reduce risk (**Annex 2**).
- 1.9 The key actions for each strategic objective are listed below.

Strategic Objective 1 – Key Actions

- Ensure that the operations contract with Calmac Ferries Ltd is delivered and performance is monitored.
- Continue to monitor and assess compliance and report compliance to the MCA.
- Review Bylaws and Harbour Directions.
- Following EU Exit, identify and put in place the best Border Operating Model option by 1 October 2021 as well as Border Control Point requirements.
- Maintain pilotage services.
- Update the defect register and identify, prioritise and carry out actions to remedy defects.
- Monitor the use of the Fair Maid by Montrose Port Authority and by any other users.
- Ensure that appropriate surveys are carried out in line with the SMS and supply the most recent survey information to the UK Hydrographic.
- Secure consents and carry out maintenance dredging deemed as and when needed.

Strategic Objective 2 – Key Actions

- Reduce deficit by 32% from £192k in 2020-21 to £131k in 2025-26. If this projected trend continues beyond the period of this Business Plan, a breakeven position could be achieved.
- In 2021-22, attract an additional 6,000 to 30,500 tonnes of cargo landed and 27 ships focusing on fishmeal and baryte with a projected estimated gross income of £106,000. By 2025-26, the target will raise to 59 ships, 65,000 tonnes and £283,000 gross income.
- In 2021/22, continue to Charter the Fair Maid to Montrose Port Authority or to

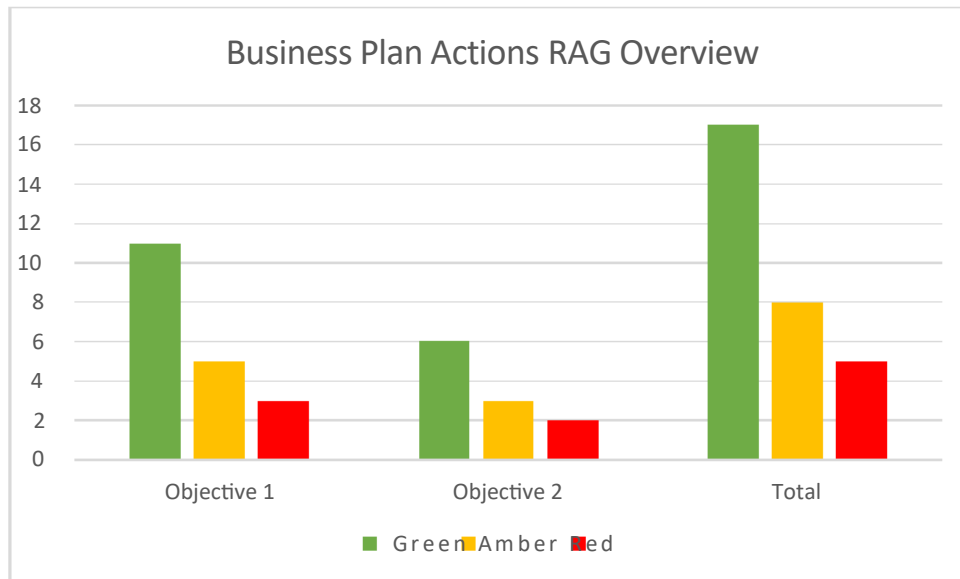
other third parties with a projected estimated gross income of £60,000.

- In 2021/22, develop services to marine users with a projected estimated gross income of £1,000.
- Discuss the product offer with stevedore and storage providers and develop marketing plan and related activities in close liaison with stevedore and storage providers. Key messages would be on safety, quality of service and carbon emission benefits.
- Organise at least one annual event for all river users and at least 2 events with harbour users.
- Maximise community benefits.
- Present proposals to take forward options to develop storage within the Harbour Support Zone and to maintain/increase tidal window.

2. BUSINESS PLAN UPDATE

2.1 This section provides an overall update of Business Plan actions.

2.2 Overall, 30 action targets are set in the business plan. 17 (57%) have been classified as



green (57%), 8 as amber (27%) and 5 as red (16%). The following RAG performance overview for each strategic objective is shown visually below:

2.3 This update report focuses on the actions which have been categorised with a red status; commentary relating to amber and green actions can be read in the dashboard at Annex 1. These red-coloured actions are the target actions that have not been achieved and require further attention.

Strategic Objective 1: To operate Perth Harbour safely and effectively in compliance with the Port Marine Safety Code and embed into business-as-usual operations

2.4 Red Flagged Action: Pilotage services will be maintained over the period of the Business Plan

Update: Although there are two red flags against this action in the dashboard, there have been significant mitigations and risk management put in place.

Perth and Kinross Council is a Competent Harbour (Pilotage). Compulsory pilotage has been introduced for vessels over 40m in length navigating the Perth Harbour water limits. Piloting vessels up to 90m in length over 22 miles on the River Tay navigation channel is specialist maritime work. This service is particularly important to avoid any incident such as grounding, which could lead to environmental pollution or insurance claims. After continuous efforts, a solution was found, and the service was contracted out to Perth Pilots Ltd. Unfortunately, this contract was terminated on 31 March 2022. The main reason was due to shipping numbers being down, contributing to capacity issues and lack of viability from Perth Pilots Ltd. It was estimated that around 30 ships per annum could have addressed these issues.

It is essential to retain pilotage services to meet Competent Authority (Pilotage) requirements and to safely pilot cargo into Perth Harbour. As such, this action retains its red flag status. Pilots need to maintain their waterways tickets on actively sailing the channel. Keeping active Perth-trained pilots is more challenging as shipping is at reduced capacity.

The option for the pilotage services to be included in the harbour operations contract with Calmac was explored, but Calmac indicated that it would not be economically viable due to additional insurance and employment costs which would have to be incurred. These costs

would be less than the pilotage income from shipping. Currently, arrangements are made with one authorised self-employed pilot to cover the pilotage service, and two additional self-employed pilots who are being trained. The latest training update outlines that one more shipping run should allow a second Pilot to be authorised in terms of gaining pilotage experience.

This arrangement is a practical mitigation action against the risk of having no pilots. PKC and CalMac are engaging with pilots and further discussions are to be arranged to consider options to formalise long term arrangement.

Maintaining pilotage services remains a key challenge for the future operations of Perth Harbour as a result of the unavailability of authorised pilots. It is also important to note that Perth Harbour is dependent on pilotage services provided by Forth Ports (Dundee), as any vessel passing through Dundee waters has to use Dundee Harbour pilotage services. This is also increasing costs for shipping agents.

2.5 Red Flagged Action: *Secure consents and carry out maintenance dredging deemed as and when needed.*

Update: Limits of Perth Harbour waters stretch over 22 miles from Dundee waters to Perth Harbour basin. The navigation channel is constantly subject to changes due to the nature of the River Tay. The River Tay is the longest river in Scotland and the largest river by water volume discharge in Great Britain at one hundred cubic metres per second. In his recent audit report (October 2022), the DP recommended that hydrographic surveys should be regularly carried out and analysed to establish the need for maintenance dredging to maintain channel and depths of water. It has been estimated that the 5-year surveying programme would cost £60,000 over the period. Recent surveying has highlighted that Perth Harbour basin entrance is affected by natural silting. Following a review of the Harbour's Navigational Risk Assessment, the Harbour Operator identified an increased risk of grounding which required several mitigations. Mitigations included restrictions of vessel draft and use of the Fair Maid tug. This means that tidal time accessibility and cargo tonnage had to be reduced with potential loss of income for interested shipping agents. Harbour costs have also increased due to additional crew to pilot the tug and loss of income as tug chartering had to be interrupted. These losses are not recoverable from shipping agents. In addition, Perth Harbour berths are designated Not Always Afloat but Safely Aground (NAABSA). To maintain the safety of vessels alongside, the riverbed within the Harbour basin should be at a consistent level throughout. This requires light dredging every few years.

The Harbour operator and the Council identified this urgent need for basin entrance accessibility and dredging, and specialist consultants (ADP LLP) prepared an options report. The report identified the need and outlined the dredging methods to clear the basin entrance. The specialist consultants advised to split the project into 2 phases to allow for a quicker resolution enabling a reduction in cost and time. Phase 1 was initially proposed to reduce the sediment (-0.5m) at the basin entrance by moving the silt into the unused bay, allowing restrictions to be removed. Costs for Phase 1 have been estimated at £60K. Phase 2 of the project is a more extensive removal of silt to lower the entrance and bays to provide a longer-term solution for basin entrance including a maintenance license. Costs for Phase 2 have been estimated at £350K (depth target at -1.5m Charter Datum) or £850K (depth target -2.1m Charter Datum)

A marine licence application for the Phase 1 dredge was submitted to Marine Scotland in February 2022 and granted in September 2022. This was delayed by eight months due to lack of technical assessment capacity at Marine Scotland. Whilst dredging contractors have not been commissioned for Phase 1, market engagement was undertaken. As funding was not available and the licence was time limited, a new licence application has been submitted

to carry out dredging in the Spring 2023. It is important to note that there are licence application fees to pay as well as costs for professional advice. This leads to increased costs which are not recoverable from shipping agents. Phase 1 dredging cannot be progressed without Finance & Resources Committee approval for this unbudgeted expenditure. The Committee, however, approved a review of Perth Harbour operations for consideration by elected members (Report No.22/208 refers).

As indicated above, a survey of the entire channel should be regularly carried out, although this could focus on critical points. Therefore, dredging would be needed in the medium and long-term at other points on the channel in addition to regular dredging at the basin entrance to maintain existing depths of waters. Costs have not been estimated for such additional dredging.

Securing consents and carrying out maintenance dredging as and when needed remain a key challenge for the future operations of Perth Harbour in terms of costs, navigational risk, and the limited ability to recover expenditure from commercial activity.

Strategic Objective 2: *To turn around Perth Harbour to a self-sufficient business which generates an operating surplus, and which is promoting sustainable freight transport*

2.6 Red Flagged Actions:

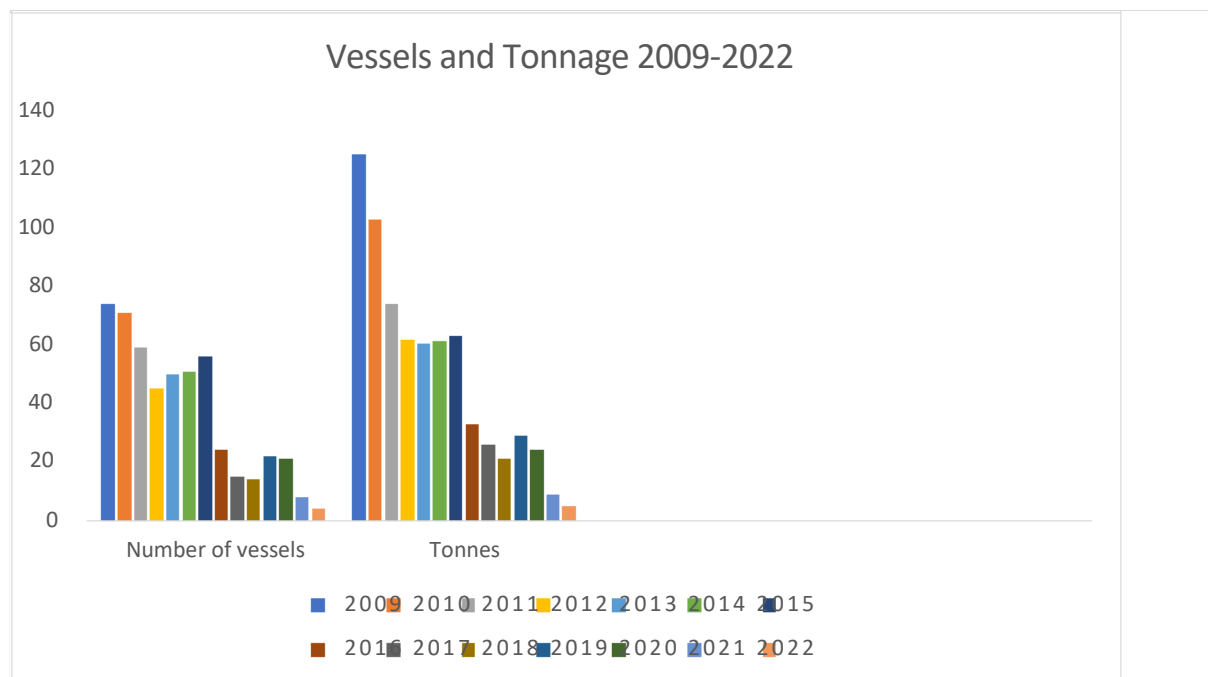
- *Reduce the operational deficit by 32% from £192,500 in 2020/21 to £131,000 in 2025/26*
- *In 2021-22, Perth Harbour will attract an additional 6,000 tonnes to 30,500 tonnes and 27 ships from 21 by securing existing cargo and attracting new cargo (or cargo which has left) focusing on fishmeal and baryte - Projected estimated gross income 2021/22: £106,000. By 2025-26, the target will raise to 59 ships, 65,000 tonnes and gross income of £283,000.*

Update: Due to external factors such as Covid 19, the UK EU exit and the war in Ukraine, increased competition, and market changes as well as local factors such as lack of warehousing capacity, change in local demand due to change in commercial contract/partnering or operations, the long-term downwards trend in shipping at Perth Harbour has been accelerated. The position is further exacerbated by limitations imposed by the tidal window at Perth and cargo load restrictions triggered by silting at the basin entrance.

It is important to note that the Council's income generation from harbour operations is limited to cargo landing charges and Fair Maid income. The adjacent land and properties are held in the Perth Common Good Fund, the Council's General Fund and by third parties. The Perth Common Good Fund and General Fund interests are exclusively very long-term ground leases (30 years to 175 years long) to private businesses who have constructed sheds etc. Many ports generate rental income and undertake commercial development to support their operations. However, all land and property income at Perth is principally accrued to the Perth Common Good Fund and is therefore not available to support harbour operations. **Annex 3** provides maps of harbour operations area and of Harbour support zone land ownership.

The UK EU exit has also triggered changes in Border Control including for Products of Animal Origins such as fishmeal. A review has been carried out with the regulatory agency (APHA) and new Border Control facilities would have to be put in place. These would require additional inspection facilities and abiding to strict procedures to process cargos at the ports. Although it would be possible to put in place such facilities, the review has highlighted that the layout of existing private storage facilities was not entirely suitable, and compliance would require on-going monitoring, particularly to avoid cross contamination between cargos. This would add costs and complexity to ports operations.

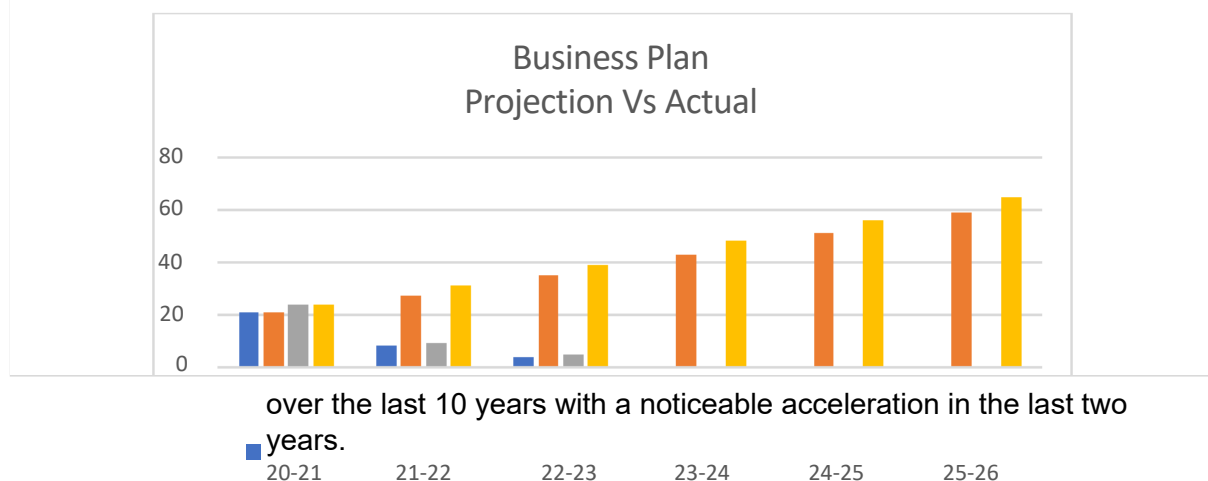
The data from 2009 to the present day, clearly shows the decline in tonnage and vessels



Ships in 22-23 in terms of shipping numbers are down and projected to be below the target for 22-23. The table below provides list of ships, tonnage, and income for 2021-22.

The numbers of ships arriving against the business plan targets are highlighted below. There were just 4 movements in 22-23 against a projected target of 27. No provision was made to the Harbour targets for the impact on the business from external factors.

Projection ship and tonnage against the 2021-2026 Business Plan



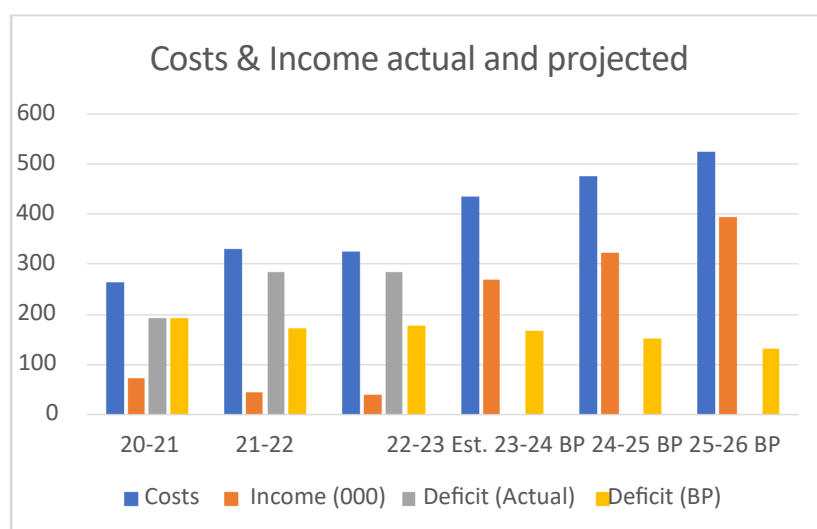
Actual ships

Projected Ships

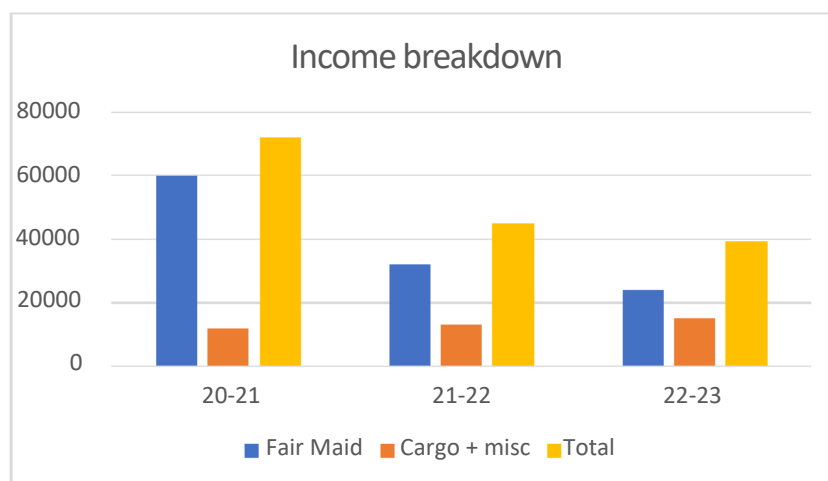
Actual Tonnes

Projected Tones

The chart below outlines the projected income target in the business plan (BP) vs actual income with the deficit bar in grey showing the income shortfall.



The chart below outlines the Income split between Cargo/miscellaneous income and the Fair Maid income.



The table below details the requirements to meet projected income in the current Business Plan:

Level of income projected in the Business Plan by 2022-23	Assumed Fair Maid income	Level of income from cargo required	No. of ships required	Level of cargo income projected	Actual no. of ships
£147,000	£60,000	£87,000	35-40	£15,000	4

This will not be achieved as only 4 ships have been attracted in this current year. In addition, the income assumption for the Fair Maid will not be realised as the Fair Maid has been immobilised for a few months. This is due to repairs along with the decision of Montrose Port not to continue to charter the Fair Maid beyond December 2022.

Level of income projected in the Business Plan by 2025-26	Assumed Fair Maid income	Level of income from cargo required	Nb of ships required
£393,000	£60,000	£333,000	c.90

Even if a new charterer was found for the Fair Maid and the assumed level of income was £60,000, it is very unlikely that the level of cargo income required could be achieved based on market information available. This would still leave a deficit of £131,000 based on overall

projected costs of £524,000 which could also increase due to surveying, dredging and Fair Maid repairs.

Level of costs projected in the Business Plan by 2025-26	Assumed Fair Maid income	Level of income from cargo required	Nb of ships required
£524,000	£60,000	£460,000	c.120

To reach a level of income needed to break even and assuming Fair Maid income remaining at £60,000, the number of ships required would be around 120. This seems unlikely, based on market information available.

The following section provides market information on the past and current market trends to assess if this number of ships could be attracted.

2.7 Market information

Market information has been collated from various data sources and by various users and experts. This includes information received from the Scottish Government, the DP and British Ports Authority. This includes latest interests in potential cargo over the last 12 months which has been recorded by CalMac and the reasons provided for the cargo not being secured.

Harbour users' feedback

There are currently limited number of harbour users. There are Calport Ltd and Kinnes Shipping Ltd agent.

Calport Ltd: The company has operated in Perth for over 40 years and was bought by the current owner in 2008. They offer a complete shipping service including stevedoring, ships agency (through Kinnes Shipping), storage and distribution. Calport owns around 75% of the warehouse capacity at the Harbour and they have increased this by leasing additional land in October 2022. The company handles bulk cargo for customers that import products such as fishmeal, soya protein concentrate, phosphates, fertilisers and salt. Currently, they import fishmeal and soya protein concentrate, which is used to make fishmeal pellets for the aquaculture sector in Scotland. They have indicated to CalMac that current basin entrance restrictions limiting time tidal accessibility and cargo load which could be addressed with Phase 1 and Phase 2 dredging are 'making most cargos economically unviable or would carry too much risk.' Their operations are also limited by the capacity of the warehousing which are also used as storage and contract terms with fishmeal users. As they have done it in the past, they could use Dundee or Grangemouth ports to import cargos and transport cargo by road.

Kinnes Shipping: A ships agency and freight forwarding company based in Dundee with offices in Perth, Montrose and Grangemouth. The company has over 100 years of experience in shipping. It provides agency services for various vessels, including crew changing and immigration, supply of stores and provisions, customs clearance/ delivery of ships spares, cargo handling/ haulage, chartering and project management. Its freight forwarding services include sea, road and air freight, and it regularly ships worldwide. They have indicated that timber and other cargos are not using Perth Harbour due to current basin entrance restrictions limiting time tidal accessibility and cargo load, and in general the tidal window. "A window of 8 days for a ship owner is fine. But when the window is 3 or 4 days, you are then chasing the tide." Phase 1 dredging may not necessarily address this issue, but Phase 2 might provide more flexibility. However, when restrictions were not in place, other ports such as Dundee and Grangemouth have been used in the past to meet client's requirements. They have not indicated the level of ships that could be attracted in the future.

Both Calport Ltd and Kinnes Shipping have argued that a more substantial dredging should be carried out at highest points on the river navigation channel to increase further depths of waters and increase tidal time window. This option has been explored by PKC and has proved to be not viable due to the costs, complexity and associated risks of dredging over gas and oil pipelines as well as meeting environmental requirements.

Recorded interests over the past 12 months

18 parties were contacted, and the following interests recorded in the table below:

Interested parties	Cargo	Frequency	Reasons for not using Perth Harbour
Glenalmond Timber Longstanding harbour user	Timber (Sodra) - Import	2 – 3 Ships /month	Currently all their timber is landed in Dundee and taken by road to Perth. Current restrictions make the use of Perth Harbour less viable and with higher risk. However, it should be noted that cargo was redirected to Dundee before current restrictions due to a change commercial partnership and issues with warehousing and storage.
Calport Lt Long term harbour user	Fishmeal, Soya Protein Concentrate, other foodstuffs. Import + Export	Unknown	Current basin entrance restrictions limiting time tidal accessibility and cargo load. Their operations are also limited by the capacity of the warehousing which are also used as storage and contract terms with fishmeal users. As they have done it in the past, they could use Dundee or Grangemouth ports to import cargos and transport cargo by road.
Egger (UK) Ltd	Timber – Import	1 Ship /month	A prerequisite for them bringing timber through Perth Harbour was that it required covered storage due to the type of timber they would be importing.
Duntanlich Mine - Aberfeldy	Baryte Ore - Export	1 Ship /3 months	They are interested in backfilling a ship already in Perth to make more cost effective. Not cost effective due to the lack of ships using Perth, unable to plan ahead to backfill ship.
Creel Consulting Ltd	Timber - Export	Unknown. Only when cutting timber in	No timber being cut local to Perth Harbour. Montrose currently being used for export.
Andrew Gray (Perth) Ltd	Aggregates (Various) - Import	2 ships /month of building sand, 1 ship /month of gravel	Access issues to their site near Perth Harbour to be resolved before using the Harbour. Current basin entrance restrictions limiting time tidal accessibility and cargo load making it less viable.
JLW Solutions Ltd	RDF & SRF (Processed waste for fuel) – Export & Assist in timber import for Glenalmond then backfilling vessel with RDF/SRF.	1 ship /month	Lack of covered storage. Environmental guidelines state RDF/SRF cannot be stored outside for more than 5 days.

These recorded interests are indicative or speculative and are subject to each individual company's specific circumstances which could rapidly change as has happened in the past. For example, increased competition from other nearby ports such as Dundee or Grangemouth has also influenced these companies. It is worth noting that the number of interested parties is small, increasing harbour dependency on a very few users. Some interests are also conditional to covered storage which remain a key challenge for the future operations of Perth Harbour. It is also worth noting that the Council's footprint to deliver harbour operations is limited to the harbour office, basin, berths, and navigation channel. The adjacent land or properties are held under Perth Common Good Fund, Council's General Fund or by third parties. Unlike other ports, nearby land or properties do not necessarily support harbour operations. Therefore, the lack of covered or open storage to be used by existing or potential harbour users is often mentioned as a key challenge.

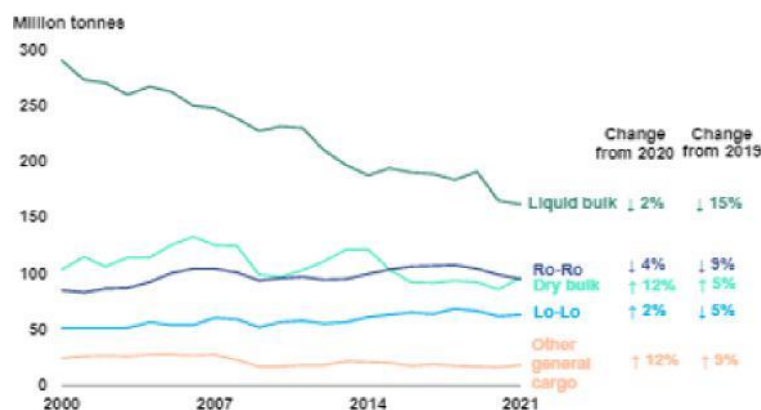
Dry Bulk cargo market

Dry bulks and general cargoes are the types of cargoes Perth can service.

The dry bulk cargo includes timber, fishmeal, ore, and agricultural products. Cargoes previously imported through Perth Harbour are fishmeal and soya protein concentrate for the aquaculture sector and timber for the construction industry. Until 2018, baryte ore from the nearby Foss mine was shipped from Perth Harbour to Great Yarmouth for use in the North Sea oil and gas sector.

The statistics show that recovery from Covid-19 in dry bulk tonnage is beginning to reach pre-pandemic levels. Looking at the dry bulk comparison for neighbouring East of Scotland ports - Dundee, Aberdeen and the Forth - all have a percentage increase in the volume of dry bulk tonnage and percentage of cargo type to the port.

Tonnage of cargo trends 2000 – 2021 by type cargo (all ports)



Vessel information:

Vessels transporting dry bulks and general cargoes are the types of vessels Perth can service. However, due to Perth Harbour waters characteristics such as depths of water, height restrictions at Dundee rail bridge (21m), basin entrance dimensions and basin be classified as a NAABSA - Not Always Afloat But Safely Aground, the type of vessels that can arrive at Perth is constraint.

Types of vessels using Perth Harbour since 2019 by tonnage, age and dimension

Reported draught (m)	Length (m)	Breadth (m)	Summer Deadweight (t)	Gross tonnage (t)	Year built/ age
4.07	81.49	10.97	2342.58	1604.26	1992 / 30 years

Most vessels calling at Perth Harbour since 2019 was built in the 1990s, with an average vessel age of 30 years, they are now coming to the end of their service lifespans. However, these types of vessels (cargo vessels under 90m length) continue to be built as demand remains buoyant for small seagoing vessels capable of river navigation. This is due to the need for such vessels to carry cargo along continental European rivers, most notably the Rhine. It should be noted that when supplying shipbuilding information, Kinnes Shipping highlighted the more lenient draft requirements of major rivers like the Rhine in comparison to the Tay. It is possible that newer vessels focusing primarily on European river trade may be deeper in draft than is currently available in Perth Harbour waters. Availability of vessels suitable to Perth Harbour waters could be a challenge for the future operations of Perth Harbour.

Charges

As part of the Business Plan, it was agreed that the best pricing strategy to adopt was a market-based strategy. Understanding what the closest competition are charging and position relative to them and price with an understanding of the overall cost of bringing ships to Perth. Based on this strategy, the schedule of charges reviewed annually are set to keep in line with inflation, but also to maintain a competitive advantage. This is particularly important as pricing at Perth Harbour is affected by pricing at Dundee Harbour. Vessels calling at Perth Harbour must pay charges to Dundee Harbour and therefore incurring additional costs. Maintaining low charges to keep Perth Harbour competitive and compensate for additional charges at Dundee remain a key challenge for the future operations.

2.8 Amber/Red Flagged Action:

- *Monitor the use of the Fair Maid by Montrose Port Authority and by any other users.*

Update: Although currently presented as amber in the dashboard, recent officer assessment would recommend moving this risk from amber to red after it is reported to the Board. A full update on the Fair Maid is provided in **Annex 4**. The Fair Maid is not needed at Perth Harbour to support operations. In the past, it was used for checking Aids to Navigation and intervene in exceptional circumstances. For that reason, commercial chartering opportunities have been explored and successfully achieved as the Fair Maid was chartered to Montrose Port Authority until December 2022 generating income. The level of income per annum is approximately £60K if used regularly. However, Montrose Port Authority indicated that they did not wish to renew the charter beyond December 2022. A new charterer will now need to be identified as otherwise there is little for the Fair Maid to do. In addition, the vessel needs regular maintenance and repairs to achieve tugboat certification. The Fair Maid was built 13 years ago, and the recent inspection and repair visit has triggered several additional costs which were not planned but had to be done to keep the tug usable. The costs incurred at the last visit were approximately £60K. Although these costs could be spread over a 5-year maintenance programme, costs will increase as the vessel ages.

3. CONCLUSION

- 3.1 Progress has been made against the first strategic objective, with the recent PMSC (Port Marine Safety Code) audit demonstrating compliance and improvement. The Designated Person undertook the PCMS Review in summer 2022 conducting interviews and site visits at Perth Harbour. The final overall assessment was issued in October 2022 and stated that the harbour has been managed safely and effectively and is compliant with the PMSC. The assessment ranking moved from 'Fair' to 'Satisfactory' showing improvement. However, pilotage services, navigation channel and dredging, and Fair Maid use and maintenance remain key challenges for future operations of Perth Harbour.
- 3.2 The second strategic objective has been more challenging, and progress has not been achieved as planned. Due to external factors such as Covid 19, the UK EU exit and the war in Ukraine, increased competition, and market changes as well as local factors such as lack of warehousing capacity, change in local demand due to change in commercial contract/partnering or operations, the long-term downwards trend in shipping at Perth Harbour has been accelerated. The position is further exacerbated by limitations imposed by the tidal window at Perth and cargo load restrictions triggered by silting at the basin entrance. Despite that the dry bulk market has shown some signs of recovery, c.80 ships would have to be attracted to reduce the deficit as projected in the Business Plan which seems very unlikely. To break even, c.120 ships would have to be attracted which seems impossible in an extremely competitive environment. Costs are increasing and are not matched by increased income, and the potential demand will be not sufficient to increase the level of income needed to reduce the deficit or break even.
- 3.3 Key challenges remain such pilotage, navigation channel and dredging, Fair Maid repairs, charges, vessel type, storage and market trends and local demand. In that context, the current Business Plan cannot be achieved as agreed.

ANNEX 1 HARBOUR DASHBOARD

Action	RAG Status	Update	Responsible Party	Targets / Priority	Primary Risk Register ID
Reduce the operational deficit by 32% from £192,500 in 2020/21 to £131,000 in 2025/26	Red	Coronavirus/Brexit/Energy Crisis impact on shipping number is putting severe pressure on reducing the operation deficit. Deficit Projections estimated at £285,455 (c.107K additional pressure)	PKC	32% Reduction in Operating Budget	PKCPH001, PKCPH002, PKCPH0010
Strategic Objective 1: To operate Perth Harbour safely and effectively in compliance with the Port Marine Safety Code and embed into business as usual operations					
Contract for Designated Person in place	Green	Contract update - Nash Maritime to deliver the DP function, Daniel Wood has provided training or board members. Extension of contract to 30 June 2023	PKC	Contract in Place - continuity of contract arrangements	PKCPH001
Designated Person Provides monitoring & compliance Reports to Board (min 2 per year)	Green	Reported to board 19.4.22 and 25.10.22	Designated Person (Nash Marine Ltd)	2 report per year (min)	PKCPH001
Lead Council Officer reports Port Marine Safety code compliance to the MCA 2024	Green	Compliance report to MCA March 2021 - - The Port Marine Safety Code (PMSC 3)-Yearly Audit is scheduled for mid August 22.	PKC	Report due 2024	PKCPH001
PKC Review Harbour directions by 2021 to come into effect by March 2022	Amber	Harbour directions 'pilotage' issued on 01.10.20	PKC & CalMac	Other Harbour directions identified and issued	PKCPH001
PKC Review By Laws by 2021 to come into effect by March 2022	Amber	Current Bylaws 11.01.2003 - Working with CalMac to review bylaws schedule Q4 2022	PKC	Bylaws reviewed	PKCPH001
Best Border Operating Model's option by 1 October 2021	Green	Brexit update - BCP -Bespoke model agreed by HMCR Wharf approval being renewed - Bespoke model in place 01.01.22	Harbour Board & Lead Council Officer	1st October 2021	PKCPH010
Meet Border Control Post requirements by 1 October 2021	Green	Brexit update - BCP changes updated - UKG shelved plans and will update in Autumn on future plans - Previously the draft application submitted to APHA with relevant documents. Update pending	PKC	01.01.2022	PKCPH010
Monitor contract performance in relation to Harbourmaster responsibilities.	Green	Monthly meetings Quarterly KPI reports to Board -	Harbour Board & Lead Council Officer		PKCPH001
Pilotage services will be maintained over the period of the Business Plan.	Red	Compulsory pilotage has been introduced for vessels over 40m in length navigating within the Perth Harbour limits. The contract for pilotage service terminated 31.03.22. Updated Pilotage transition paper presented April 2022 by CalMac for options to bring in house. John West is covering the pilotage service.	PKC	Services maintained	PKCPH004
Pilotage services will be maintained over the period of the Business Plan.	Red	Adhoc pilotage services is in place with John West as authorised pilot, training capacity for further two pilots ongoing . The Pilotage Proposal submitted by CFL to the Harbour Board was received as the sensible approach. A further meeting is to be arranged between PKC and CFL to consider options to formalise the arrangement 26.08.22.	PKC	Services maintained	PKCPH004
A review of pilot options in Dundee waters will be carried out by March 2022.	Amber	job trained pilot training ongoing but limited by lack of shipping.	PKC	Options identified	PKCPH004
The defect register will be updated and reviewed	Green	Contacts investigated, will continue to look at value for money options	PKC & Perth Pilots	Register reviewed	PKCPH006
Aids to Navigation	Green	Monthly review - Road potholes repaired, Road markings complete, Fence repaired, toilets and lights repaired.	PKC & CalMac	Critical / Operational / Notifiable	PKCPH006
Maintain Harbour operations area (quays, property, roadways, equipment)	Green	No critical	CalMac	Critical / Operational / Notifiable	PKCPH006
Maintain Fair Maid	Amber	Ladders - Seeking further cost solutions from the market - Lighting now upgraded and harbour users are very satisfied with improvements	CalMac	Critical / Operational / Notifiable	PKCPH006
Monitor the use of the Fair Maid	Green	Certification 5 year inspection is issued - Navigational updates and further work expected to enable dredging capacity. As part of the 5 Year inspection additional repair work is scheduled and the Fair maid will be out of the water in September/October. This is taking longer to repair than anticipated, funding pressure also noted.	CalMac	Monthly reports provides and inspection passed	PKCPH006
			CalMac & Lead Officer		

The Lead Council Officer with CalMac Ferries Ltd will ensure that appropriate surveys are carried out in line with the SMS. CalMac Ferries Ltd will supply the most recent survey information to the UK Hydrographic Office and other bodies.	Green	Surveys carried out in 2016, 2020, 2021, 2022	PKC & CalMac	Updated surveys	PKCPH005, PKCPH007
The Lead Council Officer with CalMac Ferries Ltd will secure consents to carry out maintenance dredging deemed as and when needed.	Amber	Preparatory works for Marine dredging licence application complete: Ecology survey, Dredging options report, Best Environmental Options Plan report. Marine Scotland Application Submitted Jan 2021 - License Granted for Dredging 18 Aug - 10 Nov 2022. Request to new licence submitted targeting Spring 23	PKC	BEOP report completed and application submitted, Maintenance dredging licence granted	PKCPH011
The Lead Council Officer with CalMac Ferries Ltd will carry out maintenance dredging when needed.	Red	Dredging options report will identify dredging methods of working used to select contractor. Funding not allocated for dredging	PKC & CalMac	Contractor selected and works completed	PKCPH011
Strategic Objective 2: To turn around Perth Harbour to a self-sufficient business which generates an operating surplus and which is promoting sustainable freight transport					
In 2021-22, Perth Harbour will attract an additional 6,000t to 30,500t and 27 ships from 21 by securing existing cargo and attracting new cargo (or cargo which has left) focusing on fishmeal and baryte - Projected estimated gross income 2021/22: £106,000. By 2025-26, the target will raise to 59 ships, 65,000t and gross income of £283,000.	Red	1 Ship in 2022-2023 With 2 ships scheduled in October - shipping numbers are down CalMac - (timber shipment interested but due to tidal window, draft restriction a contributing factor) 8 ships in 2021-22, tonnages 9080.23, income breakdown provided in the Shipping Breakdown	CalMac & PKC	59 Ships 65,000 t £283,000 income	PKCPH009
PKC with the support of CalMac will charter Fair Maid of Perth to Montrose Port Authority or to other third parties. Projected estimated gross income 2021/22: £60,000 (£107,250 has been generated between January 2019 and March 2021). This target is to sustain the 2021/22 level of gross income per year over 5 years.	Amber	Charter renewed until 21.12.23 - Income: £6,000/quarter - Fair Maid is out of water for an extended time as part repairs, not anticipated to impact on target. Montrose Port Authority did not renew charter. Looking for new charterer.	CalMac / PKC	Sustain Gross income target £60,000 per year	PKCPH009
PKC with the support of CalMac will develop services to marine users. Projected estimated gross income 2021/22: £2,000. This target will increase to £4,000 per year by 2025-26.	Amber	Informal discussion started	CalMac - PKC	£4, 000 per year for Marine Services	PKCPH009
PKC will discuss the product offer with stevedores and storage providers by October 2021	Amber	Storage capacity under the control of Perth Harbour should be increased within the Harbour Support Zone when opportunities arise, and delegates to the Head of Planning and Development, in consultation with the Harbour Board Chair, the conclusion of a lease or an acquisition subject to costs being contained within the Council's Harbour Revenue Budget or equivalent additional income is generated	PKC	Oct-21	PKCPH003, PKCPH009
PKC and CalMac Ferries Ltd will develop a marketing plan and related activities in close liaison with stevedore and storage providers.	Green	Discussion started - Harbour flyer now created for circulation. The new PKC harbour team are initiating some direct engagement with possible harbour users	CalMac & PKC	Marketing plan agreed	PKCPH003, PKCPH009
Set Charges Annually - The schedule of charges are reviewed annually by the Harbour Board and recommended to the Council for consideration	Green	2022-23 set - Draft 2023-24 prepared	Harbour Board & PKC	Annual	PKCPH009
PKC will discuss stevedoring or storage charges with stevedore and storage providers by October 2021.	Amber	Informal discussion started and developed as the BCP works have been evolving.	PKC	Oct-21	PKCPH009
PKC with CalMac Ferries Ltd will organise at least an annual event for all river users and at least 2 events with harbour users.	Green	CalMac supporting River users forum and events organised	CalMac - PKC	Voluntary Code of Conduct approved	PKCPH003
PKC with CalMac Ferries Ltd will maximise community benefits by promoting Perth Harbour Community Fund and developing other educational or employment initiatives.	Green	Community Benefits Fund 2022 launched and distributed - information available on harbour website	CalMac - PKC	Community Benefits Fund new call	PKCPH003
The Lead Council Officer will discuss with stevedores and/or storage providers an integrated product offer to be considered by the Board. If agreed by the Board and the Council, the Lead Council Officer will identify opportunities as they come to lease/acquire existing warehouse and/or open storage within the Harbour Support Zone (Option 6).	Green	Options identified	PKC Lead Officer - (Stevedores & Storage providers) & Harbour Board	Head of Service and Board agreement	PKCPH009

ANNEX 2 RISK REGISTER link - PERTH HARBOUR OPTIONS APPRAISAL ON FUTURE OPERATIONS (cmis.uk.com)

CURRENT RISKS					Worst Risk			CURRENT MITIGATING CONTROLS			Residual Risk			FURTHER			
id	ID No.	Primary Risk Type	Risk Title	Risk Description	Impact	Risk Probability	Risk Impact	Risk Rating	Identified By	Date Identified	Risk Owner	Mitigating Controls	Mitigation Control Owner	Risk Probability	Risk Impact	Risk Rating	Further Actions
10	PECPH001	Regulatory/Legal	Failure to risk management	Harbour need a robust culture for managing risks, projects, as well as information governance and operational Health and Safety - Should this fail harbour may suffer failure in the overall management of the Harbour Authority	Injury to stakeholders, loss of revenues, lost information, legal action and damage to our reputation. Inefficient staff to fulfil obligations. Staff health & safety compromised. Legal action against the Council. Weak project governance leading to poor delivery & inadequate control measures. Project run into and/or over budget. Outcomes not achieved. Information or financial loss. Time wasted looking for information. Risk of not meeting FIDIC/customer requests correctly.	3	3	3	AD	03/21/21	Harbour Authority	Board oversight and Governance working to an approved Business plan. This includes contractor CalMac delivering harbour operations to Marine code and Port Regulations	CalMac/PEC	2	2	4	Action advice from the board and stakeholders to increase resilience and improve risk management
4	PECPH002	People/Social	Global Market Conditions Impact on Operations	Pandemic, Energy, Food and Trade security import export	Coronavirus, Energy Crisis, Inflation and food security - Ongoing issues restricts the size of the Harbour, lack of recovery in the sector. Demand for size of the Harbour	3	4	12	AD	03/21/21	Harbour Authority	Reduce the possibility that the business plan will need to be reassessed with a longer recovery period and investment to retail potential recovery scenario	PEC	3	4	12	Access Covid impact on Harbour usage, potential feasibility study on future uses of harbour in the new global context of the need for secure supply chains.
7	PECPH003	Reputational	Lack of Community Engagement	Engage harbour stakeholders - consult and engage appropriately with all relevant harbour users, groups and stakeholders to provide accessible and transparent management of the port.	Engage with the community and harbour stakeholders failing to accurately meet the needs of customers and stakeholders, resulting in a loss of revenue streams and damage to reputation	4	4	16	AD	03/21/21	Harbour Authority	Business plan outlines action to mitigate including plan for community benefits and outreach to build community wealth. Organize at least one annual event for all river users and at least 2 events with harbour users. CalMac has seasonal sea container reports by pilots in care of incidents.	CalMac/PEC	2	3	6	Events planned in the new year - Ongoing liaison with harbour users (eg Calport).
2	PECPH004	Professional	Failure to provide Pilotage	Access to Trained Pilots for the sea and coastal freight water transport to Perth Harbour. Services with all due care, skill and ability and in accordance with best practice applicable and train Pilots to fulfil this task	Increases risk causes a danger to the safety or security of any person or thing, and in accordance with Regulations and all other applicable law or regulation so in force from time to time. Boats will not be able to dock at the harbour. Reputational and economic impact. This can be one of the hardest waters to pilot in the UK	5	5	25	AD	03/21/21	Harbour Authority	Contract with Pilots being discussed with mitigation and controls applied via optional approval papers and activities	CalMac/PEC	3	5	15	Ongoing workshop to allow short term cover as this is a long term solution
8	PECPH005	Environmental	Damage to Natural Environment	maintain a stewardship of the harbours built and natural environment	Protected species and natural habitats could be endangered leaving natural habitats for future generations. Reputational damage - financial impact.	3	5	15	AD	03/21/21	Harbour Authority	Dredging project linked to risk PECPH006 mitigating with contract with specialist environmental companies to comply and invest in the support of the environment. Oil spillage exercises and intervention contract	CalMac/PEC	2	3	6	Ongoing environmental impact assessment
5	PECPH006	Physical/Assets	Failure to maintain Harbour Assets	Effectively manage the Harbour Authority's assets and infrastructure.	Impact on strategic direction, cessation of business activities, loss of employment, loss of revenues, damage to reputation and failing to meet best practice guidelines. Liability for the harbour accident to serious pedestrian borrowing. Proximity successful/assessable for extended period. Fail to secure competitive contracts	4	5	20	AD	03/21/21	Harbour Authority	Packages of ongoing works including upgrading of the lights to improve the condition of the harbour assets.	CalMac/PEC	3	3	3	Evaluate impact on Harbour infrastructure
3	PECPH007	Regulatory/Legal	Failure to Maintain Safety on/off waters	Fulfill our obligation to provide a competent Harbour Authority enforcing all applicable statutes by law and legislation. Providing a safe haven for vessels or a safe Harbour estate for users and visitors	Statutory duty may not be met. Safety may be jeopardised. Stakeholder dissatisfaction. Inefficient staff/resources to fulfil obligations. Legal action against the Council. Government intervention as harbour cannot achieve objectives in context of government policy. Previous successful/assessable for extended periods causing the cessation of business activities. Loss of reputation. Failure to respond to legislative changes resulting in a financial penalty and we may face deterioration of infrastructure.	3	4	12	AD	03/21/21	Harbour Authority	Contract with Harbour operator rate out performance against safer, this includes incident reports and maintenance logs.	CalMac	2	3	6	Ongoing investment into H&S issues includes lighting upgrade, Road maintenance ongoing with portfolios repaired and road marking scheduled.
11	PECPH008	Contractual	Ineffective Contract Management	Effective Contract Management is needed to provide good governance to the Harbour. Managing milestones deadline and deliverables and maintain good document	Failing to achieve deadlines, milestones or deliverables could cause damage to the harbour impacting on reputation and risk management.	2	5	10	AD	03/21/21	Harbour Authority	Regular meeting and KPI reports. Board meetings and risk management processes to mitigate contract issues.	PEC	2	2	4	
3	PECPH009	People/Social	Failure to maximize Harbour Economic benefits	Encourage Local Prosperity - Capitalize on maritime setting and sustainable industry. Develop demand for the local maritime economy or requirements on both	Negative impact on supply chain and economy. Loss of maritime services and capacity. Damage to our reputation	5	5	25	AD	03/21/21	Harbour Authority	Business Plan outlines actions to mitigate this risk.	PEC/Calport/CalMac	3	5	15	Improve storage, develop better integrated commercial packages, better marketing and market engagement
6	PECPH010	Political	EU Exit Impacts on operations and trade	EU Withdrawal Impact - Border & Custom Controls, Trading agreements.	Loss of Trade, Additional costs to comply with new rules, new Border Control Post (BCP) and planning conditions. UK Government updated the Border Operating Model policy in April 22 delaying the activation from November 2021. The impact of risk moved to Perth Harbour which is subject to SPS controls. The Border Control requires a model to be collected to meet the business need and approval sought before Jan January 2022.	3	4	12	AD	03/21/21	Harbour Authority	EU Withdrawal Impact Reports being provided into Update 5 Border & Custom Controls. Working with Government and Border force to update policies to minimize disruption. Cost implication will impacting on business strategy and cost of operations. Brexit update papers from Calmac will be updated advice on potential services used reporting	PEC	2	4	8	UK Gov - Delayed plans around Border and custom controls - Update expected in Autumn 2022. HPRC have approved The Perth Harbour Business Model application. The NFPA have been informed and information sent. UPDATE JULY 21: PEC have undertaken consultation with CALPORT and Scottish Gov Animal and Plant Health Agency (APHA). A B123 application form was submitted to APHA who have responded with a reference No. and form B143 for completion to complete the application. Rules update mid 2022. Update 6: CalMac POC submitted application for marine licenses in January. Granted Application Submitted Jan 2021 - Licences Granted for Dredging 10 Aug - 10 Nov 2022. Budget process has studied the project. If looking to extend deadline, new details must be provided to Marine Scotland by 10 Nov. Dredging action report circulated to board April.
1	PECPH011	Physical/Assets	Failure to Dredge and keep open waters	Harbour natural environment has build up relationship of the harbours built and natural environment	Loss of Trade, additional costs to comply with new mitigations. Safety issues and successful/assessable for extended period. Fail to secure competitive contracts and maintain harbour status. Growing of traffic incoming to harbour.	4	5	20	AD	03/21/22	Harbour Authority	Dredging project linked to risk PECPH006 mitigating with contract with specialist environmental companies to comply and invest in the support of the environment.	PEC	4	4	16	Update 6: CalMac POC submitted application for marine licenses in January. Granted Application Submitted Jan 2021 - Licences Granted for Dredging 10 Aug - 10 Nov 2022. Budget process has studied the project. If looking to extend deadline, new details must be provided to Marine Scotland by 10 Nov. Dredging action report circulated to board April.
12	PECPH012	Physical/Assets	Navigational Risk	Effectively manage the Harbour Authority's navigational risk and infrastructure.	Loss of Trade, additional costs to comply with new mitigations. Safety issues and successful/assessable for extended period. Fail to secure competitive contracts and maintain harbour status. Growing of traffic incoming to harbour.	3	5	15	AD	03/21/25	Harbour Authority	Perth & Kinross Council and CalMac Ferries Ltd hold navigational risk. T	PEC	2	2	4	Perth & Kinross Council and CalMac Ferries Ltd to review and reduce the Navigational Risk Assessment considering 'most likely' and 'worst credible' scenarios to properly output risk boards by risk score and ensure that the Duty Holder is aware of the top navigational risks.

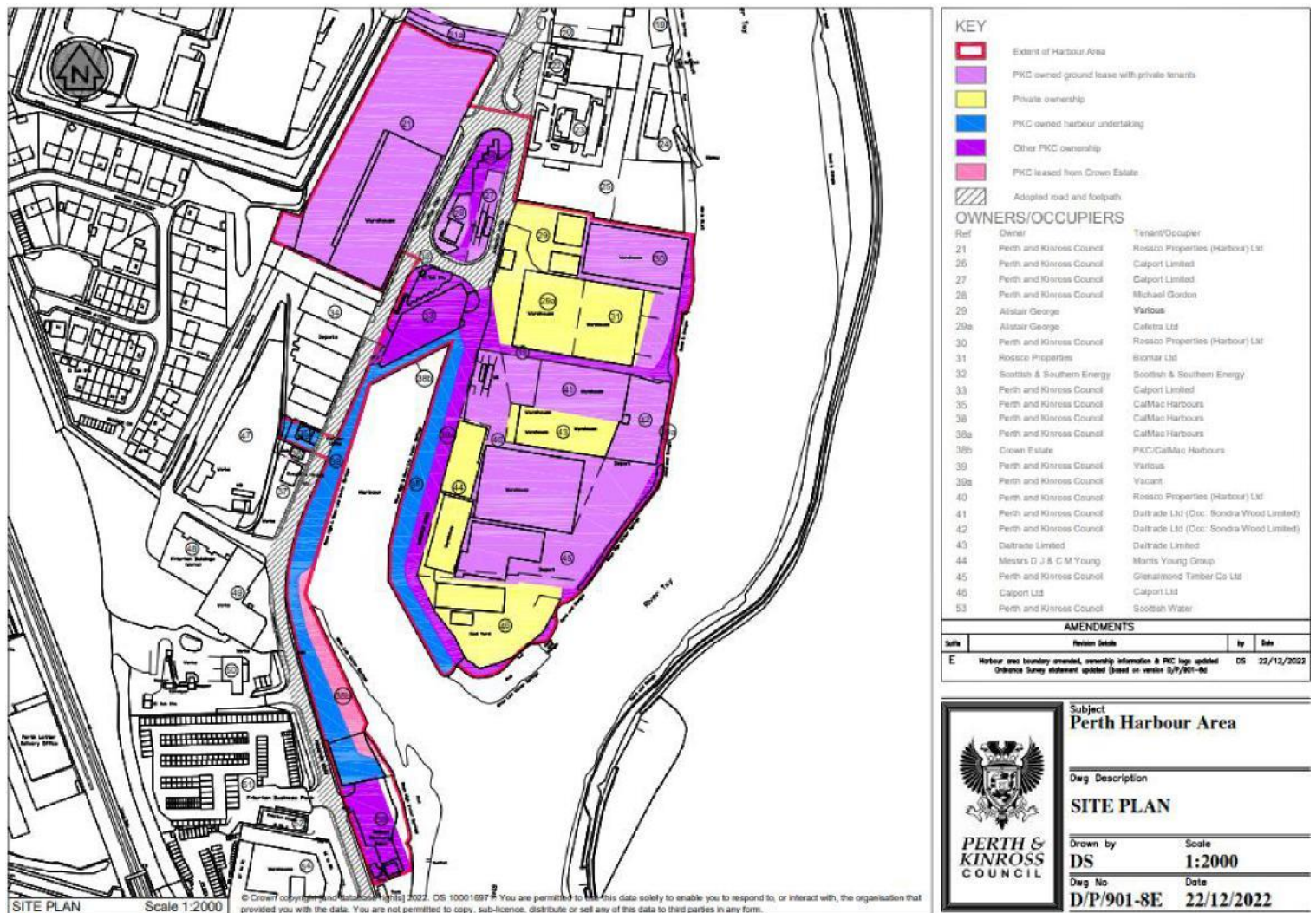
ANNEX 3 MAPS

Map 1: Harbour operations area



Map 2 – Harbour support zone land ownership

This map identifies the properties belonging to Perth Common Good Fund and the Council's General Fund which could be alienated if Options 3B and 4B are to be pursued. It also provides the basis for possible transfer of income from Perth CGF and Council's General Fund budgets to Harbour budget as described in Option 2.



ANNEX 4 FAIR MAID REPORT UPDATE

In May 2007, Perth & Kinross Council took delivery of a new workboat. The 13 metre twin screw craft named "Fair Maid of Perth" was designed by Macduff Ship Design and constructed by Macduff Shipyards. The vessel has twin Iveco Cursor 330 H.P. engines driving fixed pitch propellers in Kort nozzles. To increase manoeuvrability in the close confines of the River Tay. The vessel is fitted with a Kort 320 kg thrust bowthruster. Deck equipment includes a winch and towing hook enabling it to be used as a harbour tug and an "A" frame and detachable plough for dredging operations. A Guerra deck crane is installed to facilitate the lifting and repositioning of navigation buoys. "Fair Maid" also carries a fire monitor on top of the wheelhouse thus providing firefighting capability. The Fair Maid has been fitted with an AIS system (localisation system). The Boat is insured for a value of £350,000.

Since July 2018, Harbour operations have been contracted out to Calmac Ferries Ltd. Calmac Ferries Ltd is responsible for the tug/workboat operations as per MCA regulations. The Fair maid is chartered out to Montrose Port authority to carry out functions and is also used and on standby for every ship wishing to dock at Perth Harbour, this standby is needed due to the restrictions in place at the harbour. Previously this ship was also used to carry out maintenance dredging of the basin entrance.

Charter update:

The Fair Maid has been chartered to Montrose Port Authority until December 2022. This has provided the following income outlined in the table below. Montrose Port Authority do not see a need to continue with any BIMCO contract for the Fair Maid from December 2022. They highlighted that part of the reason could have been the time and cost involved with transit to and from Perth / Montrose. They also have issues with space to store her when she is in Montrose. They also do not require her as often as they previously have done. They also suggested that they may be interested to purchase the Fair Maid and operate the BIMCO contract in reverse where Perth Harbour could charter the Fair Maid from Montrose when required.

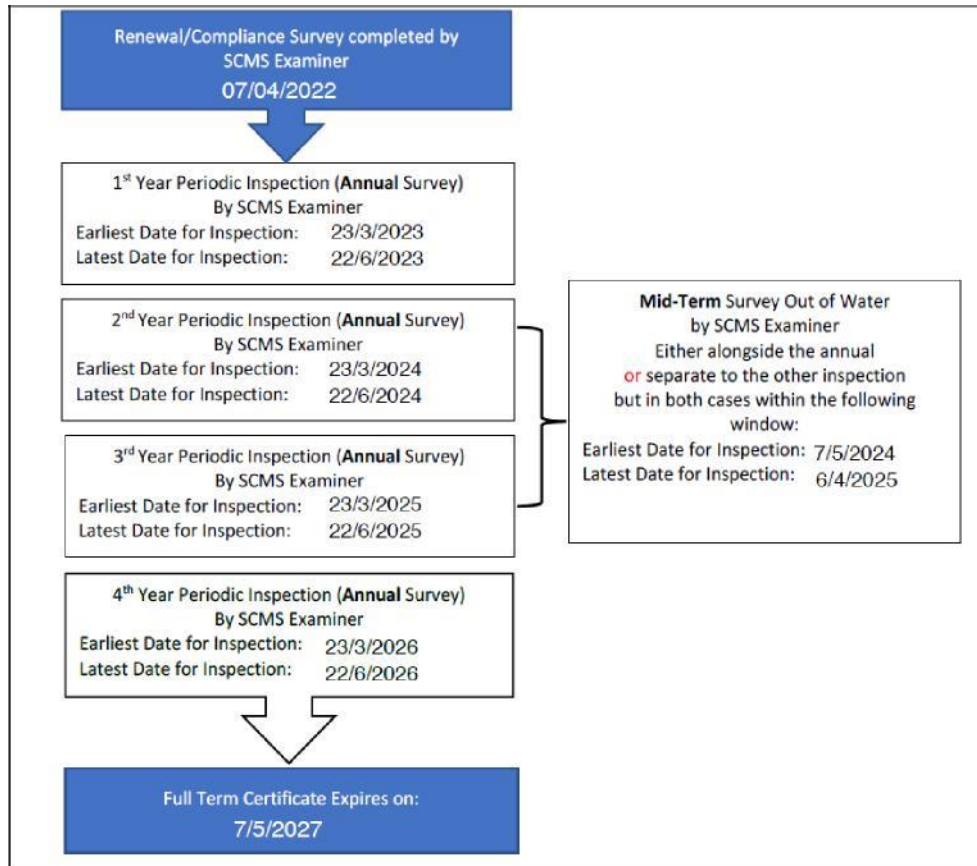
Summary of income and maintenance cost:

CalMac Contract Year	Income	Maintenance
Y1 19/20	£45,000	£16,868
Y2 20/21	£60,000	£4,644
Y3 21/22	£32,000	£95
Y4 22/23	£24,000 (est.)	£40,534 *
Total	£151,000	£62,141 *

* The Emergent work from the 5 year inspection is still being completed (estimate) the Fair Maid Certificate is valid until 7 May 2027.

Maintenance Update:

In line with BICOM Bareboat charter, responsibilities for tug/workboat day-to-day operations are the responsibilities of the tenants when the owner retains the responsibilities for certification, maintenance, and structural repairs. To operate commercially, vessels must undergo periodic surveys to verify their conformance with the applicable code. The Fair Maid of Perth is surveyed against "the Brown Code", in essence this code details the requirements for the building standard, carriage of life saving appliances, qualifications to operate etc. The survey programme ranges a 5-year period, annually the vessel requires an "in water" inspection, and at the midterm, between Year 2 and 3 the vessel is required to complete an "out of water" inspection. The next 5-year schedule is as follows:



The Five-year Certificate and emergent works are currently being carried out; the ship is certified until 7th May 2027. The increase in this year's maintenance is due to the 5-year of out of water inspection. This maintenance is not expected to be this high year on year, as the history demonstrates, but a ship of this age would expect to have sufficient upkeep allocated. The shipyard has also mentioned that the paintwork will also need completely refreshed to the metal at a future date.



PERTH HARBOUR OPTIONS APPRAISAL ON FUTURE OPERATIONS

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Contents

1. INTRODUCTION	3
2. OPTION APPRAISAL	3
3. RESULTS.....	8
4. CONCLUSION	9
ANNEX 1 - OPTIONS APPRASAL & SCORING MATRIX	10
OPTION 1&1B Do Nothing/Minimal:	10
OPTION 2 Transfer of income from adjacent Council commercial properties from the Perth Common Good Fund and the General Fund to the Harbour budget.....	14
OPTION 3A/3B Full Transfer/Sale of Harbour Operations facilities to a third party.....	17
OPTION 4/4B Joint Venture.....	22
OPTION 5: Closure at a commercial port and Wider Area Regeneration	27
ANNEX 2 - COMMERCIAL MARKET INFORMATION	30
ANNEX 3 INFORMATION ON PERTH COMMON GOOD FUND PROPERTIES AND SALE OR TRANSFER PROCESS	36
ANNEX 4 INFORMATION ON PROCESS TO REQUEST HARBOUR ORDER.....	37

PERTH HARBOUR
OPTIONS APPRAISAL ON FUTURE OPERATIONS

1. INTRODUCTION

- 1.1 At its meeting on 7 September 2022, the Finance & Resources Committee approved an officer review of the Council's role in and responsibility for Perth Harbour operations, the results to be presented back to Members (Report No. 22/208).
- 1.2 The rationale for this review is the increased costs of harbour operations, reduced harbour income, and future maintenance liabilities within the context of the overall financial position of the Council. More specifically, the current and projected expenditure and income for harbour operations are not in line with the projections included in the Perth Harbour Business Plan (April 2021 – March 2026) agreed by the Strategic Policy & Resources Committee on 1 September 2021.
- 1.3 More background information on operations and governance are provided in Appendix 1 'Perth Harbour Business Plan Update' attached to the main Council's report.
- 1.4 It should be noted that Harbour operations have continued during the review period to maintain compliance with regulations, ensure safety, minimise losses and maximise income. The Finance & Resources Committee did however pause any further non-safety related expenditure until the conclusion of the review and a decision on the way forward.

2. OPTION APPRAISAL

- 2.1 This report provides the options appraisal conducted to provide the basis for consideration by the Council on the future of harbour operations and the Council's related assets and interests.
- 2.2 The appraisal has been carried out using a standard methodology and assesses each option against a set of criteria which are weighted. Five options were developed with the Harbour Board, Calmac as the current harbour operator, the Designated Person and legal adviser for comments, ranging from the status quo 'do nothing' option to the closure of the Harbour to commercial traffic and longer term regeneration of the harbour industrial area. Some options would mean total withdrawal of Council's involvement, but others would see investment in its operations.
- 2.3 A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis was carried out for each option. Each bullet point in the SWOT analysis has been linked (via initials) to scoring criteria to facilitate scoring. Each option is appraised against the list of criteria below and the current and future challenges faced by the Harbour and scored following a standard methodology assessing the relative benefits and disbenefits of the option from the Council's perspective. Weighting has been applied to the score to reflect the higher importance of specific criteria.

2.4 The following methodology was used to score each option against each criterion:

Score	Name
0	Unacceptable – the option does not meet the criteria bringing disbenefits only
1	Poor – the option poorly meets the criteria bringing little benefits and a majority of disbenefits
2	Acceptable – the option meets the criteria bringing an equal number of benefits and disbenefits
3	Good – the option fully meets the criteria bringing a majority of benefits
4	Excellent – the option fully meets and exceeds bringing benefits only

2.5 Each option is given a total weighted score and is also assessed in terms of risks using the accepted methodology using probability and impact used in the risk register matrix below. Each option was risk ranked against the current baseline risk register comprising twelve risks which also linked to the current and future challenges faced by the Harbour. Options are scored to allow an overall risk assessment of low, medium or high risk. Finally, the weighted scores and risk rating are brought together to provide an overall assessment of all options to allow comparison.

2.6 The risk matrix is provided below:

P R O B I L I T Y	B	Greater focus on Controls and Mitigation		Controls Contingencies should be identified and developed	and	
	A	Risk Tolerance Line				
	5	Controls and Contingencies to be identified and developed if affordable.				
	4	Greater focus on Contingency Planning				
	3					
2	No Controls or Contingencies to be developed unless obvious and inexpensive					
1						
		1	2	3	4	5
IMPACT						

2.7 Council officers have undertaken the review with support from external advisors covering legal and harbour duty requirements as these are specialised subject matters. External advice taken included the Perth Harbour Designated Person who provides independent advice to the Harbour Duty Holder.

2.8 This review used current and available data and evidence, and no additional feasibility studies were commissioned. Current market conditions are uncertain and may impact assumptions made during the review, however best efforts were made to reflect the current position of the port in its context.

2.9 The following five options were identified for the appraisal:

Options	Description
Option 1A & 1B	Do Nothing/Minimal: Manage Perth Harbour without significant change. This option will involve minimal intervention in line with the Business Plan and will continue to charter the Fair Maid to maintain the revenue stream and incur related maintenance costs of the Fair Maid. Montrose Port Authority has indicated that they would not continue current charter, so a new charterer would have to be found. Provide an extension of current CalMac contract for two years from July 2023. Option 1B will involve Option 1A and completion of dredging

	Phase 1 to remove current depth restriction for commercial shipping and maintain access for commercial shipping on an ongoing basis.
Option 2	<p>Transfer of income from adjacent Council commercial properties from the Perth Common Good Fund and the General Fund to the Harbour budget: This option will involve continuation of current harbour operations arrangements by the Council (Option 1B) plus transfer of ground rent income of adjacent commercial properties from the Perth Common Good Fund (PCGF) and the General Fund (GF) to the Harbour budget to subsidise harbour operations. This would reduce PCGF/GF revenue income by approximately £90,000/annum (split £75K PCGF, £15K GF). This will involve developing an improved offer to maintain existing (e.g. timber and feed stocks) and invest in potential new commercial shipping markets (e.g. food security; biofuels; grain imports and exports). This option also includes exploring a long-term dredging solution, including Phase 2 dredging expenditure. Please note that the Perth Common Good Fund Committee has not been consulted on this option.</p>
Option 3A & 3B	<p>Full Transfer/Sale of Harbour Operations facilities to a third party: Transfer of harbour operations facilities (berths, basin, office, aids to navigation) by sale or concession/lease agreement to another party and sale of the Fair Maid as part of the transfer or separately. This will involve transferring all harbour statutory duties with no further Council involvement in harbour operations. This option does not include the surrounding industrial land and property in Council ownership which would remain as present. This option will require a Harbour Revision Order (Transfer) to be submitted to Scottish Ministers for their consideration. Option 3B would explore the feasibility of also seeking Court approval to sell ground leases held in the Perth Common Good Fund to a third party, and the sale of General Fund properties (as shown in Appendix 5 – Maps).</p>
Option 4A & 4B	<p>Sharing Harbour Operations facilities via a Joint Venture: Transfer of harbour operations facilities (berths, basin, office, aids to navigation) and Fair Maid to a special purpose vehicle established as a joint venture and on a proportionate risk and reward basis. This will involve transferring all harbour statutory duties to the joint venture. This option would mean the Council indirectly continuing to be involved in harbour operations. This option would also require a Harbour Revision Order (Transfer) to be submitted to Scottish Ministers for consideration. Option 4B would explore the feasibility of also seeking Court approval to sell ground leases held in the Perth Common Good Fund to a third party, and the sale of General Fund property.</p>
Option 5	<p>Closure as a commercial port and wider Area Regeneration: This option would result in the cessation of the Council's involvement and obligations to manage the harbour as a commercial port. Further encouragement would be given to other commercial uses including renewable energy production/storage where possible, water-based leisure (sailing, boating, water sports etc) and complementary employment or ancillary uses in the short term prior to medium and long consideration of alternative uses via supplementary guidance and the Local Development Plan review. This option includes the sale of the Fair Maid. Option 5 will also require a Harbour Revision Order (Closure) to be submitted to Scottish Ministers for their consideration.</p>

2.10 The scoring and SWOT and risk analysis for the options is detailed in **Annex 1**.

2.11 The SWOT analysis and risk analysis have been informed by the known current and future challenges that Perth Harbour faces as highlighted in the Business Plan update.

Key challenges

- Pilotage – Maintaining pilotage services remains a key challenge for the current and future operations of Perth Harbour in terms of availability of authorised pilots. It is also important to note that Perth Harbour is dependent on pilotage services provided by Forth Ports (Dundee) as any vessel passing through Dundee waters must use Dundee Harbour pilotage services. This is also increasing costs for shipping agents.
- Navigation Channel and dredging – Secure consents and carry out maintenance dredging deemed as and when needed remain a key challenge for the current and future operations of Perth Harbour in terms of costs, navigational risks and commercial proposition. With the River Tay being the largest river by water volume discharge in Great Britain, surveying of the entire channel should be regularly carried out to assess depths of waters along the 22 miles channel and at basin entrance. It is worth noting that nationally significant oil and gas pipelines located on the riverbed cross the navigation channel and would have to be safeguarded by any dredging at these locations. Although this could focus on critical locations, an on-going dredging programme would be needed to maintain the channel and reduce natural silting. Recent surveying has indicated that dredging at the basin entrance is necessary and mitigation measures have been put in place to reduce the risks. These have led to increased costs for the harbour which are not recoverable from shipping agents and has made the harbour less attractive (reduced tidal time accessibility and reduced cargo). Dredging costs have been estimated at £60K for basin entrance Phase 1, and £350K to £850K for basin entrance Phase 2 depending on the depth target.
- Fair Maid - The Fair Maid is not needed at Perth Harbour to support operations. In the past, it was used for checking Aids to Navigation and intervene in exceptional circumstances. For that reason, commercial chartering opportunities have been explored and successfully achieved as the Fair Maid was chartered to Montrose Port Authority until December 2022 generating income. The level of income per annum is approximately £60K if used regularly. However, Montrose Port Authority indicated that they did not wish to renew the charter beyond December 2022. A new charterer will now need to be identified as otherwise there is little for the Fair Maid to do. In addition, the vessel needs regular maintenance and repairs to achieve tugboat certification. The Fair Maid was built 13 years ago, and the recent inspection and repair visit has triggered several additional costs which were not planned but had to be done to keep the tug usable. The costs incurred at the last visit were approximately £60K. Although these costs could be spread over a 5-year maintenance programme, costs will increase as the vessel ages. Using and maintaining Fair Maid remain a challenge for the current and future operations of Perth Harbour in terms of chartering opportunities to generate income and likely increased maintenance and repair costs.
- Charges – As part of the Business Plan, it was agreed that the best pricing strategy to adopt was a market-based strategy. This is understanding what the closest competition are charging and position relative to them, and price with an understanding of the overall cost of bringing ships to Perth. Based on this strategy, the schedule of charges reviewed annually are set to keep in line with inflation, but also to maintain a competitive advantage. This is particularly important as pricing at Perth Harbour is affected by pricing at Dundee Harbour as vessels calling at Perth Harbour have to pay charges when crossing Dundee waters. Maintaining low

charges to keep Perth Harbour competitive and compensate for additional charges at Dundee remain a key challenge for the current and future operations of Perth Harbour.

- Vessel – The majority of vessels calling at Perth Harbour since 2019 were built in the 1990s, and with an average vessel age of 30 years, they are now coming to the end of their service lifespans. However, these types of vessels (cargo vessels under 90m length) continue to be built as demand remains buoyant for small seagoing vessels capable of river navigation. This is due to the need for such vessels to carry cargo along continental European rivers, most notably the Rhine. However, it is possible that newer vessels focusing primarily on the European river trade may be deeper in draft than can be used in the shallower Perth Harbour waters. Availability of vessels suitable to Perth Harbour waters could be a challenge for current and future operations of Perth Harbour.
- Storage – It is worth noting that the Council's operational footprint to deliver harbour operations is limited to the harbour office, basin, berths and navigation channel. The adjacent land or properties are held in the Perth Common Good Fund, the General Fund or by third parties. Unlike other ports, nearby land or properties do not necessarily support harbour operations. Therefore, the lack of covered or open storage to be used by existing or potential harbour users is often mentioned as a key current and future challenge for Perth Harbour operations. The EU exit has also triggered changes in Border Control including for Products of Animal Origins such as fishmeal. A review has been carried out with the regulatory agency (APHA), and new Border Control facilities would have to be put in place. These would require additional inspection facilities and abiding to strict procedures to process cargos at the ports. Although it would be possible to put in place such facilities, the review has highlighted that the layout of existing private storage facilities was not entirely suitable, and compliance would require on-going monitoring particularly to avoid cross contamination between cargos. This would add costs and complexity to ports operations.
- Market – Feedback from current harbour users and recorded interests from potential users indicate that there is some demand, but it is subject to specific individual company circumstances which could rapidly change based on increased competition from other ports. It is worth noting that the number of interested parties is small increasing dependency on a few users. Current restrictions at the basin entrance are making operations less viable which could be addressed with Phase 1 and Phase 2 dredging, but the lack of covered or open storage to be used by existing or potential harbour users is often mentioned as a key challenge. The market statistics show that recovery from Covid-19 in dry bulk tonnage is beginning to reach pre-pandemic levels. Looking at the dry bulk comparison for neighbouring east of Scotland ports - Dundee, Aberdeen and the Forth - all these major ports have a percentage increase in the volume of dry bulk tonnage and percentage of cargo type.

In addition to these challenges, the economic impact and the environmental impact have also been used to inform the SWOT analysis and risk analysis

- Economic impact – jobs and GVA

A study (Biggar economics 2021) commissioned by Calmac, the harbour operator, evaluated the economic impact of Perth Harbour. For the year 2020/21, directly through its own operations and indirectly through its wider business and sector users, the Harbour is estimated to support £3.9 million Gross Value Added (GVA) and 54

jobs throughout Perth and Kinross. Across Scotland this impact grows to £5.5 million GVA and 74 jobs. This is based on 24 shipments carrying 33 thousand tonnes of cargo. This economic impact of Perth harbour is now less due to fewer ships and cargo. However, as business and sector users have shifted their modes of transport to road, the economic benefits arising from their activities would still be realised for the Perth and Kinross and Scottish economy regardless of use of the harbour itself.

- Environmental impact - Carbon emissions / Biodiversity & Pollution risk

As an inland harbour, Perth Harbour could contribute to remove road traffic and cut emissions through a more direct central access to arterial routes. Perth Harbour is also well positioned to serve the North and Northwest of Scotland as arterial routes can be accessed directly with a short transit. It is estimated that road haulage would emit 5 times more than maritime shipping over a journey from European ports to Perth Harbour. However, as business users are switching to other Scottish ports e.g., Dundee, Grangemouth), carbon emission reduction estimates can only be applied to the short distance between Dundee or Grangemouth and Perth, or the end local destination. Carbon emissions would still be realised between European ports and these Scottish ports.

The river Tay is a sensitive habitat for fauna and flora and a reserve for biodiversity. The area which is crossed by vessels calling at Perth Harbour has been classified as a Special Conservation Area (SCA), Special Protection Area (SPA), Sites of Special Scientific Interests (SSSI), Ramsar site and local nature reserve. The river hosts the UK's largest continuous reedbed as well as freshwater pearl mussels, one of Scotland's most endangered species with the country hosting two-thirds of the world's remaining stock or rare birds. Although Perth harbour operations are strictly controlled in line with PSMC via pilotage and navigational risk assessments, the risk of a vessel grounding and potential subsequent pollution is still present. This could have significant negative impact on the river Tay and its fauna and flora particularly where oil and gas pipelines are located.

3. RESULTS

3.1 The summary of results of the options appraisal is provided in the table below:

Rank	Option	Total Weighted Score (0-4)	Risk Rating
1	Option 5 (Closure as a commercial port & regeneration)	2.35	High
2	Option 3A (Sale)	2.20	High
3	Option 1B (Do minimal & Dredge Phase1)	2.15	Medium
4	Option 4A (Joint Venture)	2.10	High
5	Option 2 (Income Transfer)	1.95	High
6	Option 1A (Do Nothing)	1.75	High
7	Option 3B (Sale & Properties)	1.50	High
8	Option 4B (Joint Venture & Properties)	1.40	High

3.2 Options 5 (closure as a commercial port and area regeneration) have been identified as the highest-ranking option and rated as high risk, followed by Option 3A (Transfer or sale of harbour operations to a third party) also rated as high risk. Option 4B (joint venture and

transfer of ground leases from Common Good Fund and General Fund) has the lowest ranked score and is rated as high risk.

3.3 Option 1B was ranked third and rated as medium risk because more detailed and specific mitigation measures have already been identified leading to a reduction of risk. For all the other options, risks have been identified with some mitigation measures, but at a higher level. Risks could be reduced if more risk analysis or detailed and specific mitigation measures are identified, which would require further investigations and research. This would be possible when a preferred option(s) has been agreed. However, current analysis indicates that it is unlikely that any option would be rated as a low risk.

3.4 Based on the option assessment, Option 5 is regarded as the preferred option as it is ranked 1st and would address most of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – no need for pilotage services.
- Navigation Channel and dredging – no need to maintain navigation channel.
- Fair Maid – Fair Maid would be sold.
- Charges – no need for charges of very basic links to leisure and property uses.
- Vessel – not applicable anymore.
- Storage – not applicable anymore in relation to harbour use.
- Market – Current and potential demand could only be accommodated via other ports and by road.
- Economic impact – jobs and GVA – Economic impact would only be reduced if business and sector users do not use other ports or road haulage. Other economic activities (e.g. tourism, renewable energy) could also generate additional economic impact.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions would increase, and risk pollution from commercial shipping would be removed as no commercial vessel would use the river.

3.5 The appraisal of all options is detailed in Annex 1.

4. CONCLUSION

4.1 The purpose of the report was to provide an option appraisal to identify and understand options available for current and future harbour operations. Based on the appraisal, Option 5 'Closure as a commercial port and wider Area Regeneration' is ranked at the highest in total weighted score. Option 3A 'Full Transfer/Sale of Harbour Operations facilities to a third party' is ranked second, followed by Option 1B 'Do Nothing/minimal with dredge' ranking 3rd and Option 4A 'Sharing Harbour Operations facilities via a Joint Venture' ranking 4th.

4.2 Based on the appraisal, it is recommended Option 5 is selected as the preferred option as it is ranked 1st and would address most of the current and future challenges faced by Perth Harbour.

ANNEX 1 - OPTIONS APPRASAL & SCORING MATRIX

A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis has been carried out for each option and each bullet point has been linked (via initials) to scoring criteria to facilitate scoring.

The following scoring matrix has been used to score each option against each criterion:

Score	Name
0	Unacceptable – the option does not meet the criteria bringing disbenefits only
1	Poor – the option poorly meets the criteria bringing little benefits and a majority of disbenefits
2	Acceptable – the option meets the criteria bringing an equal number of benefits and disbenefits
3	Good – the option fully meets the criteria bringing a majority of benefits
4	Excellent – the option fully meets and exceeds bringing benefits only

OPTION 1&1B Do Nothing/Minimal:	
Strengths	Weaknesses
<ul style="list-style-type: none"> Compliant Competent Harbour Authority validated by external audit (Designated Person) (LR) Robust Harbour Governance to support Duty Holder's responsibilities validated by external audit (Designated Person) (LR) (R) Efficient and safe harbour operations carried out by external contractor (Calmac) validated by external audit (Designated Person) (L/R/E) Positive historic contribution to the local economy (estimated in year 20/21 from direct operations and indirect business and sector users: £3.9m and 54 jobs to Perth and Kinross economy based on 24 shipments carrying 33,000 tonnes of cargo (S/R/F) Quick turn-around and agile operations reducing vessel mobilisation (S) Retain Control of a transport facility (S) (L) - Ability to control use of facility to support National and regional policies asset now and the future. Provide a transport system which enables businesses to be competitive domestically within the UK and internationally (National Transport Policy). Ensure gateways to and from international markets are resilient and integrated into the wider transport networks to encourage people to live, 	<ul style="list-style-type: none"> Inland and tidal port – 22 miles of river navigation adding to time and environmental risks (S) (E), Not Always Afloat But Safely Aground Mean (NAABSA) limited vessels can arrive and may also have limited cargo loading and unloading abilities. (S) (E) Dependency on Dundee Harbour waters Port authority (Forth Ports) – vessels have to go through Dundee Harbour waters before reaching Perth Harbour waters (F) (S) (R) Limited GVA given the reduction of shipments and cargo tonnage in 21/22 to 5 vessels carrying 5,000 tonnes (S/R/F) Height restriction at Dundee Bridge – height is restricted to 21m limiting type of vessel which can arrive (S) (R) Port has operated and is currently operating a deficit (F) Reliance on 3rd party Stevedores (S) (R) stevedoring is provided by external parties not controlled by Harbour Reliance on 3rd party for storage (S) (R) Limited storage for harbour use (L) (R) - significant private ownership and very long ground leases. Recurring natural silting requiring regular surveying or dredging or mitigation measures (e.g. draft restrictions, tug assistance) (S/E/F) – Option 1B

<p>study, visit and invest in Scotland (National Transport Policy)</p> <ul style="list-style-type: none"> Retain capacity to transport cargo by sea instead of by road (S) – Option 1B 	<ul style="list-style-type: none"> Limited commercial viability due to channel access mitigation measures (S) (R) Lack of financial capacity to address current maintenance and investment in port facilities (F) (S) (E) High dependency on a small number of pilots (S), (R), (LR), (L)
Threats	
Opportunities	
<ul style="list-style-type: none"> Future Markets opportunities incl. Food and Energy Security (S) – Harbour can provide support to import/export of critical supply chain goods (e.g. animal feedstuff, woodchip, baryte). The risks exposed through the COVID-19 pandemic and transition planning for EU Exit. Government intelligence suggests that broadly, industry continues to prioritise business continuity planning where possible. United Kingdom Food Security Report 2021. Our energy system will need to adapt to ensure that we can meet ambitious legally binding carbon emission reduction targets, requiring significant investment in low carbon technologies (British Energy Security Strategy) – Option 1B Increased dry bulk cargo market (S) – Option 1B Space to increase temporary capacity on quayside (L) to attract new cargos (L) (S) (R) Phase 1 Dredging License available (F/L/E) Associated professional costs, assessment and works already delivered – Option 1B Drive to Net Zero (E/R) – shifting transport by road to sea reducing transport carbon emissions and road traffic. Emissions from transport amounts to over a quarter (26%) of the total carbon dioxide (CO2) emissions across Perth and Kinross - Climate Change 	<ul style="list-style-type: none"> Lack of financial capacity to address future maintenance and investment in port facilities (F) (S) (E) (L) Recurring silting leading to closure of commercial traffic (S), (F) (R), (L) - Perth Harbour Maintenance Dredging Options Assessment ADP Partnership 2021 Costly Full Phase Dredging (F) - Perth Harbour Maintenance Dredging Options Assessment ADP Partnership 2021 Future demand may drop off or current demand cannot be accommodated (S), (R) (F) Port is likely to operate a deficit beyond the current Business Plan period (20212026) (F) – Income and fees may increase, but not balance costs in the short to medium term. Type of vessels coming to Perth may not be available in the medium and long term (S), (F) Dry bulk cargo traffic may benefit major ports more than minor ports like Perth (S), (F) Cargo transport shifting to road or other ports Increased Harbour Authority legal responsibilities and burden (LR) Unforeseen incidents may impact harbour authority liabilities (e.g. environment, health & Safety) (F), (LR), (R) Lack of pilots for commercial operations (S), (LR), (R)

Option 1A Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	2	0.3
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	2	0.4
Finance (F)	How the option impacts on capital and revenue costs?	20	1	0.2
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	3	0.45
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	2	0.2
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	1	0.2
Total score		100	11	1.75

Option 1A overall risk rating: High

The main risks are:

- Finance: The major risks are around finance, not being able to facilitate operations and the ongoing finance, and operating costs, including restriction for cargos and increasing deficit.
- Environment: There is always a continued risk of vessel grounding with environmental impacts on the waterway whilst commercial shipping continues.

Based on the option assessment, it is not recommended to select Option 1A as the preferred option as it would not address any of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services would increasingly become difficult to impossible due to the reduction in the number of vessels.
- Navigation Channel and dredging – access to navigation channel would increasingly become difficult to impossible due to natural silting and lack of dredging.
- Fair Maid – Chartering the Fair Maid would be possible assuming there is a customer. However, charter would be constraint as the Fair Maid would be needed to mitigate navigational risks at Perth.
- Charges – market-based strategy and low charges would be difficult to sustain as income reduction would increase deficit leading to the need to increase charges.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour.
- Storage – The storage issues would continue including Border Control requirements.

- Market – Current and potential demand could not be accommodated.
- Economic impact – jobs and GVA – Economic impact would reduce, but could be maintained if business and sectors users shift transport modes to road.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions would increase, and risk pollution would remain although reduced as number of vessels would reduce.

Option 1B Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	2	0.3
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	2	0.4
Finance (F)	How the option impacts on capital and revenue costs?	20	2	0.4
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	3	0.45
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	2	0.2
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	2	0.4
Total score		100	13	2.15

Option 1B overall risk rating: Medium

Option 1B was ranked medium risk because more detailed and specific mitigation measures have been identified leading to a reduction of risk.

The main risks are:

- Finance: The major risk is around finance although reduced from option 1A. Level of income and operational costs will not be addressed the deficit in the short or medium term.
- Environment: There is always a continued risk of vessel grounding with environmental impacts on the waterway whilst commercial shipping continues.

Based on the option assessment, it is not recommended to select Option 1B as the preferred option as it would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services could become difficult if the number of vessels is not sufficient.

- Navigation Channel and dredging – access to navigation channel could be improved by Phase 1 dredging, but could increasingly become difficult due to recurring natural silting and if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Fair Maid – Chartering the Fair Maid would still be possible, assuming there is a customer.
- Charges – market-based strategy and low charges would be difficult to sustain as increased costs from dredging and surveying would lead to the need to increase charges.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Storage – The storage issues would continue including Border Control requirements.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

OPTION 2 Transfer of income from adjacent Council commercial properties from the Perth Common Good Fund and the General Fund to the Harbour budget

Strengths	Weaknesses
<ul style="list-style-type: none"> • Compliant Competent Harbour Authority validated by external audit (Designated Person) (LR) • Robust Harbour Governance to support Duty Holder's responsibilities validated by external audit (Designated Person) (LR) (R) • Efficient and safe harbour operations carried out by external contractor (Calmac) validated by external audit (Designated Person) (L/R/E) • Some positive contribution to the local economy (estimated in year 20/21 from direct operations and indirect business and sector users: £3.9m and 54 jobs to Perth and Kinross economy based on 24 shipments carrying 33,000 tonnes of cargo – 21/22: 5 shipments carrying 5,000 tonnes of cargo) (S/R/F) • Quick turn-around and agile operations reducing vessel mobilisation (S) • Retain Control of a transport facility (S) (L) - Ability to control use of facility to support National and regional policies asset now and the future. Provide a transport system which 	<ul style="list-style-type: none"> • Larger requirement for asset management within the operating budget (e.g. rates, insurance, repairs, maintenance) (L) • Loss of Revenue to Council and Common Good Fund Budget (F/R) • Lengthy process to transfer the income due to possible legal requirements (F/R/LR) • Inland and tidal port – 22 miles of river navigation adding to time and environmental risks (S) (E), • Not Always Afloat But Safely Aground Mean (NAABSA) limited vessels can arrive and may also have limited cargo loading and unloading abilities. (S) (E) • Dependency on Dundee Harbour waters Port authority (Forth Ports) – vessels have to go through Dundee Harbour waters before reaching Perth Harbour waters (F) (S) (R) • Height restriction at Dundee Bridge – height is restricted to 21m limiting type of vessel which can arrive (S) (R) • Reliance on 3rd party Stevedores (S) (R) stevedoring is provided by external parties not controlled by Harbour
<p>enables businesses to be competitive <u>domestically within the UK and</u></p>	<ul style="list-style-type: none"> • Reliance on 3rd party for storage (S) (R)

<p>internationally (National Transport Policy). Ensure gateways to and from international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland (National Transport Policy)</p> <ul style="list-style-type: none"> • Retain capacity to transport cargo by sea instead of by road (S) • Additional income from CGF/Council properties leading to increased financial capacity (F) <ul style="list-style-type: none"> ◦ Priority on leasing focused on economic benefit of harbour (L/S/F/R) 	<ul style="list-style-type: none"> • Limited storage for harbour use (L) (R) - significant private ownership and very long ground leases. • Recurring natural silting requiring regular surveying or dredging or mitigation measures (e.g. draft restrictions, tug assistance) (S/E/F) – Option 1B • Limited commercial viability due to channel access mitigation measures (S) (R) • Lack of financial capacity to address current maintenance and investment in port facilities (F) (S) (E) • High dependency on a small number of pilots (S), (R), (LR), (L) • Port will operate with a deficit although smaller (F)
Opportunities	Threats
<ul style="list-style-type: none"> • Future Markets opportunities incl. Food and Energy Security (S) – Harbour can provide support to import/export of critical supply chain goods (e.g. animal feedstuff, woodchip, baryte). The risks exposed through the COVID-19 pandemic and transition planning for EU Exit. Government intelligence suggests that broadly, industry continues to prioritise business continuity planning where possible. United Kingdom Food Security Report 2021. Our energy system will need to adapt to ensure that we can meet ambitious legally binding carbon emission reduction targets, requiring significant investment in low carbon technologies (British Energy Security Strategy) • Increased dry bulk cargo market (S) • Space to increase temporary capacity on quayside (L) to attract new cargos (L) (S) (R) • Phase 1 Dredging License available (F/L/E) Associated professional costs, assessment and works already delivered • Drive to Net Zero (E/R) – shifting transport by road to sea reducing transport carbon emissions and road traffic. Emissions from transport amounts to over a quarter (26%) of the total carbon dioxide (CO2) emissions across Perth and Kinross - Climate Change • Thriving port getting back sustainable operating model (F/E) <ul style="list-style-type: none"> ◦ Increase Cargo and shipments ◦ Associated incomes around the <u>port will support the operating</u> 	<ul style="list-style-type: none"> • Costly Full Phase Dredging (F) <ul style="list-style-type: none"> ◦ Perth Harbour Maintenance Dredging Options Assessment ADP Partnership 2021 • Decline in port usage (E/F) <ul style="list-style-type: none"> ◦ Future demand may drop off or current demand cannot be accommodated • Partially sustainable business model (F) <ul style="list-style-type: none"> ◦ Cargo fees alone may increase to align to the business plan, but long term sustainability is a threat without other harbour levers for income.

<ul style="list-style-type: none"> <ul style="list-style-type: none"> model, similar to other small ports. Sustainable plan created to achieve business plan Potential to increase capacity on quayside (L) <ul style="list-style-type: none"> Investment in sheltered space and review lease strategy
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Option 2 Scoring - Transfer of income from adjacent Council commercial properties from the Perth Common Good Fund and the General Fund to the Harbour budget					
Criteria	Definition		Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?		15	2	0.3
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?		20	2	0.4
Finance (F)	How the option impacts on capital and revenue costs?		20	2	0.4
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?		15	3	0.45
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?		10	2	0.2
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?		20	1	0.2
Total score			100	12	1.95

Option 2 overall risk rating: High

The main risks are:

- Reputational: transferring income from Perth Common Good Fund may not be perceived well by general public leading to challenges.
- Financial: This includes the loss of income to Council's commercial properties and Common Good Fund budgets. The risk around finance and need for larger asset management and liabilities within the operating budget. There are still risks around finance although reduced from Option 1A or Option 1B. Although level of income may increase, it may not be sufficient to meet operational costs including on-going surveying and dredging costs and address the deficit in the short or medium term.
- Legal: Possible challenges from third parties preventing or delaying transfer of income.

- Environmental: There is always a continued risk of vessel grounding reduced by navigational risk assessments and dredging on the waterway

Based on the option assessment, it is not recommended to select Option 2 as the preferred option as it would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – access to navigation channel could be improved by Phase 1 dredging but could increasingly become difficult due to recurring natural silting and if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Fair Maid – Chartering the Fair Maid would be possible.
- Charges – market-based strategy and low charges would be difficult to sustain as increased costs from dredging and surveying would lead to the need to increase charges. Although, this would be mitigated by income transfer from Council's general fund and Perth Common Good Fund.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if Phase 2 dredging at the basin entrance, dredging at other locations and regular surveying are not carried out.
- Storage – The storage issues would continue including Border Control requirements. However, additional financial capacity may be used to find suitable storage solutions (e.g. leasing of nearby warehouse).
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

OPTION 3A/3B Full Transfer/Sale of Harbour Operations facilities to a third party	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Removal of Operational and legal burden for Council (F) (S) (R) (LR) (L) <ul style="list-style-type: none"> ○ Relinquish the statutory duties of operating harbour including harbour directions and the port marine safety code • Income from sale of assets (F) <ul style="list-style-type: none"> ○ Prime economic asset with suitable market value • Removing deficit (F) • Maintains a transport facility and asset to support regional and national policy (S) (L) - Ability to control use of facility to support or repress National and regional policies asset now and the future. Provide a transport system which enables a business to be competitive domestically within the UK and internationally (National Transport Policy). Ensure gateways to and from international markets are resilient and 	<ul style="list-style-type: none"> • Cost and timely process to transfer asset (F) (S) (R) (LR) (L) • Time and resources allocated to Harbour Revision Order (transfer) (F/L/R) • Reduced control in supporting Wider Economic Goals (S/E/F) • Inland and tidal port – 22 miles of river navigation adding to time and environmental risks (S) (E), • Not Always Afloat But Safely Aground Mean (NAABSA) limited vessels can arrive and may also have limited cargo loading and unloading abilities. (S) (E) • Dependency on Dundee Harbour waters Port authority (Forth Ports) – vessels have to go through Dundee Harbour waters before reaching Perth Harbour waters (F) (S) (R) • Height restriction at Dundee Bridge – height is restricted to 21m limiting type of vessel which can arrive (S) (R)

<p>integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland (National Transport Policy)</p> <ul style="list-style-type: none"> • Capacity to transport cargo by sea (S) • Positive contribution to the local economy (S) • More attractive to large investors (size and scale of opportunities) (F) (S) (R) (L) - Option 3B • Higher income from sale of assets – Option 3B (F) (S) (L) • Increased financial capacity to reinvest - Option 3B (F) (S) (R) (L) 	<ul style="list-style-type: none"> • Selling underdeveloped asset whilst cargo is limited may restrict market value including <ul style="list-style-type: none"> ○ Reliance on 3rd party Stevedores (E) ○ Limited opportunity for new cargo due to limited storage (L) • Reliance on 3rd party Stevedores (S) (R) stevedoring is provided by external parties not controlled by Harbour • Reliance on 3rd party for storage (S) (R) • Limited storage for harbour use (L) (R) - significant private ownership or and very long ground leases. • Recurring silting requiring regular surveying or dredging or mitigation measures (e.g. draft restrictions, tug assistance) (S) (E) (F) • Loss Control of a transport facility (S) (L) - Ability to control use of facility to support National and regional policies asset now and the future. Provide a transport system which enables businesses to be competitive domestically within the UK and internationally (National Transport Policy). Ensure gateways to and from international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland (National Transport Policy) • Loss of income to PGCF and PKC (F) – Option 3B • Loss of commercial properties (LR) – Option 3B
Opportunities	Threats
<ul style="list-style-type: none"> • Development opportunity for private sector (S) (E) (F) <ul style="list-style-type: none"> ○ Unlock area for future development ○ Planning for future economic developed • Future Markets opportunities inc Food and Energy Security (S) – Harbour can provide support to import/export of critical supply chain goods (e.g. animal feedstuff, woodchip, baryte). The risks exposed through the COVID-19 pandemic and transition planning for EU Exit. Government intelligence suggests that broadly, industry continues to prioritise business continuity planning where possible. United Kingdom Food Security Report 2021. Our energy system will need to adapt to ensure that we can meet ambitious legally binding carbon emission reduction targets, <u>requiring significant investment in low</u> 	<ul style="list-style-type: none"> • Lack of compliance of a Third party as Competent Harbour Authority (LR) (E) (R) – An application for an HRO would need to be made whereby the third party would take on the responsibilities of the SHA • Lack of private financial capacity to address current maintenance and investment in port facilities (F) (S) (E) • High dependency on a small number of pilots (S) (R) (LR) (L) • Decline in port usage, loss of supporting industries and reduced contribution to the local economy (S) • Loss of focus on Drive to Net Zero (E) (R) shifting transport by road to sea reducing transport carbon emissions and road traffic. • Loss capacity to transport cargo by sea instead of by road (S)

<p>carbon technologies (British Energy Security Strategy)</p> <ul style="list-style-type: none"> Increased dry bulk cargo market (S) Drive to Net Zero (E) (R) – shifting transport by road to sea reducing transport carbon emissions and road traffic. Emissions from transport amounts to over a quarter (26%) of the total carbon dioxide (CO2) emissions across Perth and Kinross - Climate Change Strategy and Action Plan Synergy to integrate Stevedores and/or storage (S) – Option 3B Increased capacity to invest (F) (S) (E) – Option 3B 	<ul style="list-style-type: none"> Lack of appetite for exploring Future Markets opportunities incl. Food and Energy Security (S) Lack of influence on import/exports (S) Reduce capacity to transport cargo by sea instead of by road (S) Change of asset use in the long term to non-harbour use (LR), (R) - Option 3B
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Option 3A Transfer/Sale Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	1	0.15
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	4	0.8
Finance (F)	How the option impacts on capital and revenue costs?	20	4	0.8
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	1	0.15
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	1	0.1
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	1	0.2
Total score		100	12	2.20

Option 3A overall risk rating: High

The main risks are:

- Reputational: Transferring a public asset to a private party may not be well perceived by the general public or other parties. Opening this opportunity comes with risk as limited knowledge and market engagement to understand the appetite.
- Strategic: Limited future control over maritime activity impacting on future economic strategy including city plan and access to river. Loss of control of transport facility with the context of transport strategy.
- Legal / Regulatory: An application for an HRO would need to be made whereby the third party would take on the responsibilities of the SHA. Appendix 4 provides more information on process to request Harbour Orders.
- Environmental: There is always a continued risk of vessel grounding reduced by navigational risk assessments and dredging on the waterway

Based on the option assessment, it is not recommended to select Option 3A as the preferred option as it would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of private party to invest in dredging and surveying.
- Fair Maid – Fair Maid would be sold to private party or other party.
- Charges – private party would have to define its own pricing strategy taking into account costs and competition.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – The storage issues could continue including Border Control requirements. However, private party would have the flexibility to find suitable storage solutions.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 3B Transfer/Sale Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	1	0.15
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	4	0.8
Finance (F)	How the option impacts on capital and revenue costs?	20	1	0.2
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	1	0.15
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	0	0
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	1	0.2
Total score		100	8	1.50

Option 3B overall risk rating: High

The main risks are:

- **Reputational:** Transferring a public asset to a private party may not be well perceived by the general public or other parties. Opening this opportunity comes with risk as limited knowledge and market engagement to understand the appetite. Transferring income and properties from Perth Common Good Fund and Council may not be perceived well by public leading to challenges
- **Strategic:** Limited future control over maritime activity, impacting on future economic strategy including city plan and access to river. Loss of control of transport facility with the context of transport strategy.
- **Legal / Regulatory:** An application for an HRO would need to be made whereby the third party would take on the responsibilities of the SHA. Transferring properties from Common Good Fund would need to follow a prescribed legal process which could lead to delays and challenges. Appendix 3 provides more information on process to sale properties from Common Good Funds. Appendix 4 provides more information on process to request Harbour Orders.
- **Environmental:** There is always a continued risk of vessel grounding reduced by navigational risk assessments and dredging on the waterway
- **Financial/Land ownership:** This includes the loss of income to Council/s commercial properties and Perth Common Good Fund budgets as well as loss of properties.

Based on the option assessment, it is not recommended to select Option 3B as the preferred option as it would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of private party to invest in dredging and surveying.
- Fair Maid – Fair Maid would be sold to private party or other party.
- Charges – private party would have to define its own pricing strategy taking into account costs and competition. Additional income from properties transferred could help private part to implement pricing strategy. However, there is no guarantee that additional income would be used for that purpose.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – The storage issues could continue including Border Control requirements. However, private party would have the flexibility to find suitable storage solutions.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity. Additional income from properties transferred could help finding a storage solution. However, there is no guarantee that additional income would be used for that purpose.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

OPTION 4/4B Joint Venture	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Increased synergy - both parties come together with their strengths and weaknesses, pool their resources and technical know-how to produce a better product and penetrate new markets. (F)(S) (R) • Better business focus with increased flexibility allowing for a better strategy and limited risk (F/S/R) • Removal of Operational and legal burden for Council (F) (S) (R) (LR) (L) ○ Relinquish the statutory duties of operating harbour including harbour directions and the port marine safety code • Share of the profit if successful (F) • Prime economic asset with suitable market for finance raising (F) (S) (R) • Removing deficit (F) • Maintains a transport facility and asset to support regional and national policy (S) (L) - Ability to control use of facility to support or repress National and regional policies asset now and the future. Provide a transport system which 	<ul style="list-style-type: none"> • Council has no direct experience of Private/Public Joint Ventures, this could be a resource intensive position to get setup (F) (S) (R) (LR) • Time and resources allocated to Harbour Revision Order (transfer) (F/L/R) • Council will still retain a portion of responsibilities for operations and financing (F/S/L/LR/R) • Port is at an operating deficit (F) making case less attractive to a partner • Reliance on 3rd party Stevedores (F/S/R) • Limited opportunity for new cargo due to limited storage (L) • Limited storage for harbour use (L) (R) - significant private ownership or and very long ground leases. • Recurring silting requiring regular surveying or dredging or mitigation measures (e.g. draft restrictions, tug assistance) (S/E/F) • Inland and tidal port – 22 miles of river navigation adding to time and environmental risks (S) (E),

<p>enables businesses to be competitive domestically within the UK and internationally (National Transport Policy). Ensure gateways to and from international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland (National Transport Policy)</p> <ul style="list-style-type: none"> • Capacity to transport cargo by sea (S) • Positive contribution to the local economy (S) • More attractive to large investors (size and scale of opportunities) (F) (S) (R) (L) - Option 4B • Increased financial capacity to reinvest - Option 4B (F) (S) (R) (L) • Strategic Control of Asset (P) <ul style="list-style-type: none"> ○ Ability to align activities and set policies with Venture partner to support wider transport regional goal 	<ul style="list-style-type: none"> • Not Always Afloat But Safely Aground Mean (NAABSA) limited vessels can arrive and may also have limited cargo loading and unloading abilities. (S) (E) • Dependency on Dundee Harbour waters Port authority (Forth Ports) – vessels have to go through Dundee Harbour waters before reaching Perth Harbour waters (F) (S) (R) • Height restriction at Dundee Bridge – height is restricted to 21m limiting type of vessel which can arrive (S) (R) • Loss of income to PGCF and PKC (F) – Option 4B • Loss of commercial properties (L/R) – Option 4B
Opportunities	Threats
<ul style="list-style-type: none"> • Private Investment and Management to drive the business (R/E/F) • Potential to increase capacity on quayside (L) <ul style="list-style-type: none"> ○ Investment in sheltered space including private investment • Strategic review of storage and land to support Harbour (LR) • Future Markets inc Food and Energy Security (E/S) <ul style="list-style-type: none"> ○ The risks exposed through the COVID-19 pandemic and transition planning for EU Exit. Government intelligence suggests that broadly, industry continues to prioritise business continuity planning where possible. United Kingdom Food Security Report 2021 ○ Our energy system will need to adapt to ensure that we can meet ambitious legally binding carbon emission reduction targets, requiring significant investment in low carbon technologies. British Energy Security Strategy • Possible sustainable operating model (F/E) <ul style="list-style-type: none"> ○ Increase Cargo and shipments ○ Associated incomes around the port will support the operating model, like other small ports. ○ Sustainable plan created to achieve business plan • Potential to increase capacity on <u>quayside</u> (L) – Option 4B 	<ul style="list-style-type: none"> • Costly Full Phase Dredging (F) • Not finding a partner for Joint Venture (LR) (S) • Lengthy and expensive legal process for Joint venture setup (LR/F) • Decline in port usage (S/R/F) • Loss making operation leading to financial, reputational and legal challenges (L/F/R) • Share Control of a transport facility (S) (L) - Ability to control use of facility to support National and regional policies asset now and the future. Provide a transport system which enables businesses to be competitive domestically within the UK and internationally (National Transport Policy). Ensure gateways to and from international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland (National Transport Policy) • Loss of assets due to lack of financial capacity of partner to address current maintenance and investment in port facilities if capital is not invested (F) (S) (E) – • High dependency on a small number of pilots (S), (R), (LR), (L) – • Future demand may drop off or current demand cannot be accommodated (S), (R) (F)

<ul style="list-style-type: none"> ○ Investment in sheltered space and review lease strategy • Dredging License available (F/L/E) <ul style="list-style-type: none"> ○ Associated professional costs, assessment and works already delivered. • Drive to Net Zero (E/R) <ul style="list-style-type: none"> ○ Transport is one of the main areas that we identified, where we will have to make changes in order to tackle and adapt to climate change. Emissions from transport amounts to just over half (52%) of the total carbon dioxide (CO2) emissions across Perth and Kinross - Climate Change Strategy and Action Plan • Develop a more sustainable business <u>model</u> (F/E) – Option 4B 	JV business model not sustainable (F) (R) (LR) (S)
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Option 4A Joint Venture Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	2	0.3
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	1	0.2
Finance (F)	How the option impacts on capital and revenue costs?	20	3	0.6
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	2	0.3
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	1	0.1
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	3	0.6
Total score		100	12	2.1

Option 4A overall risk rating: High

The main risks are:

- Reputational: Transferring a public asset to Joint Venture may not be well perceived by the public or other parties. Opening this opportunity comes with risk as limited knowledge and market engagement to understand the appetite.
- Strategic: Limited future control over maritime activity, impacting on future economic strategy including city plan and access to river. Loss of control of transport facility with the context of transport strategy.
- Legal / Regulatory: An application for an HRO would need to be made whereby the third party would take on the responsibilities of the SHA. Appendix 4 provides more information on process to request Harbour Orders.
- Legal: Joint Ventures are new to the Council and would require legal resourcing and management time to ensure that the proper arrangement make best value for the organisation. An application for an HRO would need to be made whereby the joint venture would take on the responsibilities of the SHA. Specialist legal advice would need to be sought on the duties and powers of the new legal entity. As the current DP and operations contracts are with PKC, new tender processes would need to take place for the joint venture to engage an external DP and operator.
- Financial: there could be financial risk if the Joint venture is not generating surplus and folds.
- Environmental: There is always a continued risk of vessel grounding reduced by navigational risk assessments and dredging on the waterway

Based on the option assessment, it is not recommended to select Option 4A as the preferred option as it would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of joint venture to invest in dredging and surveying.
- Fair Maid – Fair Maid would be transferred to joint venture or sold to other party.
- Charges – joint venture would have to define its own pricing strategy considering costs and competition.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – The storage issues could continue including Border Control requirements. However, joint venture would have the flexibility to find suitable storage solutions.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

Option 4B Joint Venture Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	2	0.3

Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	1	0.2
Finance (F)	How the option impacts on capital and revenue costs?	20	2	0.4
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	2	0.3
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	0	0
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	1	0.2
Total score		100	8	1.4

Option 4B overall risk rating: High

The main risks are:

- Reputational: Transferring a public asset to Joint Venture may not be well perceived by the public or other parties. Opening this opportunity comes with risk as limited knowledge and market engagement to understand the appetite. Transferring properties from Perth Common Good Fund and Council may not be perceived well by public leading to challenges
- Strategic: Limited future control over maritime activity, impacting on future economic strategy including city plan and access to river. Loss of control of transport facility with the context of transport strategy.
- Legal / Regulatory: An application for an HRO would need to be made whereby the joint venture would take on the responsibilities of the SHA. Transferring properties from Common Good Fund would need to follow a prescribed legal process which could lead to delays and challenges. Appendix 3 provides more information on process to sale properties from Common Good Funds. Appendix 4 provides more information on process to request Harbour Orders.
- Legal: Joint Ventures are new to the Council and would require legal resourcing and management time to unsure that the proper arrangement make best value for the organisation. An application for an HRO would need to be made whereby the joint venture would take on the responsibilities of the SHA. Specialist legal advice would need to be sought on the duties and powers of the new legal entity. As the current DP and operations contracts are with PKC, new tender processes would need to take place for the joint venture to engage an external DP and operator.
- Financial: there could be financial risk if the Joint venture is not generating surplus and folds.
- Environmental: There is always a continued risk of vessel grounding reduced by navigational risk assessments and dredging on the waterway

Based on the option assessment, it is not recommended to select Option 4B as the preferred option as it would only address some of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – maintaining pilotage services could become difficult if the number of vessels is not sufficient.
- Navigation Channel and dredging – access to navigation channel could be improved if dredging and surveying are carried out. However, this would depend on the willingness of joint venture to invest in dredging and surveying.
- Fair Maid – Fair Maid would be transferred to joint venture or sold to other party.
- Charges – joint venture would have to define its own pricing strategy considering costs and competition. Additional income from properties transferred could help joint venture to implement a pricing strategy. However, there is no guarantee that additional income would be used for that purpose.
- Vessel – Natural silting and reduced draft might not be suitable to the type of vessel calling at Perth Harbour if dredging and surveying are not carried out.
- Storage – The storage issues could continue including Border Control requirements. However, joint venture would have the flexibility to find suitable storage solutions.
- Market – Current and potential demand could be accommodated to an extent as it would also be linked to storage capacity. Additional income from properties transferred could help finding a storage solution. However, there is no guarantee that additional income would be used for that purpose.
- Economic impact – jobs and GVA – Economic impact could be maintained or increased if the number of vessels and cargo increases.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions could be reduced, and risk pollution would remain although would increase with the increase in number of vessels.

OPTION 5: Closure at a commercial port and Wider Area Regeneration	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Removal of Operational and legal burden for Council (F) (S) (R) (LR) (L) <ul style="list-style-type: none"> ○ Relinquish the statutory duties operating harbour including harbour directions and the port marine safety code • Removing deficit (F) • Repurpose resources to concentrate in other key economic goals (e.g. tourism) • Release area for leisure and encouragement for other commercial uses including renewable energy production/storage where possible (S) (R) • Removing environmental risks (e.g. pollution, biodiversity loss) from commercial shipping 	<ul style="list-style-type: none"> • Harbour Closure Order through Transport Scotland may be opposed • No Strategic Control of transport Asset (P) • No Strategic Transport Asset to support the overall national and regional freight policy (P) • Restricts control over the Drive to Net Zero (E) • Limited influence Supporting Wider Economic Goals (S/F/R) • Remaining financial need to address current maintenance in decommissioning port facilities (F/S/E) • Remaining burden to meet Port Marine Safety Code for leisure activities • Future Markets opportunities not used incl. Food and Energy Security (S) – Harbour can provide support to import/export of critical supply chain goods (e.g. animal feedstuff, woodchip, baryte). The risks exposed through the COVID-19 pandemic and transition planning for EU Exit. Government intelligence suggests that broadly, industry continues to prioritise business continuity planning where possible. United Kingdom Food Security Report 2021. Our energy system will need to adapt to ensure that we can meet

	ambitious legally binding carbon emission reduction targets, requiring significant investment in low carbon technologies (British Energy Security Strategy)
Opportunities	Threats
<ul style="list-style-type: none"> • Opportunity to attract wider area regeneration linked to wider city strategy and vision (e.g. biodiversity, water-based activities, renewable energy production or storage) and complementary employment or ancillary uses via supplementary guidance and the Local Development Plan review. (S/R) • Strategic review of storage and land to support Harbour area through regeneration (S/R/F) • Future markets to investigate including recreation (S/R/F) • Private Sector interest in Land 	<ul style="list-style-type: none"> • Community and harbour user challenges (R) • Decision to close commercial traffic sits with Scottish Ministers (S) (R) • Loss of income or closure of harbour business users if not displaced or loss of land value (R) (S) (L) (F) • Increased freight road traffic for previous harbour cargos • Lack of finance to maintain decommissioning asset (F/L/LR/R) leading to dereliction • Reduced geographic access to region (S) • Lack of public and private financial capacity to address regeneration (F) (S) (E) and lengthy process • Drive to Net Zero (E/R) – shifting transport by sea to road increasing transport carbon emissions and road traffic (S)

Option 5 Closure as a commercial port and Wider Area Regeneration Scoring				
Criteria	Definition	Weighting %	Score 0-4	Weighted Score
Strategic Policy (S)	How the option relates to national, regional and local policy including harbours and ports in Scotland and the UK?	15	2	0.3
Legal responsibilities (LR)	How the option impacts on the responsibilities for compliance with legislation and regulations governing ports and harbours in Scotland and the UK?	20	3	0.6
Finance (F)	How the option impacts on capital and revenue costs?	20	3	0.6
Environmental (E)	How the option impacts on the environment including water quality, air quality, biodiversity of the Tay estuary and wider environment?	15	3	0.45
Land Ownership/Estate s (L)	How the option impacts on the Council's estates and land ownership?	10	2	0.2
Reputation/Stake holders (R)	How the option impacts on other stakeholders including those with a commercial interest in the harbour or other government agencies and community groups?	20	1	0.2

Total score		100	14	2.35
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Option 5 overall risk rating: High

The main risks are:

- Reputational: Closing the harbour to commercial shipping may not be well perceived by stakeholders such as harbour users leading to challenges. Opposition may occur if a long-term vision and investment to redevelop land into leisure and regeneration activities is not proposed.
- Financial/Estate: there would be on on-going costs to maintain the asset with a risk of it becoming derelict if not further developed.
- Strategic: Limited future control over maritime activity. Loss of control of transport facility with the context of transport strategy. Limiting option to reduce carbon in the drive to net zero by transporting goods by sea.
- Legal: The Harbour Authority (HA) would need to apply for a Harbour Closure Order through Transport Scotland. This does not mean that the harbour will physically close or cease to exist, but it does mean that the HA would be relieved of its statutory duties and will no longer be classed as a statutory harbour authority (SHA) of a Competent Harbour Authority (Pilotage). There would need to be a consultation with harbour users and anyone with an interest in the harbour before this can happen. It is very important to note that the PMSC also applies to non-statutory harbours. 'The Code is applicable both to statutory harbour authorities and to other marine facilities which may not have statutory powers and duties.' (PMSC, page 6). The decision is made by the Scottish Ministers. The HA would also need to apply for the removal of pilotage functions as the Authority is also a Competent Harbour Authority (CHA) under the Pilotage Act 1987. Appendix 4 provides more information on process to request Harbour Orders.

Based on the option assessment, it is recommended to select Option 5 as the preferred option as it would address most of the current and future challenges faced by Perth Harbour as follows:

- Pilotage – no need for pilotage services.
- Navigation Channel and dredging – no need to maintain navigation channel.
- Fair Maid – Fair Maid would be sold.
- Charges – no need for charges of very basic links to leisure and property uses.
- Vessel – not applicable anymore.
- Storage – not applicable anymore in relation to harbour use.
- Market – Current and potential demand could only be accommodated via other ports and by road.
- Economic impact – jobs and GVA – Economic impact could be reduced if business and sector users do not use other ports and road. Other economic activities (e.g. recreation, tourism, renewable energy) could generate alternative economic impact.
- Environmental impact - Carbon emissions / Biodiversity & Pollution risk – Carbon emissions would increase, and risk pollution from commercial shipping would be removed as no commercial vessel would use the river.

ANNEX 2 - COMMERCIAL MARKET INFORMATION

PERTH HARBOUR POTENTIAL CARGOS – SOURCE CALMAC

Total no. of parties contacted for use of Perth Harbour	Number interested	Number not interested
18	9	9

Interested Companies/Clients

Company/Client – Glenalmond Timber

Cargo – Timber (Sodra) - Import

Frequency – 2 – 3 Ships /month

Contact – Longstanding harbour user. Meeting held to try and work how to make Perth Harbour an attractive option. Currently all their timber is landed in Dundee and taken by road to Perth.

Reason for not using Perth – Lack of dredging. Due to the draught restriction the window for entering Perth Harbour there would only be a small number suitable of tides per month, making the risk of using Perth too great. To reduce the draught of a ship would make Perth an uneconomical option.

Company/Client – Calport Lt

Cargo – Fishmeal, Soya Protein Concentrate, other foodstuffs. Import + Export

Frequency – Unknown

Contact – Long term harbour user. Most likely party to use Perth Harbour for cargos.

Reason for not using Perth – Draught restriction. Current draught restriction makes most cargos economically unviable or will carry too much risk.

Company/Client – Egger (UK) Ltd

Cargo – Timber – Import

Frequency – 1 Ship /month

Contact – Perth Harbour Office Initially received a cold call from them as they had used Perth Harbour in past years. A prerequisite for them bringing timber through Perth Harbour was that it required covered storage due to the type of timber they would be importing.

Reason for not using Perth – Lack of available covered storage.

Company/Client – Duntanlich Mine - Aberfeldy

Cargo – Barite Ore - Export

Frequency – 1 Ship /3 months

Contact – Conversation over phone. They are interested in backfilling a ship already in Perth to make more cost effective.

Reason for not using Perth – Not cost effective. Due to the lack of ships using Perth, unable to plan ahead to backfill ship.

Company/Client – Creel Consulting Ltd

Cargo – Timber - Export

Frequency – Unknown. Only when cutting timber in area.

Contact – Phone call. Interested in using Perth when timber being cut.

Reason for not using Perth – No timber being cut local to Perth Harbour. Montrose currently being used for export.

Company/Client – Andrew Gray (Perth) Ltd

Cargo – Aggregates (Various) - Import

Frequency – 2 ships /month of building sand, 1 ship /month of gravel

Contact – Visited yard. Very interesting in using Perth in the past. The company has a lot of history using and dredging Perth Harbour.

Reason for not using Perth – Due to ongoing dispute with PKC over access issues, they will not use the Harbour until resolved. Lack of dredging also makes it much less economically attractive.

Company/Client – JLW Solutions Ltd

Cargo – RDF & SRF (Processed waste for fuel) – Export & Assist in timber import

Frequency – 1 ship /month

Contact – Contacted Perth Harbour. Visited Harbour Office. He proposed assisting Glenalmond Timber importing their timber, then backfilling vessel with RDF/SRF.

Reason for not using Perth – Lack of covered storage. Environmental guidelines state RDF/SRF cannot be stored outside for more than 5 days.

Shipping Agents

Kinnes Shipping

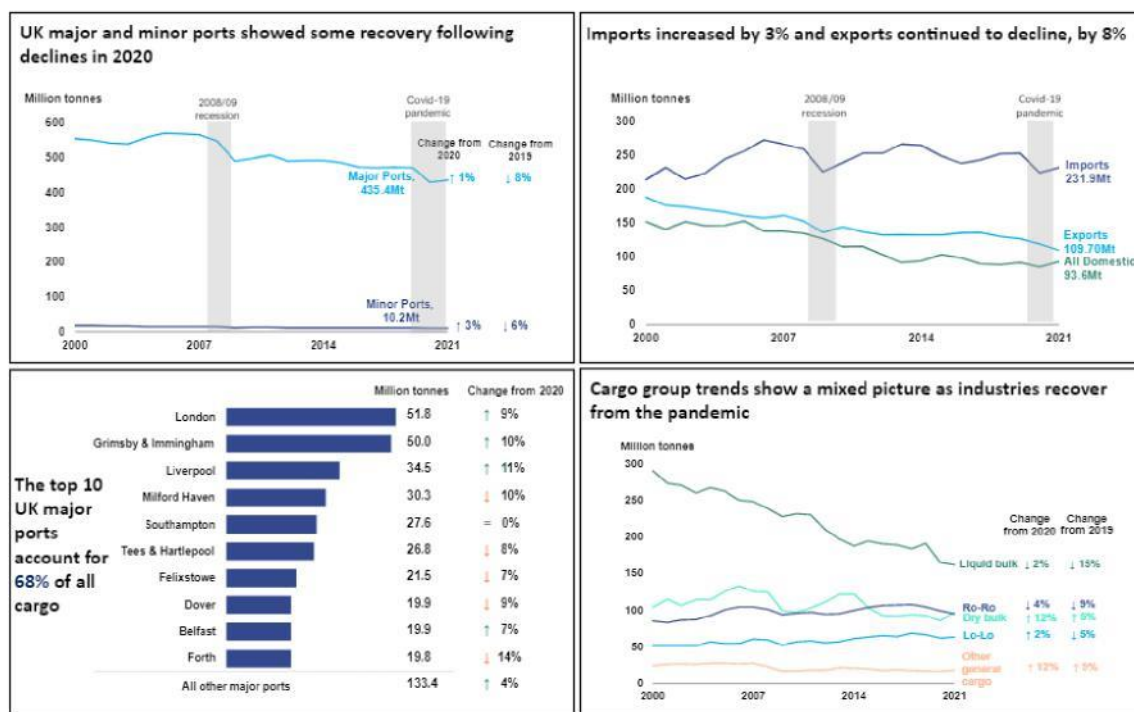
Discussed issues Perth has that is putting off shipping owners. The depth restriction is causing the main issue. “A window of 8 days for a ship owner is fine. But when the window is 3 or 4 days you are then chasing the tide.” This would be overcome by successful dredging campaign which would widen the window available to ship owners.

Scotbroker

Tidal window at Perth too narrow. In reference to a ship crossing the North Sea in winter months “If it hits bad weather a 5 day transit can turn into an 8 day transit.” With the current draught restrictions in place this makes the risk too high for many ship owners. A removal of the draught restriction through dredging, widening the tidal window would remove this issue.

DEPARTMENT OF TRANSPORT DATAHUB DATA

Broad trend of recovery for ports in general including dry bulk and general cargo which is particularly relevant for Perth as those two goods make up the vast majority of historic cargo. DoT speculates that the drivers of the increase in bulk tonnage are biomass and aggregates.



Source:

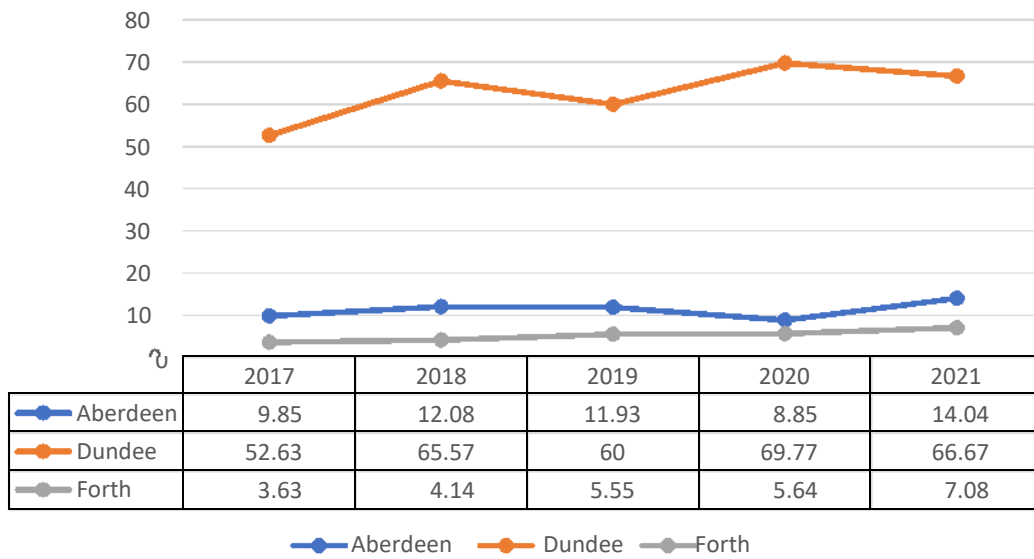
- <https://www.gov.uk/government/statistics/port-freight-annual-statistics-2021/port-freight-annual-statistics-2021-overview-of-port-freight-statistics-and-useful-information>

Data from neighbouring ports shows the increase in the proportion of dry bulk has generally increased from pre-pandemic levels.

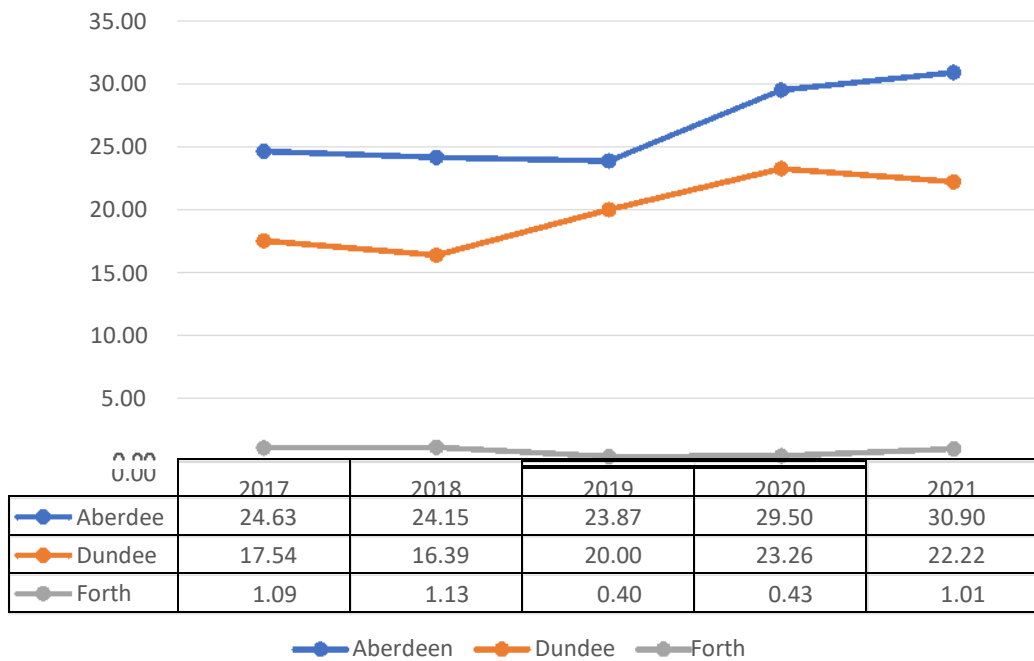
DoT data from neighbouring major ports shows that, in Eastern Scotland, total tonnage has broadly recovered to pre-pandemic levels. However, whilst the proportion of total tonnage comprised of dry bulk and general cargo has nearly recovered for Forth, both Dundee and Aberdeen have seen notable increases compared to pre-pandemic levels. Indeed, a portion of Dundee's increase in dry bulk is partially driven by Timber bound for Perth by road.

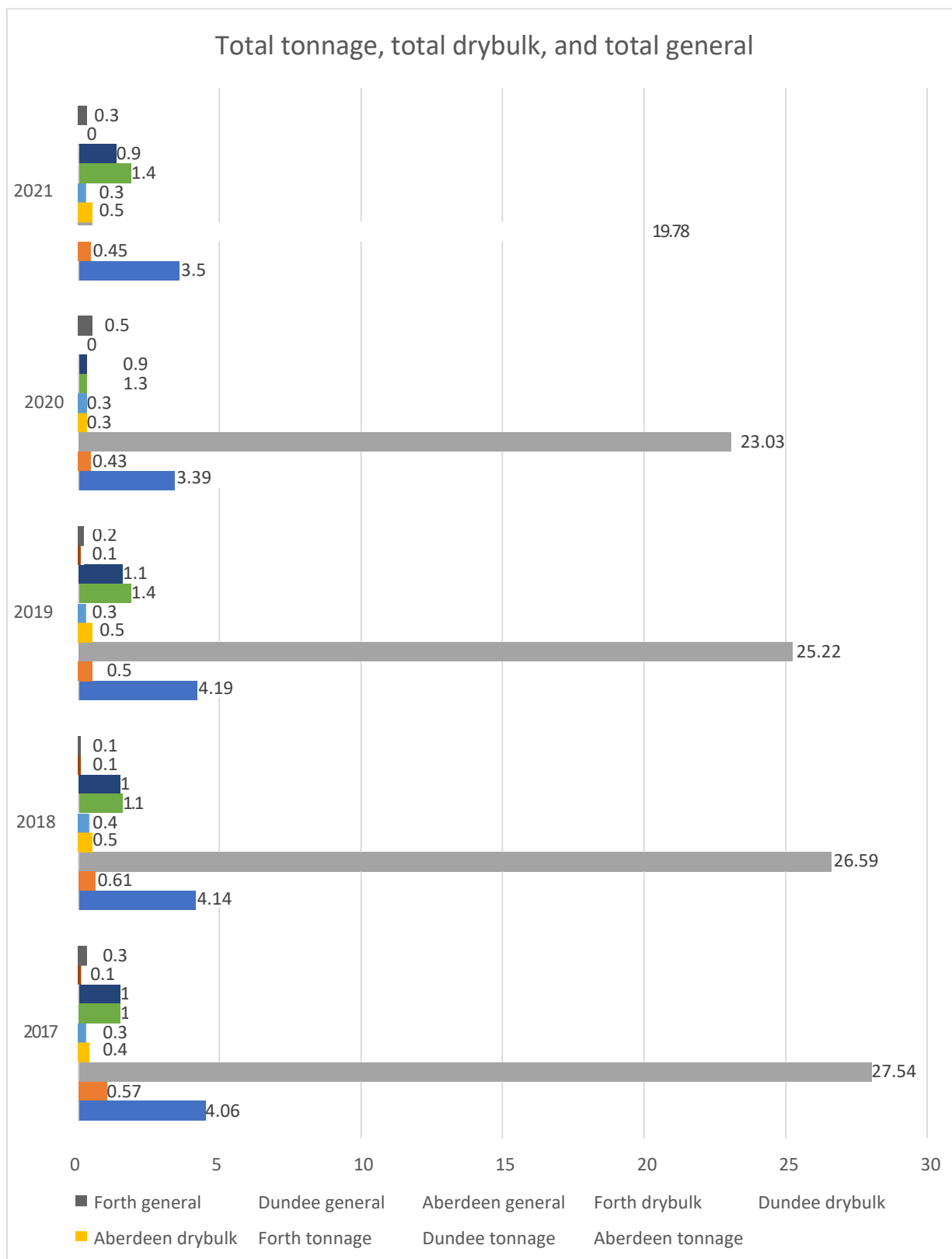
<https://maps.dft.gov.uk/maritime-statistics/index.html>

Dry bulk percentage of total tonnage



General cargo percentage of total tonnage





CARGO VESSEL INFORMATION

The information in this appendix looks at the type of general dry bulk ships capable of coming to Perth and their typical routes.

The first dataset shows a subset of the available information on the physical characteristics of the cargo ships that have docked at Perth since 2019, giving a general impression of the size of vessel typically accommodated by Perth Harbour. These ships all fall under the handysize size classification of general cargo vessels (vessels under 50,000 tonnes).

The second dataset below shows details of all the port calls made in November 2022 by ships that had previously called at Perth Harbour earlier in 2022. This shows that these ships, in their absence from Perth, are currently engaged in commercial freight voyages around the North and Irish seas. These ships frequently call at ports in the Netherlands, Germany, Norway, Ireland, and the UK (in both England and Scotland). Given the relatively small physical stature of these ships and their role in servicing minor ports in the region, many of the ports they call at, such as Corpach and Kilroot, are harbours of a comparable size to Perth.

Of the 19 different cargo ships that have called at Perth since 2019, the locations of 17 are commercially tracked. The first of the map images below the data tables displays their locations timestamped at 17:55 on 23/11/22. This is useful to visually display that most of these ships are actively delivering cargo around the North Sea region. Whilst these ships are spread across Europe, the vast majority are currently active in Northern Europe. It is notable that the ships furthest afield, Onego and Fri Pioneer (recently renamed JUG-1), fly under a Russian flag and thus their shipping patterns have been affected by recent sanctions. Indeed, 11 of the 15 non-sanctioned tracked ships are undertaking voyages that include port calls in the North Sea region.

Ship name	Vessel type	Reported Draught 22.11.22 (m)	Length(m)	Breadth (m)	Gross tonnage (t)
Wilson Onega	General cargo ship	4.8	82.5	11.35	1864
Wilson Rhine	General cargo ship	3.6	78.3	9.46	1169
Wilson Mosel	General cargo ship	4.9	82.56	11.35	1589
Wilson EMS	General cargo ship	4.1	72.5	9.46	989
CEG COSMOS	General cargo ship	3.9	63	11	1139
DELIA	General cargo ship	4.5	90	12	1846
Wilson Ruhr	General cargo ship	4	78.08	5.75	1169
Ida	General cargo ship	2.8	83	11	1616
Fri Pioneer	General cargo ship	2.8	82	11	1514
Fri Sky	General cargo ship	-	82	11	1511
Walker	General cargo ship	4.6	81	12	1596
Wilson Drogheda	General cargo ship	5.62	87.9	12.8	2453
Icelandica Hav	General cargo ship	2.7	82	11	1513
Wilson Main	General cargo ship	5	82.5	11.35	1690
Wilson Thames	General cargo ship	3.7	89.6	11.65	1846
HAV Marlin	General cargo ship	4.7	88	13	1960
Wilson Grip	General cargo ship	4.7	87.9	12.8	2446
Wilson SAAR	General cargo ship	3.2	73.48	9.46	1043
Onego	General cargo ship	3.6	82	11	1528

Pulling further information from the core data set, the average size of vessel size for ships calling at Perth Harbour since 2019 is displayed below

Reported draught on 22.11.22 (m)	Length (m)	Breadth (m)	Summer Deadweight (t)	Gross tonnage (t)	Year built/ age
4.07	81.49	10.97	2342.58	1604.26	1992 / 30 years

All physical vessel information from:

- <https://www.marinetraffic.com>

- <https://www.vesselfinder.com>
- <https://www.wilsonship.no>

Vessel Name	Port Call Type	Port At Call	Port At Call Country	Ata/atd	Destination Port	Destination Port Country	Voyage Origin Port	Origin Port Country	Load Condition
WILSON RUHR		ROTTERDAM CENTRUM	NL	23/11/2022 11:21			ROTTERDAM WAALHAVEN NL		Laden
WILSON RUHR	DEPARTURE	ROTTERDAM WAALHAVEN	NL	23/11/2022 11:16	ROTTERDAM CENTRUM	NL			Laden
DELIA	ARRIVAL	LONDON ANCH	GB	23/11/2022 08:09			IMMINGHAM ANCH	GB	In Ballast
DELIA	DEPARTURE	SOUTHWOLD ANCH	GB	23/11/2022 01:47	TILBURY	GB			In Ballast
DELIA	ARRIVAL	SOUTHWOLD ANCH	GB	23/11/2022 00:12			IMMINGHAM ANCH	GB	In Ballast
DELIA	DEPARTURE	IMMINGHAM ANCH	GB	22/11/2022 15:13	LONDON ANCH	GB			In Ballast
WILSON RUHR		ROTTERDAM WAALHAVEN NL		22/11/2022 13:03			FARSUND	NO	Laden
DELIA	ARRIVAL	IMMINGHAM ANCH	GB	20/11/2022 21:08			IMMINGHAM	GB	Laden
DELIA	DEPARTURE	IMMINGHAM	GB	20/11/2022 17:54	IMMINGHAM ANCH	GB			In Ballast
WILSON RUHR	DEPARTURE	FARSUND	NO	20/11/2022 13:57	ROTTERDAM WAALHAVEN	NL			Laden
CEG COSMOS		KILROOT	GB	20/11/2022 12:52	CORPACH	GB			Laden
CEG COSMOS	ARRIVAL	KILROOT	GB	20/11/2022 08:22			WICKLOW	IE	In Ballast
DELIA	ARRIVAL	IMMINGHAM	GB	19/11/2022 21:27			TERNEUZEN	NL	Laden
WILSON RUHR		FARSUND	NO	19/11/2022 20:14			MOERDIJK	NL	In Ballast
DELIA	DEPARTURE	IMMINGHAM ANCH	GB	19/11/2022 19:53	IMMINGHAM	GB			Laden
CEG COSMOS		WICKLOW ANCH	IE	19/11/2022 14:27	KILROOT	GB			In Ballast
CEG COSMOS	ARRIVAL	WICKLOW ANCH	IE	19/11/2022 14:11			WICKLOW	IE	In Ballast
CEG COSMOS		WICKLOW	IE	19/11/2022 14:08	WICKLOW ANCH	IE			In Ballast
DELIA	ARRIVAL	IMMINGHAM ANCH	GB	19/11/2022 07:27			TERNEUZEN	NL	Laden
CEG COSMOS	ARRIVAL	WICKLOW	IE	18/11/2022 21:14			OBAN	GB	Laden
DELIA	DEPARTURE	SOUTHWOLD ANCH	GB	18/11/2022 16:44	TILBURY	GB			Laden
DELIA	ARRIVAL	SOUTHWOLD ANCH	GB	18/11/2022 15:35			TERNEUZEN	NL	Laden
DELIA	DEPARTURE	TERNEUZEN	NL	18/11/2022 04:18	IMMINGHAM ANCH	GB			Laden
WILSON RUHR	DEPARTURE	ROTTERDAM BOTLEK	NL	17/11/2022 22:45	ROTTERDAM	NL			In Ballast
WILSON RUHR		ROTTERDAM BOTLEK	NL	17/11/2022 22:25			MOERDIJK	NL	In Ballast
WILSON RUHR	DEPARTURE	MOERDIJK	NL	17/11/2022 20:07	FARSUND	NO			In Ballast
CEG COSMOS		OBAN	GB	17/11/2022 18:46	WICKLOW	IE			Laden
WILSON RUHR		MOERDIJK	NL	17/11/2022 08:57			MO I RANA	NO	Laden
WILSON RUHR	DEPARTURE	ROTTERDAM BOTLEK	NL	17/11/2022 07:13	ROTTERDAM	NL			Laden
WILSON RUHR		ROTTERDAM BOTLEK	NL	17/11/2022 07:03			MO I RANA	NO	Laden
CEG COSMOS	ARRIVAL	OBAN	GB	17/11/2022 06:58			CORPACH	GB	In Ballast
CEG COSMOS		OBAN ANCH	GB	17/11/2022 06:51	OBAN	GB			In Ballast
CEG COSMOS	ARRIVAL	OBAN ANCH	GB	16/11/2022 22:30			CORPACH	GB	In Ballast
CEG COSMOS		CORPACH	GB	16/11/2022 18:30	OBAN ANCH	GB			In Ballast
CEG COSMOS	ARRIVAL	CORPACH	GB	15/11/2022 12:21			CORPACH	GB	In Ballast
CEG COSMOS		CORPACH	GB	15/11/2022 12:05	CORPACH	GB			In Ballast
WILSON RUHR	DEPARTURE	HAUGESUND	NO	14/11/2022 09:48	ROTTERDAM	NL			Laden
WILSON RUHR		HAUGESUND	NO	14/11/2022 09:38			MO I RANA	NO	Laden
DELIA	ARRIVAL	TERNEUZEN	NL	13/11/2022 09:37			AAHEIM	NO	Laden
CEG COSMOS	ARRIVAL	CORPACH	GB	12/11/2022 08:14			PORT ELLEN	GB	In Ballast
CEG COSMOS		PORT ELLEN	GB	11/11/2022 18:50	CORPACH	GB			In Ballast
WILSON RUHR	DEPARTURE	MO I RANA	NO	11/11/2022 07:34	MOERDIJK	NL			Laden
WILSON RUHR		MO I RANA	NO	10/11/2022 14:11			STOKMARKNES	NO	Partially Laden
WILSON RUHR	DEPARTURE	STOKMARKNES	NO	09/11/2022 11:55	MO I RANA	NO			Partially Laden
CEG COSMOS	ARRIVAL	PORT ELLEN	GB	09/11/2022 08:44			CORPACH	GB	Partially Laden
WILSON RUHR		STOKMARKNES	NO	09/11/2022 00:46			AVEROY	NO	Partially Laden
CEG COSMOS		CORPACH	GB	08/11/2022 17:21	PORT ELLEN	GB			Partially Laden
DELIA	DEPARTURE	AAHEIM	NO	08/11/2022 17:01	TERNEUZEN	NL			Laden
CEG COSMOS	ARRIVAL	CORPACH	GB	07/11/2022 21:43			OBAN	GB	In Ballast
DELIA	ARRIVAL	AAHEIM	NO	07/11/2022 18:32			VALSNESET	NO	In Ballast
CEG COSMOS		OBAN	GB	07/11/2022 17:25	CORPACH	GB			In Ballast
CEG COSMOS	ARRIVAL	OBAN	GB	07/11/2022 06:48			KILROOT	GB	Laden
CEG COSMOS		OBAN ANCH	GB	07/11/2022 06:39	OBAN	GB			Laden
WILSON RUHR	DEPARTURE	AVEROY	NO	07/11/2022 05:51	STOKMARKNES	NO			Partially Laden
WILSON RUHR		AVEROY	NO	07/11/2022 01:17			STAVANGER	NO	Partially Laden
DELIA	DEPARTURE	VALSNESET	NO	06/11/2022 22:03	AAHEIM	NO			In Ballast
CEG COSMOS	ARRIVAL	OBAN ANCH	GB	06/11/2022 07:57			KILROOT	GB	Laden
WILSON RUHR	DEPARTURE	HAUGESUND	NO	05/11/2022 20:55	ROTTERDAM	NL			Partially Laden
WILSON RUHR		HAUGESUND	NO	05/11/2022 20:41			STAVANGER	NO	Partially Laden
WILSON RUHR	DEPARTURE	STAVANGER	NO	05/11/2022 17:01	AVEROY	NO			Partially Laden
DELIA	ARRIVAL	VALSNESET	NO	05/11/2022 16:31			ROTTERDAM BOTLEK	NL	Laden
CEG COSMOS		KILROOT	GB	05/11/2022 14:50	OBAN ANCH	GB			Laden
CEG COSMOS	ARRIVAL	KILROOT	GB	05/11/2022 08:07			CORPACH	GB	In Ballast
WILSON RUHR		STAVANGER	NO	05/11/2022 04:14			ESBJERG	DK	Laden
CEG COSMOS		CORPACH	GB	04/11/2022 13:27	KILROOT	GB			In Ballast
CEG COSMOS	ARRIVAL	CORPACH	GB	04/11/2022 08:13			KILROOT	GB	Laden
WILSON RUHR	DEPARTURE	ESBJERG	DK	03/11/2022 17:45	STAVANGER	NO			Laden
CEG COSMOS		KILROOT	GB	03/11/2022 13:47	CORPACH	GB			Laden
CEG COSMOS	ARRIVAL	KILROOT	GB	03/11/2022 06:17			LIVERPOOL	GB	In Ballast
CEG COSMOS		BELFAST ANCH	GB	03/11/2022 06:06	KILROOT	GB			In Ballast
WILSON RUHR		ESBJERG	DK	02/11/2022 13:40			HAMBURG	DE	In Ballast
CEG COSMOS	ARRIVAL	BELFAST ANCH	GB	02/11/2022 08:21			LIVERPOOL	GB	In Ballast
DELIA	DEPARTURE	ROTTERDAM BOTLEK	NL	01/11/2022 22:38	VALSNESET	NO			Laden
WILSON RUHR	DEPARTURE	HAMBURG	DE	01/11/2022 14:06	ESBJERG	DK			In Ballast
CEG COSMOS		LIVERPOOL	GB	01/11/2022 14:03	BELFAST ANCH	GB			In Ballast
DELIA	ARRIVAL	ROTTERDAM BOTLEK	NL	01/11/2022 10:44			ROTTERDAM CENTRUM	NL	In Ballast
DELIA	DEPARTURE	ROTTERDAM WAALHAVEN NL		01/11/2022 10:16	TILBURY	GB			In Ballast
DELIA	ARRIVAL	ROTTERDAM WAALHAVEN	NL	01/11/2022 10:03			ROTTERDAM CENTRUM	NL	In Ballast
DELIA	DEPARTURE	ROTTERDAM CENTRUM	NL	01/11/2022 09:55	ROTTERDAM BOTLEK	NL			In Ballast

ANNEX 3 INFORMATION ON PERTH COMMON GOOD FUND PROPERTIES AND SALE OR TRANSFER PROCESS

List of identified Perth Common Good Fund and General Fund properties:

Loc Ref	Property	Site Area	Common Good/ General Fund	Use	Ground lease
21	Warehouse & yard	1.112 ha./ 2.747 acre	PCGF	Commercial/ Industrial Ground	Yes
26	Lorry parking		GF	Lorry parking - various users	Yes
27	Weighbridge	0.057 ha.	PCGF	Commercial/Industrial Ground	Yes
28	Restaurant	634 sq.m.	PCGF	Hot Food Outlet	Yes
30	Warehouse (Shed 4)	0.329 ha./ 0.813 acre	PCGF	Commercial/Industrial Ground	Yes
33	Warehouse & Car Park (end store)		GF	Commercial/Industrial Ground	Yes
35	Office		GF	Office	Building
40	Warehouse (Shed 5) & Weighbridge	0.475 ha./ 1.170 acre	GF	Commercial/Industrial Ground	Yes
41	Warehouse (Shed 2)	0.226 ha./ 0.558 acre	GF	Commercial/Industrial Ground	Yes
42	Compound	0.145 ha.	PCGF	Industrial	Yes
45	Workshop & Yard	0.425 ha.	PCGF	Commercial/Industrial Ground	Yes
53	Sewage Discharge Point & Ground	0.155 ha.	PCGF	Misc	Yes

Sale or transfer Process for Common Good Fund properties:

To achieve the sale or transfer of harbour assets currently forming part of the Perth Common Good Fund, Perth and Kinross Council would require to petition the Sheriff Court. As part of that procedure,

The court will require to ascertain the provenance of titles i.e. that they were actually conveyed to the council and will require to see evidence of those where applicable.

The court will require to be advised as to their current use and as to their income generation.

The court will require also to see a resolution of the Perth Common Good Committee and its consent to disposal.

Finally, the court will require to see full compliance with the provisions of the Community Empowerment (Scotland) Act 2015 including the requisite statutory consultation.

ANNEX 4 INFORMATION ON PROCESS TO REQUEST HARBOUR ORDER

There are three types of orders:

- Harbour Closure Order
- Harbour Revision Order
- Harbour Empowerment Order

Harbour Closure Order

This would relate to Option 5 in the Option Appraisal. This note is based on guidance published on 05.02.2016 by Transport Scotland [guidance-on-harbour-closure-orders-final-5-february-2016.pdf \(transport.gov.scot\)](https://www.transport.gov.scot/publications/guidance-on-harbour-closure-orders-final-5-february-2016.pdf)

What is a harbour closure order?

This does not mean that a harbour will physically close or cease to exist but it does mean that a harbour authority would be relieved of its statutory duties and will no longer be classed as a statutory harbour authority (SHA). It may mean that the way people use the harbour area has to change.

Why would a statutory harbour authority apply for an Order?

A SHA may wish to be relieved of its statutory functions, where the harbour is no longer viable, commercially or otherwise, because of:

- a change in the local economic area;
- physical restrictions in terms of the size of ships that can access its facilities;
- a drop in the number of vessels using the area;
- not being able to compete with other local ports;
- a change in the type of vessels using the area.

If a harbour is not viable then the harbour authority may not be able to fulfil the duties or meet the costs imposed on it by its statutory functions. This may cause dis-benefits to the SHA and those using or considering using the harbour.

What should a statutory harbour authority consider before applying for a closure order?

There are three kinds of duties a harbour authority has: statutory duties, imposed either in the local legislation for that authority or in general legislation; general common-law duties; and fiduciary duties.

The order will only remove the statutory duties; the other two kinds of duties may still exist for the SHA. If the former SHA remains the owner of the infrastructure they will retain the responsibilities associated with ownership.

The first step for the harbour authority is to ensure that it is aware of its local duties and the powers, policies, systems and procedures that they have in place. This is to ensure that nothing is removed unintentionally. The SHA should review the powers in its local legislation including those incorporated from other enactments. These may include powers to make byelaws or give directions either general or special and to manage and maintain the harbour. Some of the powers may derive directly from the Harbours Act 1964.

If an SHA, taking into account the above, is considering giving up its statutory functions, which includes its enforcement powers then it is recommended that it consult informally with users and anyone with an interest in the harbour. An SHA considering relinquishing its powers should also bear in mind that the Porth Marine Safety Code also applies to non-statutory harbours.

A SHA will need to state who may take over their role in various matters for example:

- Lighting and buoying responsibilities - under Part VIII of the Merchant Shipping Act 1995 (MSA95) each SHA is the local lighthouse authority for its area (section 193, as amended) and under section 198 of that Act a local lighthouse authority may be directed by the general lighthouse authority (the Northern Lighthouse Board in Scotland) to lay down buoys, or alter lighthouses, buoys and beacons in its area. The future responsibility for any lights or buoys should be discussed with the NLB.
- Oil pollution - section 137(2)(d) of the MSA95 enables the Secretary of State to give direction to a SHA as respects ships or cargoes where an accident has occurred in a harbour.
- Wrecks – section 252 of MSA95 provides a power where a vessel is sunk, stranded or abandoned in or near to the approaches of a harbour so that it is, or is likely to become, a danger to navigation to take possession or, raise, remove or destroy the vessel, to light and buoy it until raised or destroyed and to sell and reimburse the authority from the proceeds of sale.
- Pilotage - A Competent Harbour Authority (CHA) is a statutory harbour authority (SHA) with duties to assess the need for pilotage and powers to provide the appropriate pilotage services and impose pilotage directions as necessary to secure the safety of ships navigating in their waters. A CHA for an area where pilotage is no longer considered necessary may wish to be relieved of the functions. The removal of pilotage functions from harbour authorities would relieve them of their powers and duties relating to pilotage under the Pilotage Act 1987 (“the 1987 Act”). A harbour authority from which such functions were removed would cease to be a CHA, but would continue to be an SHA unless a closure order was also sought. Provisions enabling this to be done came into force with the commencement of section 1 of the Marine Navigation Act 2013 in October 2013.

The application process is as follows:

Section 17D and Part 1 of Schedule 3 of the 1964 Act set out the procedure that harbour authorities must follow before applying.

Pre-application: Anyone intending to apply for a harbour closure order should contact Transport Scotland prior to making an application to ensure they are aware of what should be included in their statement and draft closure order.

Consulting other organisations: Authorities are encouraged to consult other relevant stakeholders and those organisations and persons likely to be affected by the proposals prior to making the application.

Public notices: Once a SHA has submitted its application, it must arrange for a notice of that application to be placed in the Edinburgh Gazette and for two consecutive weeks in one or more local newspapers. A 42-day period for objections and representations will then begin from the date of the first published notice. Transport Scotland will discuss and agree the content of these notices prior to publication.

Consultation process: At the same time as the advert appears in the newspapers Scottish Ministers will consult such bodies as it considers appropriate. Each consultee will be given a 42- day period to respond which may run concurrently with the public notice period. Typical consultees may include: • Ports industry bodies • Scottish Environment Protection Agency • Maritime and Coastguard Agency • Northern Lighthouse Board • local authorities • neighbouring harbour authorities • Chamber of Shipping • Royal Yachting Association The list of consultees will be notified to the authority who will be required to provide each consultee with a copy of their application documents.

Registering an objection or representation: Organisations or individuals wishing to object to or make a representation about a harbour order must do so within the 42 day statutory period allowed for objections and representations.

Resolution of objections: Where objections to a harbour closure order are made, the authority will be allowed a period to negotiate with the objectors with a view to resolving the objections. The length of this period will be agreed with the authority if required.

Written representations: Where there are outstanding objections and efforts to resolve them have been unsuccessful, Scottish Ministers will make a decision on how best to proceed with the application and this may include a process of written representations or in very contentious cases a public inquiry or hearing.

Scottish Ministers' decision: Once Scottish Ministers have taken the decision on whether or not to make the closure order they will notify the authority, consultees and any objectors and publish the decision on the Transport Scotland website. The authority must publish a notice in the Edinburgh Gazette and local newspaper stating: • that the harbour closure order has been made • where a copy of the order can be viewed • when the order comes into operation • the procedure to challenge the validity of the order.

Harbour Revision Order

This would relate to Options 3A/3B and 4A/4B in the Option Appraisal. A Harbour Revision Order would be needed to transfer statutory harbour authority (SHA) responsibilities and other responsibilities such as Competent Harbour Authority (CHA) pilotage responsibilities to a third party.

The process is similar to the one for a Harbour Closure Order.

Process chart

