EXPLANATORY MEMORANDUM TO THE

THE MERCHANT SHIPPING (LIGHT DUES) (AMENDMENT) REGULATIONS

2006 No. 649

1.1 This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 These Regulations change the basis for charging general light dues. Dues will in future be payable only on arrival at a port instead of on arrival and on departure. They also reduce the amount of light dues payable per voyage from 39 pence to 35 pence per tonne. The maximum amount payable per voyage is reduced from £13,650 to £12,250. Further, they remove the exemption from payment of light dues for vessels calling at a port in ballast, that is, not engaged in revenue earning activity.

3. Matters of special interest to the Joint Committee on Statutory Instruments.

3.1 None.

4. Legislative Background

4.1 These Regulations are made under section 205(5) of the Merchant Shipping Act 1995 and further amend the Merchant Shipping (Light Dues) Regulations 1997. The three General Lighthouse Authorities (GLAs), Trinity House Lighthouse Service, the Authority for England, Wales, the Channel Islands and Gibraltar; the Northern Lighthouse Board, the Authority for Scotland and the Isle of Man and the Commissioners of Irish Lights, the Authority for Ireland and Northern Ireland, have responsibility for the provision and maintenance of aids to navigation around the UK and Republic of Ireland coastline.

4.2 The GLAs are funded from the collection of light dues, a system of user charges levied on commercial shipping calling at UK and Republic of Ireland ports. These dues are paid into the General Lighthouse Fund. The Secretary of State for Transport has responsibility for the management of the Fund and reviews and sets the level of light dues rates annually following consideration of expenditure proposals submitted by the GLAs each year. The strong performance of the Fund in the past year has put the Fund in a stronger financial position than forecast. A reduction in light dues rates is affordable therefore and will ease the financial burden on the shipping industry.

5. **Extent**

5.1 This instrument applies to all of the United Kingdom.

European Convention on Human Rights

6.1 As this instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The General Lighthouse Fund is an independent statutory fund established under Part VIII of the Merchant Shipping Act 1995 to meet the operating costs of the GLAs providing a range of marine aids to navigation. The Fund's major source of income is the levy of light dues on commercial vessels using UK and Irish ports. Light dues rates are reviewed annually by the Secretary of State for Transport after consideration of the GLAs' expenditure proposals. Rates are reduced when possible, generally when the financial performance of the Fund is robust, making a reduction affordable. The rates were last increased in 1993, and were reduced in 1997, 2000 and 2004. A reduction from 39 pence to 35 pence per tonne is a significant one, constituting a further 10.2% fall, which will ease the financial burden on the shipping industry.

7.2 Under current Regulations vessels have a liability on arrival and departure in the UK. Once a vessel has paid light dues, there is no further liability for a period of one calendar month from that date. Furthermore, no more than seven payments are required in any fiscal year. Under the current collection process, the arrival and departure dates of vessels are recorded. This is a significant administrative burden given that all vessel movements have to be recorded yet many vessels are exempt from liability because the vessel is navigating within the 30 day period and/or over the seven voyage limit so the journey is not chargeable. The revised Regulations will remove the liability on a departing vessel, removing the requirement to record vessels leaving port. The current ballast exemption will be removed as it is no longer required, as a vessel either arriving or departing in ballast will now attract a single payment. Other exemptions will remain.

7.3 The GLAs and the Lights Advisory Committee (LAC), who are the Secretary of State's advisors on lights issues and who also represent the shipping industry, ports and cargo interests, have been consulted and support these changes to the Regulations. The LAC have also agreed that they are prepared to support an above inflation increase in rates should that prove necessary in subsequent years if the Fund faces greater demands upon it than it could meet. The Department does not consider that these amendments to the 1997 Regulations have political or legal importance.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this Instrument as it has no adverse impact on the costs of business, charities or voluntary bodies.

9. Contact

9.1 Phil Carey at the Department for Transport Tel: 020 7944 5001 or email phil.carey @dft.gsi.gov.uk can answer any queries regarding the instrument.