

Annual Performance Report 2020-2021



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1. Introduction

The Council, as the Statutory Harbour Authority, presents its Annual Performance Report for 2020/21. This report contributes towards compliance with the Port Marine Safety Code, which requires the Harbour Authority to report items to the Duty Holder and port users. More generally, the report gives an insight into local maritime activity to all those with an interest in the importance of harbours' activity to the wellbeing and economic vibrancy of Orkney both at sea and ashore.

The statistical information within this report relates to the period 1 April 2020 to 31 March 2021. The report covers operational activity, economic and financial activity, safety and pollution incidents, infrastructure and staffing matters, governance, statutory provision of Aids to Navigation, Pilotage and the Marine Environmental Unit activity. The report also provides a commentary on business developments as well as a forward look to opportunities and risks.

2. Harbour Authority Revenue Account – Income and Expenditure

In terms of the Orkney County Council Act 1974, the accounts for the Harbour operation must be kept separate from the General Fund accounts of Orkney Islands Council. The Act also allows for separate accounts for each area of business; hence, the Harbour Authority operates accounts for the Scapa Flow Oil Port operations (Flotta tanker operations, Ship to Ship (STS) transfers and offshore platform moorings) and for all other operations under Miscellaneous Piers and Harbours (including all ferry, cruise and isles operations). These accounts receive no public monies and are dependent upon Harbour Charges which, as referred to in the Harbours Act 1964, may be collected for the sole purpose of '*maintaining, improving or managing*' the Harbour. Any surpluses from the Scapa Flow Oil Port Account may be assigned to the Council's Strategic Reserve Fund, whilst surpluses from Miscellaneous Piers and Harbours are assigned to the MPH surplus fund which can then be utilised for the Property Maintenance Fund to enable the funding of the significant burden of repairs, maintenance and improvement of the 29 piers and harbours. Harbour dues are set to ensure that the harbour is financially viable and competitive, with care being taken to ensure that surpluses are consistent with purposes of harbours dues as established in the Harbours Act 1964. Those surpluses take account of loans charges for pier and vessel improvement are an expense which will have the effect of decreasing any surpluses generated.

The table below provides information on the Scapa Flow Oil Port and Miscellaneous Piers and Harbours accounts for the last 3 financial years.

	2018-19			2019-20			2020-21		
	£k Exp	£k Inc	£k Net surplus/ (deficit)	£k Exp	£k Inc	£k Net surplus/ (deficit)	£k Exp	£k Inc	£k Net surplus/ (deficit)
Scapa Flow Oil Port	3,244	7,970	4,726	5,623	8,043	2,420	6,083	8,804	2,721
M, P & H	6,895	7,269	374	6,412	7,791	1,379	5,999	4,944	(1,055)
Totals	10,139	15,239	5,100	12,035	15,834	3,799	12,082	13,748	1,666

(Exp = Expenditure; Inc = Income; M, P & H = (Miscellaneous Piers and Harbours)).

The overall position for the Scapa Flow Oil Port and Miscellaneous Piers and Harbours as detailed above shows an overall decreased level of income of £2.086 million compared to financial year 2019/20.

Due to COVID-19 there were no cruise calls in financial year 2020/21, this being the biggest cause of the deficit position on the Miscellaneous Piers and Harbours Account.

Scapa Flow Oil Port was not impacted too significantly by COVID-19 and continued to receive tankers both at Flotta Oil Terminal and Scapa Flow. The Flotta tanker numbers reduced from the previous year but there continued to be a growth in the STS Operations.

The surplus of £2.721 million from the Scapa Flow Oil Port was transferred to the Strategic Reserve Fund and the loss of £1.055 million from the Miscellaneous Piers and Harbours reduced the balance on the Miscellaneous Pier and Harbours Fund by £0.022 million and reduced the balance on the Miscellaneous Piers Property Maintenance Fund by £1.033 million.

3. Tanker Operations within Scapa Flow Oil Port

The following detail relates to the number of tankers associated with cargo uplift from the Flotta Oil Terminal and Ship-to-Ship (STS) transfer operations of crude oil in Scapa Flow during the reporting period. It should be noted that charges for Flotta tanker activity are based on the gross tonnage of the vessel, whereas charges for STS activity are based on the tonnage of cargo product transferred.

Flotta Terminal operations are the priority activity of Scapa Flow and it is this which drives the responsiveness of pilotage and towage services. For the reporting period, there were no recorded operational delays for Flotta Terminal related activity directly from the Harbour Authority failing to meet response times or service availability. The Harbour Authority is proud of its 100% record which is a key factor in ensuring customer satisfaction for the Flotta Terminal.

Tanker movements to the Flotta Oil Terminal have decreased by three movements from the previous reporting period, resulting in 28 movements which was below the budgeted forecast. During financial year 2020/21, the Flotta Terminal amended its operational forecasts to reflect projected activity which will see an expected 34 tankers call in 2021 and 31 in 2022. After this the prediction is for a steady reduction in the number of tankers that will be calling at the terminal. There is some opportunity for new third party oil exports which will see a possible increase in tanker exports from 2024 but the pattern of decline will continue towards the 2030's.

STS transfer operations however have continued to increase with a 33% increase resulting in 81 STS operations involving 164 tankers compared to 124 previously.

Cargo volumes transferred have increased by over 1,150,000 tonnes to 5,809,000 tonnes. STS activity is expected to remain at or above current levels with oil majors and STS facilitators recognising the excellence of service delivery, experience and knowledge of local marine services staff and the ease with which operations and flexibility are dealt with.

	2018-19	2019-20	2020-21
Pipeline Product			
Total number of Crude Oil Tankers	34	31	28
Total Number of LPG Tankers	0	0	0
Total GT of tankers crude and Propane	2,051,847	1,933,955	1,782,524
Total Crude Oil Loaded (Tonnes)	2,895,475	2,673,695	2,524,955
Total LPG Loaded (Tonnes)	0	0	0
Ship to Ship Oil Transfers			
Total number of Import tankers	59	63	83
Total Number of Export Tankers	52	61	81
Total Crude Oil Export (Tonnes)	4,428,772	4,654,153	5,809,037
Ship to Ship LNG Transfers			
Total Number of Import Tankers	0	0	0
Total Number of Export Tankers	0	0	0
Total LNG Export (Tonnes)	0	0	0
Ship to Ship LPG Transfers			
Total number of Import tankers	0	0	0
Total Number of Export Tanker	0	0	0
Total LPG EXPORT (Tonnes)	0	0	0

(LPG = Liquefied Petroleum Gas; LNG = Liquefied Natural Gas; GT = Gross Tonnage)

4. Reported Pollution Incident Summary

Pollution prevention and pollution response is a significant responsibility of the Harbour Authority and hence it is encouraging that there were the three pollution incidents recorded during this reporting period, as detailed in the table below. There were no incidents associated with the oil port.

Date	Location	Information	Oil Type	Quantity
25/08/2020	Hatston Marshalling area	Whilst operating a 25T Heavy lift Kalmar fork lift truck in the Hatston marshalling area the vehicle hydraulic lift hose burst. This sprayed oil over a large area within the marshalling area which was treated with sorbent granules and later with Enviroclean. This was kept out of the drainage system during the clean-up, the area was then swept by a road sweeper.	Hydraulic Oil	<10 litres
01/10/2020	Stromness Harbour	At 11:00 on 01/10/2020 contact was made with regards to a Northwards lorry spilling oil on Ferry Road, Stromness. It transpired that, while travelling north along Ferry Road, the lorry had driven over the road side grating which had subsequently sprung up puncturing the fuel tank on the lorry with 250 litres of fuel in it. The entire contents spilled onto the road and into the drain which crosses the road and into the harbour. Sorbent booms were deployed around the outfall and along the harbour wall. Wind direction held the spill against the harbour wall and the booms were changed when they filled. After monitoring and cleaning the road surface there were negligible signs of oil in the water.	Diesel	>250 litres
15/12/2020	Scapa Pier	Whilst emptying tote tanks from the Stena Don rig at Scapa Pier spill of drilling mud and sludge occurred. Staff blowing back the lines to clear this resulted in the pipe coming out of the tank and the blow off valve releasing Drilling Mud (approximately	Drilling mud	150 litres

Date	Location	Information	Oil Type	Quantity
		150 litres) onto the pier surface. Deployed sorbent booms from the on-hand spill kit to contain the spill and sprayed oil Spill Eater to remove the oil content and squeegeed the surface into a sorbent boom coral. The sorbent booms were removed and disposed of. Completed clean up at 14:30 with no remaining evidence of the spill either on the pier or in the sea and drains.		

Oil Pollution Response Contingency Returns (OPRC)

The annual Oil Pollution Response Contingency (OPRC) returns were submitted to the Maritime and Coastguard Agency (MCA) Salvage and Pollution Officer for Scotland as required by regulation. The returns detail the incident record keeping, reporting, training and exercises conducted and completed. The returns all met with MCA approval.

Oil Spill Training and Exercises

During this reporting period 2 oil spill exercises were held. These were conducted at St Margaret's Hope and Scapa Pier in September and October 2020 respectively and all were successfully completed. MCA Level 2 oil pollution response training was also carried out for Harbours and Roads staff and was completed satisfactorily.

5. Port Waste Management

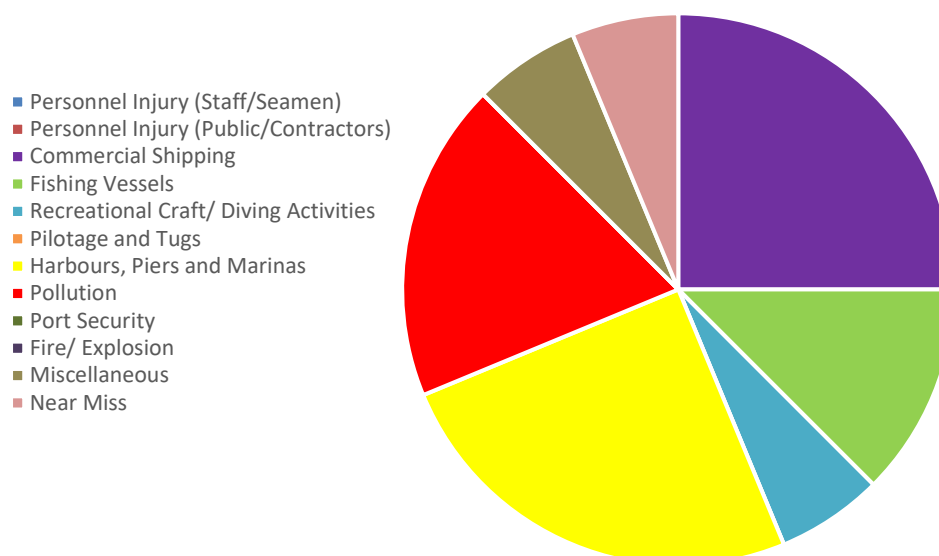
Port Waste Management is now wholly conducted by the Waste Officer within the Harbour structure. Record keeping and returns are of a high standard and regularly inspected by an Inspector from the Department for Environment, Food and Rural Affairs (DEFRA).

6. Accidents and Incidents

Safe operations are the fundamental responsibility of the Harbour Authority and the monitoring and investigation of incidents are crucial parts of a safety culture.

The following pie chart shows the range and number of reported accidents and incidents within the harbour area. The current trend, when compared to the previous reporting period, shows that the figures for accidents and incidents have substantially decreased which is more than likely due in part to the reduction of interaction aside from essential work during the pandemic. All incidents, irrespective of their gravity, are now being reported and acted upon.

2020-21 Accidents and Incidents



		2018-19	2019-20	2020-21	Trend
1	Personnel Injury (Staff/Seamen)	2	1	0	Decrease
2	Personnel Injury (Public/Contractors)	3	0	0	Same
3	Commercial Shipping	3	6	4	Decrease
4	Fishing Vessels	1	2	2	Same
5	Recreational Craft/ Diving Activities	3	1	1	Same
6	Pilotage and Tugs	0	0	0	Same
7	Harbours, Piers and Marinas	6	6	4	Decrease
8	Pollution	1	4	3	Decrease
9	Port Security	0	1	0	Decrease
10	Fire/ Explosion	0	1	0	Decrease
11	Miscellaneous	2	4	1	Decrease
12	Near Miss	1	1	1	Same
	Totals	20	27	16	Decrease

Analysis of Data

No incidents were required to be reported to the Marine Accident Investigation Branch (MAIB) in the reporting period. Towage Services and Orkney Ferries Limited operate their own Safety Management System for ship associated incidents.

Incidents involving commercial/recreational dive vessels were investigated separately by the vessels involved, the Health and Safety Executive and Police Scotland as appropriate. It should be noted that none of the diving incidents involved the Harbour Authority directly.

Port Skills and Safety

Figures are now being returned to Ports Skills and Safety (PSS) at an increased frequency for the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and Sea Accidents. This is to increase the awareness of trends and PSS continues to work hand in hand with the Health and Safety Executive and the MAIB.

Staff Accidents Reported

There was no reported injury to staff during this reporting period.

7. Port Marine Safety Code (PMSC) and Governance

Port Marine Safety Code

The Safety Management System (SMS) which forms part of the Port Marine Safety Code (PMSC) was reviewed by the Port Marine Safety and Counter Pollution Manager and refined into a two-part document. The controlled version is held by the Port Marine Safety and Counter Pollution Manager and uncontrolled versions freely available on the Internet.

Designated Person (DP)

The Harbour Authority requires a Designated Person (DP) to provide independent assurance that the port is operating in accordance with the Port Marine Safety Code.

The DP has not been able to visit Orkney in person since 10-11 March 2020. There was a scheduled DP audit visit for May 2020 but this was cancelled due to the pandemic.

Due to the COVID-19 travel restrictions, the previous PMSC audit was carried out remotely on 7 and 8 December 2020; it provided a baseline audit for the new Harbour Master on taking up his post and contained several recommendations.

The DP has been sent monthly updates on reports and incidents which, in turn, have been discussed with the Head of Marine Services, Transport and Harbour Master in a monthly telephone call prior to the writing of a monthly DP report.

The DP contract was awarded to Marico Marine during the 2018/19 reporting period for four years, with an option of a one year extension after that. This has enabled the DP to advise the Harbour Authority on ongoing compliance with the Port Marine Safety Code as well as the provision of training for members of the Harbour Authority Sub-committee.

Governance

The Harbour Authority Sub-committee, comprising seven Members of the Council, is the Duty Holder for the Harbour Authority. The Sub-committee is subject to change at each election and at the mid-term review of committee membership.

All Members of the Sub-committee have received a training programme to enable them to undertake their Duty Holder responsibilities.

8. Pilotage

Acts of Pilotage

The Council, as the Competent Harbour Authority for pilotage, met its target to achieve all acts of pilotage within the required timescale of 2 hours' notice, 24 hours a day, 365 days a year. It also complied with its requirement to examine all applicants for Pilotage Exemption Certificates (PEC) for bona fide officers on those ships regularly calling at Orkney ports.

During the reporting period, one pilot was recruited to backfill a retirement that was reported as expected in last period. The new starter commenced as a Class 2 pilot and it is hoped that progression to Class 1 can be achieved in the next reporting period. The Orkney pilots are particularly broadly skilled with few ports anywhere covering the range of pilotage activities, from STS operations to the largest cruise ships in the world.

One PEC and 30 renewals were issued during the reporting period, resulting in a total of 31 PEC holders between Serco Northlink and Pentland Ferries.

Summary of Pilotage Acts 2020/21

No. of Acts

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	At each Port
Crude Oil Tankers	7	7	6	3	5	6	5	4	5	4	7	8	67
Flotta Pier	0	0	0	0	0	0	2	0	0	0	0	0	2
Gas Tankers	0	0	0	0	0	0	0	0	0	0	0	0	0
Copland's Dock	0	0	0	0	0	3	0	0	0	1	0	0	4
Hatston - Cruise Liner	0	0	0	0	0	0	0	0	0	0	0	0	0
Hatston Terminal	2	0	2	0	9	1	5	4	1	2	6	9	41
Hoy Sound - Cruise Liner	0	0	0	0	0	0	0	0	0	0	0	0	0
Kirkwall Cruise Liner	0	0	0	0	0	0	0	0	0	0	0	0	0
Kirkwall Harbour	0	0	0	0	6	0	0	0	0	0	0	0	6
LNG Ship to Ship	0	0	0	0	0	0	0	0	0	0	0	0	0
LPG Ship to Ship	0	0	0	0	0	0	0	0	0	0	0	0	0
Longhope - Cruise Liner	0	0	0	0	0	0	0	0	0	0	0	0	0
Lyness Pier	0	0	0	0	4	0	3	11	1	0	0	0	19
Scapa Flow - Cruise Liner	0	0	0	0	0	0	0	0	0	0	0	0	0
Scapa Flow Anchor	0	2	6	14	13	5	11	5	1	1	4	26	88
Scapa Pier	5	0	2	0	2	0	0	4	0	3	0	0	16
Shapinsay Pier	4	0	1	0	0	0	0	2	3	2	2	0	14
Ship to Ship	0	0	0	0	0	0	0	0	0	0	0	0	0
Ship to Ship	35	28	23	23	23	36	26	62	40	28	22	20	366
St Margaret's Hope Pier	0	0	0	0	0	0	0	0	0	0	0	0	0
Stromness - Cruise Liner	0	0	0	0	0	0	0	0	0	0	0	0	0
Stromness Harbour	0	0	0	0	2	0	0	0	0	6	2	0	10
Total Acts	53	37	40	40	64	51	52	92	51	47	43	63	633

(LPG = Liquefied Petroleum Gas; LNG = Liquefied Natural Gas)

Acts of Pilotage 3 Year Comparative Overview

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals
2018-19	64	127	116	117	99	68	37	51	39	35	29	53	835
2019-20	53	96	105	109	112	74	63	56	56	55	64	50	893
2020-2021	53	37	40	40	64	51	52	92	51	47	43	63	633

Pilotage Dues 3 Year Comparative Overview

	2018-19	2019-20	2020-21
Scapa Flow Oil Port	£997,441	£1,097,559	£1,321,579
Miscellaneous Piers and Harbours	£486,847	£524,586	£75,008
TOTAL	£1,484,288	£1,622,145	£1,396,587

The tables above demonstrate that the loss of the cruise traffic almost removes the income from pilotage for the MPH account. The increase in traffic for Scapa Flow Oil Port, mostly with the increase of STS transfers of crude oil, partially replaced the loss of cruise but as can be seen for the figures in the summer months there was a large decrease in pilotage acts.

9. Towage

The one sector within the Harbour Authority operations that has seen a growth despite the pandemic is towage activities. These continued to increase further as a result, largely, of the continuing increase in STS activity which is very towage intensive but tug work in support of semi-submersible rigs and laid up vessels in Scapa Flow also contributed. Scapa Flow is now recognised as the premier, safe location for these operations in Northern Europe and the growth in operations shows the continued high regard that our operations are held within the industry. Collectively, this scope of work has underpinned the broad range of skills deployable by Orkney towage crews and pilots and has enabled a busy year to be undertaken with no safety incidents.

The Harbour Authority welcomed the 2 new tugs to Scapa Flow in September, and these were named Thor and Odin of Scapa in a ceremony. After a period of training and familiarisation to the new arrivals they both entered service in Scapa Flow and proved a success, becoming very popular with the crews.



All 5 tugs in Scapa Flow



New tugs arriving at Stromness

Towage service was maintained throughout the pandemic with mitigations in place to ensure that tug crews were not affected by isolation rules.

Although not part of the Orkney Towage effort, the MCA Emergency Towing Vessel (ETV) continues to use Kirkwall as its main base although it still spends much longer at sea on risk-based tasking. There have been several taskings for the ETV, some of which have been supported by the Orkney Harbour Authority tugs and the ETV requirement is under constant review.

10. Aids to Navigation (AtoN)

As a Harbour Authority, Orkney Islands Council is the Local Lighthouse Authority and as such must meet statutory duties associated with those responsibilities. A report into the availability of the Harbour Authority's various Aids to Navigation (AtoN) is therefore prescribed by regulation. Performance is monitored and

periodically audited by the National Lighthouse Authority, namely the Northern Lighthouse Board (NLB).

As prescribed by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) and contained within the Port Marine Safety Code, the amount of time the Aids to Navigation are required to be available is dictated by their category. The category is a product of the Aids to Navigation importance in reducing risk to the mariner.

The required standards are as follows:

- Category 1: 99.8%.
- Category 2: 99.0%.
- Category 3: 97.0%.

In the table below, the following applies:

- OOS means Out of Service.
- MTTR means Mean Time to Repair.
- MTBF means Mean Time Between Failures.

AtoN Availability by Category

IALA Category	No. of Aids	Max Hours	No. of Failures	OOS Hours	MTTR	MTBF	Availability	Target Availability
Orkney Islands Council								
CAT 1	11	96:096	0	00:00	36:35	96323:25	100.00%	99.80%
CAT 2	54	471:744	4	76:52	19:13	117916:47	99.98%	99.00%
CAT 3	0	0	0	0:00	0:00	0:00	0.00%	97.00%
No Category	0	0	0	0:00	0:00	0:00	0.00%	0.00%.

AtoN Availability by Individual AtoN (Lights, Markers and Buoys)

ALLFS No.	Aton Name	IALA Category	No. of Failures	OOS Hours	MTTR	MTBF	Availability	Target Availability
Orkney Islands Council								
A3610.4	Flotta Roan Head	CAT 2	1	14:19	14:19	8721:41	99.84%	99.00%
A3642	Houton Bay Ro-Ro Terminal South End	CAT 2	1	44:30	44:30	8691:30	99.49%	99.00%

ALLFS No.	Aton Name	IALA Category	No. of Failures	OOS Hours	MTTR	MTBF	Availability	Target Availability
A3662.5	Stromness Hrbr. South Pier South End	CAT 2	1	2:37	2:37	8733:23	99.97%	99.00%
A3686	Thieves Holm	CAT 2	1	15:26	15:26	8720:34	99.82%	99.00%
At or above target			■					
Within 10% of the target			■					
More than 10% from the target			■					

Any Aids to Navigation failure is in the main related to wear and tear of equipment. The out of service hours can be compounded due to either a greater problem than was initially reported, availability of spare parts and/or time and opportunity through adverse weather to access the Aids to Navigation to effect repairs.

Several Aids to Navigation are serviced through arrangements with the NLB and this arrangement continues to work well.

All failures of the Aids to Navigation included in this report were reviewed by the NLB and all highlighted anomalies were addressed and monitored by the Board. The information provided in this report has been reviewed and accepted by the NLB.

11. Cruise Ships

As noted above the COVID-19 pandemic meant the complete stop on cruising during the period covered by this report.

Cruise Ship Comparative Data

	2018/19	2019/20	2020/21
Port Calls	138	156	0
Gross Tonnage	5,104,277	5,256,422	0
Passengers	124,064	131,506	£0
Port Dues	£1,542,998	£1,574,282	£0
Passenger Dues	£187,636	£217,845	£0
Pilotage	£193,101	£205,783	£0
Boarding and Landing	£207,798	£229,588	£0
Fresh Water	£28,777	£37,235	£0
Revenues	£2,160,312	£2,269,685	£0

The usual discretionary services that the Harbour Authority supplies were also cancelled during this period, except for some contractual commitments. The effects of the pandemic are expected to continue into the next reporting period with continued restrictions on non-essential travel.

12. Vessel Traffic Services

The Vessel Traffic Services (VTS) system of radar and CCTV sites has operated reliably during the reporting period and a much delayed upgrade was completed that saw all local PCs replaced and upgraded to Windows 10. Any equipment that was not compatible with Windows 10 was also replaced and a backup server was added to give extra resilience. The CCTV software was also upgraded and improvements made to the web server, VTS remote viewer and Navi-Harbour software.

VTS has therefore been fully operational, with qualified staff all to the approved standards as required by the MCA during the period.

13. Marine Environmental Unit

The Marine Environmental Unit (MEU) continued the monitoring of Scapa Flow and surrounding areas in 2020. Due to the COVID-19 pandemic and resulting restrictions, work and surveys were scaled down to minimise working from office and travel within Orkney, and to avoid sampling being carried out on-board boats and vessels. During 2020, the MEU was able to continue marine non-native species monitoring, sandy beach monitoring, potable water testing and ballast water sampling.

14. Ferry Traffic – Miscellaneous Piers and Harbours

The ferry traffic to and from Orkney Islands Council Harbours is set out below. These statistics do not include St Margaret's Hope which is not part of the Harbour Authority area but operates as a Trust Port.

Serco NorthLink Ferries Ltd

Traffic on Stromness - Scrabster Route (Hamnavoe)

Year.	Passengers.	Accompanied Cars.	Commercial Vehicles.	Freight (tonnes)
2018-19	153,570	46,963	8,577	23,813
2019-20	155,461	47,144	8,261	26,823
2020-21	42,454	18,141	4,812	23,735
% change	-72.7%	-61.5%	-41.8%	-11.5%

Traffic on Kirkwall-Aberdeen-Lerwick Route

	Passengers	Accompanied Cars	Commercial Vehicles	Freight (tonnes)

2018-19	54,896	8,951	12,065	120,482
2019-20	54,550	8,908	12,557	119,564
2020-21	13,007	3,657	10,507	98,191
% change	-76.2%	-58.9%	-16.3%	-17.9%

John O Groat's Ferries

	Passengers
2018-19	26,385
2019-20	25,942
2020-21	0
% Change	-100%

Orkney Ferries Ltd

	Passengers		Cars		Total
	Outer	Inner	Outer	Inner	
2018-19	105,059	234,457	37,347	56,649	2020/21 Total OF Passengers = 158,486 (Northlink totals both routes = 55,461)
2019-20	100,369	226,328	36,080	56,849	
2020-21	40,685	117,261	24,066	41,244	2020/21 Total OF Cars = 65,310 (Northlink totals both routes = 21,798)
% Change	-59.3%	-48.0%	-33.3%	-27.4%	

Comment

As can be seen above the pandemic had a large effect on the numbers of passengers, vehicles and freight moving on all routes due to the restrictions on travel. John O Groat's Ferries did not run at all in the reporting period.

15. Staffing

The Harbour Authority has had a further year of operating with the assigned level of staffing and this has enabled continued progress with a programme of various initiatives including training, revised risk assessments, infrastructure projects, the Harbour Masterplan, new vessel procurement and the planning of repairs and maintenance.

As reported previously the staff size remains largely the same as that in 2012 when there were 50 cruise ships, 12 Flotta tankers, no STS tankers, no offshore platforms and no major projects ongoing. Added to this is a programme of works including new vessels, pier upgrades and the pending Harbours Masterplan and ferry replacement programme. The current structure has been identified as unsuitable for the current challenges and those ahead and additional posts are required.

During this reporting period, the Harbour Master, Towage Superintendent and Operation Support Manager retired, and their replacements appointed during the early months of the pandemic which was an achievement in itself. The period of settling in was quick and the new Head of Service brought in a fresh outlook on the operations of the Harbour Authority with an emphasis on the framework of terms, conditions and directions being updated.

Collective and emergency training ashore continues to be an area for attention and, within the restrictions of the pandemic, team and individual pollution training has taken place. Pilotage training of new employees is an ongoing task and, importantly, training for members of the Harbour Authority Sub-committee has been undertaken.

16. Harbours' Infrastructure and Equipment

During this period, outside of usual maintenance and repairs, there were delays to other specific project builds in particular the installation of the shore power connection at Stromness for MV Hamnavoe. However, the replacement of the Stromness ferry passenger walkway was completed with the engineers controlling contractors remotely during the final phases of the installation. A similar project for the walkway at Hatston Pier was started as restrictions were eased and it is hoped this will be completed soon into the next reporting period.

The Harbours Masterplan passed some major milestones during this reporting period. The Council approved the Masterplan in April 2020 which meant that the launch of the designs could be made in the summer. The main focus of the work was on the Scapa Deep Water Quay and Hatston Pier designs and the former went through some changes as discussions with industry experts and engineers meant the plans had to be widened to include larger laydown areas and longer quays.

The Harbour Authority engaged consultants in the engineering, environmental and economic fields to assist with the next requirements of the Masterplan to provide the detailed analysis that is required for projects of this size. This work continued at pace throughout the pandemic and was not affected by the restrictions as all steps could be accommodated remotely.

17. General

As has been repeatedly stated above, this reporting period was dominated like no other by one event, the COVID-19 pandemic. It can be stated that the diverse sectors which the Harbour Authority operates in allowed the impact to be lessened on finances. However, the effects were different on the two accounts which the Harbour Authority work with. The Miscellaneous Piers and Harbours Account was negatively affected with the loss of the cruise liners calling and reduction in ferry traffic, the two main inputs to this account. There was little replacement traffic for these businesses with the oil and gas sector showing no expansion and remaining within its known bases.

Scapa Flow Oil Port, conversely, showed an increase in income mainly with the strong and record number of STS operations in Scapa Flow. The Flotta tanker exports continued to show the slow decline experienced over previous years

although discussions with the operators of Flotta, Repsol-Sinopec, around the future business of the terminal and its diversification were a sign of a new future away from oil. With regards to offshore platforms, whilst of modest benefit to the harbour, they continue to be of considerable and sustainable benefit to the local supply chain although for much of the reporting period the platforms have been on station.

It is to be hoped that the next reporting period will show a strong recovery from the pandemic, although by the end of 2020/21 there was still no sign of the return of the cruise market.

18. Statements of Current and Future Activity

Outside of the pandemic, and taking each sector in turn, there is a recognition of the work needed to ensure the strong recovery for the Harbour Authority as well as identify new income possibilities and diversification of the business.

As stated above the Scapa Flow Oil Port has remained strong in the pandemic and the national and natural asset that is Scapa Flow is recognised as the preferred location for safe STS operations. Scapa Flow is a regular home to rigs from two operators and added to this was the opportunity in the pandemic for wet storage, or lay-up, of vessels that are without work and 3 small containers spent a large period at anchor in Scapa Flow with no crew onboard and remotely monitored from the shore.

Lyness has actually seen an increase in activity in this reporting year with some imports of sand for a cable project on the island of Hoy and the lay-up and rearming of the laid-up vessels in Scapa Flow mentioned above. There is considerable scope for the whole site and some discussions with potential developers have taken place. With this in mind, remediation of the oil pollution at Lyness becomes increasingly important.

The renewables sector has continued a modest reversal of the recent downturn, with the delivery and testing of new devices. It is hoped that various programmes to commercialise marine renewables continue to view Orkney as the optimum location and linking that with the new opportunities around carbon free fuels there is optimism for continued growth.

Although no cruise ships called at Orkney in this period, and it is not known when they shall return, Orkney remains a very popular location with itinerary planners, and throughout the pandemic the Harbour Authority was involved in meetings with the industry to safely plan for the restart of cruise. With this in mind the Harbour Authority commenced a project to write a full plan for the return of cruise taking into account the restrictions on travel. This covered all aspects of operations with cruise vessels and were written in line with industry guidelines with input from experts to ensure that Orkney was ready for cruise when it returns.

The main focus and drive for future activity is based around the Harbours Masterplan and the opportunities that this presents. The new facility at Scapa Deep Water Quay has been identified by potential wind farm developers who have bid into the ScotWind round of leasing as a base for the assembly, construction, storage and

handling of components, with Hatston Pier a suitable logistics and Operations and Maintenance base. With the final decisions on who will be the winning developers coming late in the next reporting period these industry discussions continue to ensure the widest knowledge of the Masterplan. Offshore Wind is also integral to growth at Stromness and Lyness with wet storage of large components in Scapa Flow all part of an Orkney solution for the sector.

Over the period a number of Non Disclosure Agreements (NDA) and Memoranda of Understanding (MOU) have been signed with developer and key industry stakeholders to discuss in detail the future plans. Some of these have included technical and investment collaborations and utilisation of a number of Orkney sites.

As well as the above, the remainder of the business activities of the Harbour Authority will need to be considered to encourage growth and identify opportunities that not only benefit harbours but also the local community and with this in mind a full business development plan will be written to cover all sectors.

19. Conclusions

This will surely be a report like no other. The fact that the Harbour Authority maintained a strong position financially was testament to the dedicated hard work by all the staff to ensure the continuation of operations during a national crisis, as well as completing major projects and ensuring continual forward movement in all areas of the business. Being able to absorb the loss of a major part of the business in cruise allowed some refocussing onto other projects that will benefit the Harbour Authority over the coming months. Continuing to be in a financially strong position is a goal for the recovery from the pandemic and it is vital that the harbours' infrastructure and vessels are developed to ensure that operations remain safe, that lifeline services and the more remote piers are not forgotten and to diversify activity to ensure that the harbour continues to be a major economic driver for Orkney.

All of this must be done within the principles of the Port Marine Safety Code and the Guidance for the Good Governance of Ports and Harbours, as well as being consistent with the Harbours Act 1964 and the Orkney County Council Act 1974, both of which indicate a need for a greater level of investment in harbour infrastructure.

The success of the Harbour Authority is attributed in part to market conditions and to the marketing and business development activity to grasp opportunities. However, it is the staff, ably supported by the Harbour Authority Sub-committee, who have delivered safe and successful operations. The ability to recruit, train and retain the appropriate quality of staff has been essential and there are still some significant gaps in the team that require filling to ensure continuity. As previously reported, the level of business growth is also an area worthy of scrutiny as the number of staff has not increased in line with activity levels, strategic project development or with the ability to afford additional staff. This does require review as more staff are and will be required. The challenges around technical staff continues to cause some concern, the staff are still hard pressed more so because of their involvement in low carbon projects.

Overall, this report shows that a national crisis such as the pandemic will affect all aspects of a business in some way but that the Harbour Authority has a strong resilience and ability to continue to improve and look to the future.