

EXECUTIVE COUNCIL

PUBLIC

Title:	FIPASS Berthing Priorities Policy
Paper Number:	82/18
Date:	28 May 2018
Responsible Director:	Director of Natural Resources
Report Author:	Marine Officer / Harbour Master
Portfolio Holder:	MLA Teslyn Barkman
Reason for paper:	This paper is submitted to Executive Council: For policy decision For policy upgrade / information
Publication:	Yes
Previous papers:	None
List of Documents:	Appendix A: FIPASS Berthing Priorities Policy - 2016

1. Recommendations

Honourable Members are recommended to approve:

- (a) The adoption of the 2018 FIPASS Berthing Policy.
- (b) Cancel the extant berthing policy dated November 1997

2. Additional Budgetary Implications

2.1 None

3. Executive Summary

- 3.1 The current FIPASS Berthing Policy was established in November 1997 and is no longer relevant for current day maritime operations. Current berthing priorities have been managed through informal agreement between vessel owners / agents, and Atlink the FIPASS Management Company. Although this 'mode of operation' has generally been sufficient to maintain commercial interest it is now time to formalise these agreements. Consultations have taken place with stakeholders to find a best fit solution

and maximise usage. The new berthing priorities at Appendix A provide the framework of the solution.

4. Background and Links to Islands Plan and Directorate Business Plan/s

- 4.1 Under a new management contract FIPASS has been operated and managed by Atlink since early 2015. Under this contract improvements have been made in a number of areas including access, health and safety and port management. In addition, a user friendly internet based booking form has been developed to enable users to view berth availability and make berth bookings. However, Atlink have been operating with an out of date policy on berthing priorities which favoured companies and organisations which either no longer exist or have changed in structure. The requirement for a new policy on berthing to ensure the process for berth allocation is both fair and manageable has been compelling. The new policy has its foundations on a 'first come first served' basis however it also acknowledges short notice transshipment activity and the requirements of non-fee paying users including the MoD and GSGSSI. Unlike previous policies it also makes charges for late cancellations.
- 4.2 FIPASS has c 300m of berthing face which generally provides 3 berths or 4 at a pinch if smaller vessels are involved. The use of FIPASS varies greatly. There are a number of days when it is not in use or only by the occasional vessel, at such times congestion is not an issue. There are other times when the facility is oversubscribed. When this happens FIPASS Management seek to cater for vessels that require being alongside a berth for cargo operations (imports & exports), or significant passenger movements (tourism) etc. The berthing policy being proposed continues to reflect this consideration. There is some demand by ship operators to have vessels alongside FIPASS because it is convenient but not because they actually need the dock. In such cases the ship could equally be at anchor. At times when there is spare berth capacity such 'berthing for convenience' can be accommodated. At times when the berth capacity is oversubscribed vessels which do not require the dock for working and are there for convenience will be instructed to vacate the berth to make way for vessels requiring the dock to work cargo.
- 4.3 The proposed policy does give priority to transshipment operations. It has been indicated that if container links are to prosper then flexibility and priority on such transshipment operations is necessary. If there is excessive uncertainty the operators may opt to make alternative arrangements including sending the fishing vessels to alternative ports.
- 4.4 The centre berth is designated as the priority transshipment berth in the proposed policy. Other vessels will be able to use it when no transshipment is taking place. Operators with itineraries set well in advance such as BAS should be able to book the other berths (cargo can be worked on the East berth and has been frequently used) and secure firm bookings for cargo operations.
- 4.5 Non paying vessels receive low priority. The concession is that they have access at no cost when there is spare berthing capacity. Non paying vessels include fishery protection vessels and visiting Royal Naval vessels. Operating FIPASS is expensive and it runs at a very significant loss if the capital expenditure is taken into account. Whilst it would be nice to accommodate all berth bookings it is simply not possible at

times and paying vessels and those requiring the dock for working take priority under this proposed policy. Non-paying vessels can receive higher priority by paying the relevant berthing charge.

- 4.6 Supporting the new policy is the Island Plan which is committed to ‘supporting an international shipping link to the Islands in order to sustain export businesses and reduce import costs’. This requires effective management of berth allocation.
- 4.7 The berthing priorities highlighted at Appendix A acknowledge and recognise the commercial importance of FIPASS for all users and the understandable desire to maximise income revenue. It is also accepted that maximising berthing opportunities for all vessels improves harmony amongst marine users and operators while at the same time increases revenue generation for the Government, it therefore fully endorses a more structured formula for prioritising berthing arrangements.
- 4.8 It is considered that whilst the revised policy is an improvement that FIPASS managers should retain some discretion in implementing the policy referring issues to the Marine Officer if necessary. For example the policy might dictate a strict priority scheme for access to berths, whereas adjusting berthing times by 6-12 hours may satisfy all requirements rather than fully satisfying one requirement entirely at the expense of another requirement.
- 4.9 Since this policy was originally reviewed in 2016 one substantive change has been made and added. This is the wording highlighted in point 2 of the draft policy indicating that long term bookings for cruise vessels on the centre berth will be honoured once they have been accepted. In general it is considered that there is likely to be little competition between cruise vessels and transhipping for the peak cruise vessel months of November – February. The dock should provide for one cruise vessel on East berth and one transhipment operation on Centre berth. Conflict might arise if 2 cruise vessels are booked in plus a transhipment operation. If the cruise vessel has a long-term booking (> 3 months) on the Centre Berth this will take priority and will be maintained. Although if there is a competing demand for the dock for transhipment or similar, then checks will be made with the cruise vessel operators to see if anchoring is an alternative. It is considered that advising all such applications by cruise vessel operators for the centre berth, that the berth cannot be guaranteed is likely to be excessively negative and limiting compared to the likely use on the day.

5. Options and Reasons for Recommending Relevant Option

- 5.1 Do nothing. Maintaining the current ‘status quo’ relies on the good will of users and informal arrangements between them and the FIPASS management company to determine priority of berthing. Although commercial interests are taken into account this is an unsatisfactory mode of operation and requires upgrading.
- 5.2 Adopt new policy: To effectively programme and manage berth allocations the FIPASS Management Company needs the authority of a modern day policy to enforce decisions to ensure the commercial viability of resources. In addition, the policy document will be known and understood by all operators / users and thus decisions will be known and their provision seen to be managed fairly.

6. Resource Implications

6.1 Financial Implications

None

6.2 Human Resource Implications

Met by the FIPASS management company under existing contract. However, once new policy established coupled with the new online booking procedure it is anticipated there will be a slight reduction in the day to day resources needed to manage berth priority.

6.3 Other Resource Implications

None

7. Legal Implications

7.1 None

8. Environmental & Sustainability Implications

8.1 None

9. Significant Risks

9.1 The entire point of the berthing priorities policy is to prioritise access to a limited resource. Inevitably any customer receiving less priority than they think they should have will be disappointed. In some circumstances customers adversely affected threaten to take their custom elsewhere. The policy is attempting to address the main priorities as they are currently assessed and for the future. Alternative policy models will simply disappoint an alternative set of customers.

10. Consultation

10.1 FIPASS users/ agents and vessel owners have been consulted on the development of this policy from the outset initially through individual discussions then more formally through the FIPASS users forum and more recently at the last Fisheries Committee Meeting held on 17th September 2016. In addition representations have been made to SAAS and meetings with GSGSSI have been undertaken.

11. Communication

11.1 New policy will be published through media outlets and within next year's Harbour Information Booklet alongside inclusion in Atlink's website and the Harbour section within the Fisheries FIG web pages.

FIPASS Berthing Priorities Policy– 2016

1. Bookings will be accepted on a ‘First come – First served’ basis for all berths (but see subsequent points).
2. The Centre Berth is the Priority Fish Transshipping Berth. Whilst ‘non –fish transshipment’ bookings will also be taken for this berth on the ‘First come - First served’ basis it will be conditional. Customers making bookings will be advised that if subsequently there is a priority transshipment operation booked in, that their booking may be brought forward or delayed. FIPASS management will endeavour to give as much notice as possible of any such change to the berth booking and in any case not less than 5 days. Priority transshipment operations will also be taken on a ‘First come – First served’ basis. Long term bookings for short duration visits (cruise vessels) will be maintained.
3. Non paying vessels can moor alongside subject to there being no commercial requirements for the berth. Such bookings will be classed as ‘firm’ 5 days before the scheduled visit and no earlier. Bookings for RN vessels participating in commemorative events will be classed as firm 42 days before the scheduled visit for the West berth only.
4. There is a finite length of berthing space. FIG and FIPASS management wish to maximise the use of FIPASS for cargo and other operations where a berth is essential. In order to maximise the availability and benefit to the customer, FIPASS management reserves the right to adjust bookings and implementation of this policy to achieve this maximum use and service. This may happen at short notice.
5. Cancellation charges will apply and will be dependent upon notification time and ability to re-sell the booked berth as follows:
 - i) Cancellation made within 1 day of booked period full fee payable.
 - ii) 1-3 days of booked period 50% of fee payable.
 - iii) 3-7 days of booked period 25% of fee payable.
 - iv) If berth re-sold charges will not be incurred.