

HARBOUR AUTHORITY
ANNUAL PERFORMANCE REPORT 2013-14



ORKNEY
ISLANDS COUNCIL



ORKNEY ISLANDS COUNCIL
Marine Services
HARBOUR AUTHORITY - TOWAGE SERVICES - FERRY SERVICES



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1. INTRODUCTION

Under its responsibilities to the Council as the Statutory Harbour Authority, the Harbour Authority submits its Annual Performance Report 2013-14 to provide evidence of the Harbour Authority's compliance with the Council values of promoting sustainability and working to provide better services. This report also fulfils the Harbour Authority's obligations to report items to the Council and its users under the Port Marine Safety Code whereby the Harbour Authority is obligated to provide a service which is safe and efficient.

The statistical information within the report relates to the period 1 April 2013 - 31 March 2014 and the report overall covers operational activity, economic and financial activity, safety and pollution incidents, infrastructure and staffing matters, governance, statutory provision of Aids to Navigation and Environmental Unit activity.

2. HARBOUR AUTHORITY REVENUE ACCOUNT – INCOME AND EXPENDITURE

	2012-13			2013-14		
	£m Expenditure	£m Income	£m Net surplus/(deficit)	£m Expenditure	£m Income	£m Net surplus/(deficit)
Scapa Flow Oil Port	3,419	1,736	(1,683)	4,299	1,092	(3,207)
Miscellaneous Piers and Harbours	3,334	4,777	1,443	4,132	5,319	1,187
Totals	6,753	6,513	(240)	8,431	6,411	(2,020)

3. TANKER OPERATIONS WITHIN SCAPA FLOW OIL PORT

The following detail relates to the number of tankers using Scapa Flow during 2011-12, 2012-13 and 2013-14 and the cargoes lifted. In general terms, the oil port activity dropped by almost 50% from 2012/13 to 2013/14.

<u>Pipeline Product</u>	<u>2011-12</u>	<u>2012-2013</u>	<u>2013-2014</u>
Total number of Crude oil Tankers	20	15	8
Total Number of LPG Tankers	3	0	0
Total GT of tankers crude and Propane	1,230,031	870,924	470,184
Total Crude Oil Loaded (Tonnes)	1,955,749	1,294,270	710,759
Total LPG Loaded (Tonnes)	8,087	0	0

<u>Ship to Ship Oil Transfers</u>			
Total number of Import tankers	1	0	0
Total Number of Export Tankers	1	0	0
Total Crude oil Export (Tonnes)	30,310	0	0

<u>Ship to Ship LNG Transfers</u>			
Total Number of Import Tankers	0	0	1
Total Number of Export Tankers	0	0	1
Total LNG Export (Tonnes)	0	0	32,853

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

4. REPORTED POLLUTION INCIDENT SUMMARY

There were four minor recorded pollution incidents in 2013/14. These are detailed below.

Date	Location	Information	Oil Type	Quantity
12/04/2013	Kirkwall Pier	Pier staff contacted Orkney VTS regarding an oily sheen on the west side of Kirkwall Pier. The sheen was in the area of the fisherman's refuelling station. The sheen was holding the pier edge and with the calm conditions did not move into the basin or further north. Sorbent booms were deployed as the amount was too small for mechanical recovery and was successful. The tank operators were contacted but no one admitted to spilling fuel. Users were reminded of safe bunkering procedures.	Diesel	< 20 litres
07/10/2013	Kirkwall Marina Breakwater	A member of the press contacted Orkney VTS to see if a spill had been reported in Kirkwall Marina. Nothing had been reported. This was investigated and an oily sheen was evident along the inside of the Breakwater and along the north face of the Marina. Sorbent booms were deployed. This along with natural elements successfully dealt with the spill. On investigation a fresh crushed 20 litre drum was retrieved from the shore which definitely had waste engine oil in it. Pier staff were reminded of the importance of removing any oil drums seen around the piers in their day to day duties.	Waste Engine Oil	<20litres
23/10/2013	Stromness Breakwater	The skipper of Voe Viking moored at the Stromness Breakwater reported to the duty Piermaster that a vehicle travelling up the breakwater was leaving a large oily trail behind. This was treated with an enzyme which was successful. The owner of the vehicle was charged for the clean up.	Waste Engine Oil	<20 litres
20/11/2013	Hatston Pier	The captain of a vessel moored at Hatston contacted the Pollution Officer and reported that overnight they had had a small hydraulic leak from one of their stern thrusters. Their engineers took the pressure off the system thus stopping the leak and this was checked by the ship's ROV. Weather conditions at the time were a NNE gale and this broke up the small amount of hydraulic oil lost. Amounts confirmed by the ship as 10 litres lost over a 12 hour period	Hydraulic Oil	10 litres

Oil Spill Contingency Plan

Briggs Environmental was tasked with streamlining and updating Orkney Islands Oil Spill Contingency Plan. The process was started in January 2014 with the aims of changing the document to a more user friendly document and in line with Maritime and Coastguard Agency (MCA) requirements. The document has subsequently been submitted to the MCA and approval granted with copies being forwarded to all parties.

Oil Pollution Response Contingency Returns (OPRC)

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

Oil Spill Training and exercises

Minor training, in addition to the experience gained during the four incidents referred to above, for oil spill response was undertaken during the period. On the job equipment training has been ongoing with one member of staff completing MCA revalidation.

A major and multi agency exercise was not possible in 2013/14 as originally anticipated. This must now be undertaken in 2014/15 in order to ensure compliance with the Oil Spill Contingency Plan and to satisfy the MCA.

5. PORT WASTE MANAGEMENT

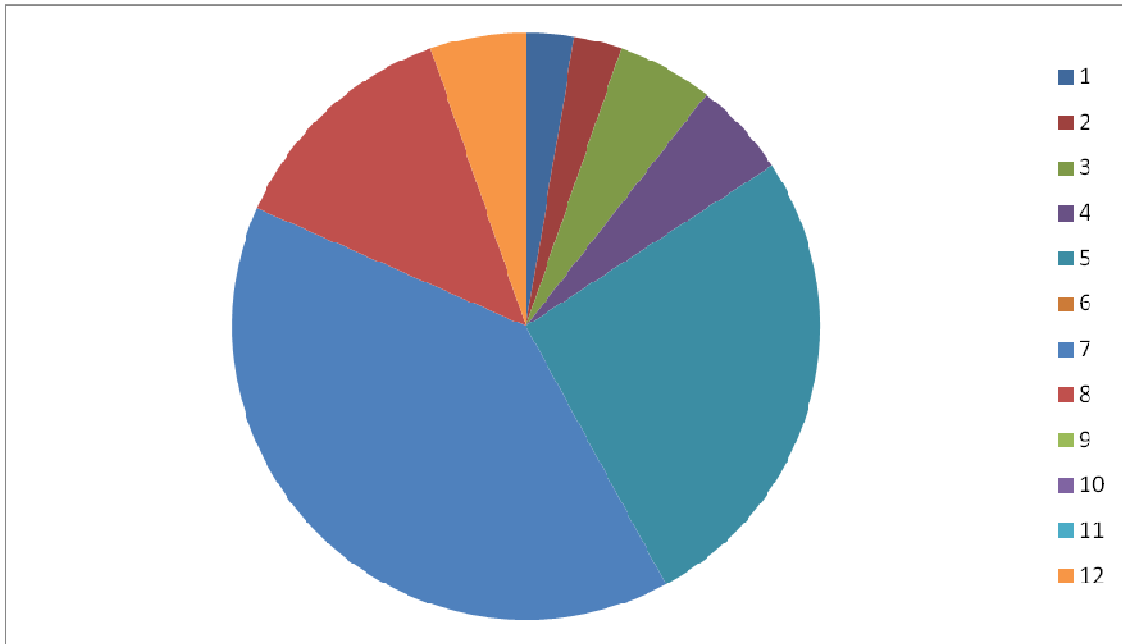
Marine Services have continued to expand the number of Hook Lift Skips with the addition of two HL20 Segregated Skips allowing the harbour to accept waste as per Waste Regulations 2012 which came into effect this year. It also increased the operating efficiency during the reporting period as skips can now be supplied to vessels as required. Historically the Council has been unable or struggled to meet requests due to the increased number of vessels using harbours.

Department for Environment, Food and Rural Affairs (DEFRA) Inspection

Reviews of waste procedures and record keeping were live checked by DEFRA. The checks consisted of proving that notifications and paperwork were in place to trace the route of Category 1 Food Waste from source (Maritime) to final destination. Inspectors commended the Authority for its record keeping procedures. The frequency of the inspection calls has increased due to stricter policing by DEFRA and to the ever tightening legislation on food waste.

6. ACCIDENTS AND INCIDENTS

The following pie chart shows the range and number of reported accidents and incidents within the harbour area. The current trend, when compared with the 2012-13 reporting period, shows that the figures for accidents and incidents are on the increase. This is being addressed through the Harbour Authority's Safety Management System and the associated risk assessment process.



	ACTIVITY	2011/12	2012/13	2013/14	TREND
1	Personnel Injury (Staff)	0	0	1	Up
2	Personnel Injury (Staff)	0	2	1	Down
3	Commercial Shipping	2	2	2	Same
4	Fishing Vessels	0	3	2	Down
5	Recreational Craft/Diving	1	2	10	Up
6	Pilotage and Tugs	1	1	0	Down
7	Harbours, Piers and Marinas	4	7	15	Up
8	Pollution	1	4	4	Same
9	Port Security	0	0	0	Same
10	Fire/Explosion	0	1	0	Down
11	Miscellaneous	0	0	0	Same
12	Near Miss	1	1	2	Up
	Total	10	23	37	Up

Analysis of Data

Personnel Injury Staff: Mechanical failure resulted in 1 member of staff sustaining a fractured elbow.

Recreational: There has been an increase in the number of recreational incidents involving members of the public with the increase due to the larger number of small boats using Orkney waters all year round. Incidents were all classified as minor incidents and none were reported to the Marine Accident Investigation Board (MAIB).

Harbours: An increase in operations on Orkney Marine Services piers and stricter monitoring/more diligent reporting of health and safety issues has led to a substantial increase in reports, most of which did not involve Marine Services staff. All related incidents were classified as minor.

Near Miss: Both near miss incidents did not involve Marine Services vessels, staff or operations. However, the incidents highlighted the risks of marine related activity/construction activity in the marine environment.

General: Two incidents were reported to the MAIB this year which is a decrease from the previous year. One incident was reported to the Health and Safety Executive (HSE) but this was due to a contractor incident which was outwith Marine Services control.

Reportable Staff Accidents

There was one reportable accident to RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995) whereby a member of staff received a fractured elbow manually starting a diesel salvage pump at Scapa slip. The pump has now been withdrawn from service and replaced. The staff member was on sick leave for 25 days and has subsequently fully recovered.

Port Skills and Safety

Figures are now being returned to Port Skills and Safety (PSS) at an increased frequency for RIDDOR and Sea Accidents. This is to enable an increased awareness of trends and to enable PSS to continue to work with the HSE and the MAIB on resulting improvements across the marine sector.

7. PORT MARINE SAFETY CODE (PMSC) AND GOVERNANCE

A full review of the Harbour Authority's Safety Management System (SMS) was completed in July 2013 by an external contractor, leading to the issue of a complete new version (version five) of this document to all those concerned on 2 August 2013.

With further ongoing changes to job titles and roles and the need for continuous improvement, there will be a requirement to update this document during 2014/15.

With the issue of a completely revised version of the SMS, the opportunity was taken to reformat and review the risk assessments used by the Harbour Authority – the basic work has been completed with further checks and final sign off awaiting final completion.

Designated Person (DP)

The Harbour Authority requires a Designated Person to provide independent assurance that the port is operating in accordance with the Port Marine Safety Code (PMSC). For some years now, the Designated Person has been an internal member of the management team which did not achieve appropriate independence. With this and recommendations from the Port Marine Safety Code (2012) in mind, a tender exercise was undertaken with the aim of appointing an external Designated Person who will report directly to the Duty Holder (the Council) on a regular basis throughout the year. At the time writing, the DP had been appointed.

Although the Port remains PMSC compliant, there are additional areas that will continue to require attention as part of the process of continuous improvement. This includes the implementation of the Designated Person routines as mentioned above. It should be noted

that the Harbour Authority is due to confirm PMSC compliance to the MCA/Department of Transport on or by 31 March 2015.

Governance

Governance of the Orkney Harbour Area continued to be undertaken through the auspices of the Development and Infrastructure Committee. During the period a number of changes took place to improve the overall management of the Harbour Area including combining the role of Head of Service with responsibility for marine services with that of the Statutory position of Harbour Master. This elevated the position of Harbour Master and reduced the other duties of the post holder to better recognise the responsibilities of the Harbour Master post.

In order to provide operational resilience, two senior management posts were re-designated as Deputy Harbour Masters thereby creating, for the first time, a Duty Harbour Master roster to enable the continuous availability of a senior manager for port operations on a 24/7 basis.

To ensure that operational and business development information is more frequently passed to the Council as Harbour Authority, a monthly briefing for the Chair and Vice Chair of the Development and Infrastructure Committee was introduced. In addition to providing a formalised monthly brief, the meeting helps to inform those items which require reports to the relevant Council Committees. Looking more broadly, a report will be made to the Duty Holder and Council as Statutory Harbour Authority in early 2015 with regards to any further proposals to develop the governance arrangements.

8. PILOTAGE

The port continued to operate with 5 Class 1 Pilots throughout the period with experience continuing to be gained on all types of operation with the exception of oil ships moorings to the single point moorings in Scapa Flow. Oil Ship movements to and from Flotta are on the decrease and this could create challenges for qualifying new pilots should any be required in the near to medium future.

Acts of Pilotage

The Council, as the Competent Authority for pilotage, met its target to achieve all acts of pilotage within the required timescale. It also complied with its requirement to examine all applicants for Pilotage Exemption Certificates for bona fide officers on those ships regularly calling at Orkney ports.

Details and numbers of acts of pilotage are provided below where it will be noted that having dipped in 2012/13, there was a significant increase in pilotage in 2013/14 due in part to Stromness Harbour activity and pilotage cover associated with the absence of the MV Hamnavoe. Overall income for pilotage rose in line with this increase in activity.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals
2011-12	27	46	49	98	55	38	22	26	48	32	34	23	498
2012-13	19	52	60	63	60	28	21	14	15	32	22	14	400
2013-14	22	143	58	61	68	46	35	20	22	49	43	50	617

**SUMMARY OF PILOTAGE ACTS
2013/2014
NO OF ACTS**

	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	AT EACH PORT
CRUDE OIL TANKERS	0	2	2	2	3	3	0	0	3	0	2	3	20
FLOTTA PIER	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS TANKERS	0	0	0	0	0	0	0	0	0	0	0	0	0
HATSTON - CRUISE LINER	0	20	16	14	22	10	0	0	0	0	0	2	84
HATSTON TERMINAL	13	9	12	6	18	16	19	17	17	24	22	31	204
HOY SOUND - CRUISE LINER	0	0	0	0	0	0	0	0	0	0	0	0	0
KIRKWALL CRUISE LINER	6	10	8	16	8	2	0	0	0	0	0	0	50
KIRKWALL HARBOUR	1	1	2	2	2	3	6	2	2	13	12	2	48
LNG SHIP TO SHIP	0	0	0	0	5	0	0	0	0	0	0	0	5
LONGHOPE - CRUISE LINER	0	0	0	0	0	0	0	0	0	0	0	0	0
LYNESS PIER	2	4	2	1	3	3	3	1	0	0	2	1	22
SCAPA FLOW - CRUISE LINER	0	0	0	0	0	0	0	0	0	0	0	0	0
SCAPA FLOW ANCHOR	0	0	2	1	6	0	0	0	0	4	4	4	21
SCAPA PIER	0	4	2	2	0	0	0	0	0	2	0	2	12
SHAPINSAY PIER	0	0	0	0	0	0	0	0	0	0	0	0	0
SHIP TO SHIP	0	0	0	0	0	0	0	0	0	0	0	0	0
St MARGARETS HOPE	0	0	0	0	0	0	0	0	0	0	1	0	1
STROMNESS - CRUISE LINER	0	0	4	9	1	2	0	0	0	0	0	0	16
STROMNESS HARBOUR	0	93	8	8	0	7	7	0	0	6	0	5	134
TOTAL ACTS	22	143	58	61	68	46	35	20	22	49	43	50	617

Pilotage Dues

	2011/2012	2012/2013	2013/2014
Scapa Flow	£137,642	£107,461	£106,484
Piers and Harbours	£184,688	£208,366	£322,359
TOTAL	322,330	315,827	428,843

9. AIDS TO NAVIGATION (AtoN)

A report into the availability of the Harbour Authority's various Aids to Navigation (AtoNs) is prescribed by regulation.

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 AtoNs are required to be available is dictated by their category. The category is a product of the AtoNs importance in reducing risk to the mariner.

The required standards are as follows:

Cat 1: 99.8%

Cat 2: 99.0%

Cat 3: 97.0%

OOS = Out of Service

MTTR = Mean Time to Repair

MTBF = 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	10	87:360	5	506:55	101:23	17370:37	99.42%	99.80%
CAT 2	52	448:920	12	2642:18	220:12	37189:48	99.42%	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%
Totals	62	527:040	11	1196:42	222:30	102256:90		

Aton Availability by Aton

ALLFS No.	Aton Name	IALA Category	No. of Failures	OOS Hours	MTTR	MTBF	Availability	Target Availability
Orkney Islands Council								
	Crockness Shoal	CAT 2	2	988:00	494:00	3974:00	88.69%	99.00%
	Rusk Holm	CAT 2	1	304:54	304:54	8431:06	96.51%	99.00%
	Stromness Harbour Can Buoy	CAT 2	1	162:00	162:00	8574:00	99.15%	99.00%
	Stromness Harbour Conical Buoy	CAT 2	1	162:00	162:00	8574:00	98.15%	99.00%
	Stronsay _ Papa Sound No 3	CAT 2	1	17:30	17:30	8718:30	99.80%	99.00%
	Stronsay	CAT 2	1	55:00	55:00	8681:00	99.37%	99.00%

ALLFS No.	Aton Name	IALA Category	No. of Failures	OOS Hours	MTTR	MTBF	Availability	Target Availability
	Papa Sound No 4							
	Vanguard	CAT 2	1	48:00	48:00	8688:00	99.45%	99.00%
	Wyre Skerry	CAT 2	2	884:16	442:08	3952:52	89.88%	99.00%
A.3685	Shapinsay Balfour Pier	CAT 1	5	506:55	101:23	1645:49	94.20%	99.80%
A3696.1	Tingwall Pier SE Extension.	CAT 2	1	6.38	6.38	8729.22	99.92%	99.90%
A3715	Sanday Loth. Ro-Ro Terminal West End	CAT 2	1	14:00	14:00	8722:00	99.84%	99.00%
Totals			17	3147:93	1806:53	78562:59		
At or above target								
Within 10% of the target								
More than 10% from the target								

Category 1 failures are in the main related to wear and tear of equipment, and the out of service hours can be compounded due to either, a greater problem with the AToN than was initially reported, availability of spare parts and/or time and opportunity to access the AToN to effect repairs.

A number of Aids to Navigation are serviced through arrangements with the Northern Lighthouse Board (NLB) and this arrangement continued to work well. The Harbour Authority will be subject to an NLB audit of its Aids to Navigation in 2014/15.

10. CRUISE SHIPS

Although this report is written in line with the financial year start and end dates, cruise statistics for the period of this report plus statistics for the current 2014 season are also included for comparison purposes, due to the short season and calendar activity period for cruise ships as opposed to the non-seasonal activity of other revenue streams. Orkney attracted 71 cruise liners and 50,765 passengers during the 2013 season and 76 cruise liners and 64,000 passengers for the 2014 season.

Cruise Ship Comparative Data

	2012	2013	2014
PORT CALLS	77	71	76
GROSS TONNAGE	1,824,910	2,058,347	2,537,334
PASSENGERS	41,563	50,765	63,346
PORT DUES	471,720	579,158	734,307
PASSENGER DUES	41,563	50,765	82,170
PILOTAGE	48,129	70,161	85,813
BOARDING AND LANDING	60,433	74,759	90,761
FRESH WATER	14,110	14,802	17,047
REVENUES	635,976	789,646	1,010,099

The harbour revenues directly related to cruise ships during this reporting period were £789,646 which reflected an increase in revenues of 19.50% on the previous year. It should be noted that 73 ships were due to call during the 2013 season but two ships cancelled due to unfavourable weather conditions in Orkney and other related ports. Gross tonnage of cruise shipping has increased by 28% over the last three years. In 2014, 78 ships were due to call, but again two port calls cancelled due to adverse weather in related ports.

The future outlook for the cruise industry still remains extremely buoyant but volatile and competitive and although Kirkwall continues to be the most popular cruise ship destination in the United Kingdom, it would take little to change this position. With larger cruise ships being introduced to the market, this will in turn place higher demand on shore based infrastructure to cope with increasing passenger numbers.

The United Kingdom Border Agency conducted passport checks on 14 of the port calls into Orkney in 2013, none of which had any detrimental effect on passenger disembarkation or tour despatch timings.

Orkney currently has 66 calls booked for the 2015 season with the final number of calls expected to be in excess of 80. Port calls are now being received for the 2016 and 2017 seasons.

11. VESSEL TRAFFIC SERVICES

The replacement Vessel Traffic Services (VTS) system is working well with a maintenance agreement in place with the original suppliers. The Port Management and Information System (PMIS) remained an outstanding piece of work from the original specification – the installation of this did not affect the pure operation of VTS but some efficiencies in staff time have not yet been realised; however this is scheduled for completion (now that Council approval for additional funding has been obtained) during the 2014/15 financial year.

There have been further delays with the installation of two additional radar sites – Black Craig (Stromness) and Shapinsay – due to various reasons including site leasing arrangements and site selection. It is planned to have the work completed on these two sites by the end of the 2014/15 financial year.

VTS is fully operational with qualified staff all to the correct standard as set out by the Maritime and Coastguard Agency, in turn based on internationally accepted standards, with compliant equipment. A number of staff changes took place during the reporting period but further training and the use of relief staff enabled all positions to be quickly filled.

12. MARINE ENVIRONMENTAL UNIT

Marine Intertidal Monitoring

In 1974, monitoring of selected Orkney sandy and rocky shores was started in response to the Flotta Oil Terminal development in Scapa Flow. As part of the Environmental Impact Assessment (EIA) of the Oil Terminal, Orkney Islands Council agreed that a monitoring programme should be established to assess the impact of the terminal operations on the marine environment of Orkney. The programme was developed by Dundee University and

was led by Dundee University until 1990 when delivery of the monitoring programme was taken over by Orkney Islands Council.

Non-native Species Monitoring

As part of Orkney Islands Council's Ballast Water Management Policy, adopted on 10 December 2012, a baseline survey for marine non-native species in Scapa Flow and Loch of Stenness was included.

The 'Monitoring and Recording System for Marine Invasive Non-Native Species; Scapa Flow and Loch of Stenness' report outlined the survey methods to be used during the baseline survey and during the monitoring phase. Baseline surveys were conducted in 2012/13 and 2013/14.

In addition to the non-native species monitoring programme, scrape samples have been collected from visitor yacht moorings. This sampling will provide distributional data of marine non-native species in Orkney.

Water Sample Collection

Since 2002, the Marine Services Environmental Unit has co-operated with Marine Scotland (Science) by collecting marine water samples from Scapa Pier and forwarding them to their laboratory in Aberdeen; this is to assist in the understanding of toxic phytoplankton and to provide samples for nutrient analysis as part of their Long Term Monitoring Programme. Data from this sampling has been published in ICES Phytoplankton and Microbial Plankton Status Report 2009/2010 which can be accessed here: <http://www.wgpme.net/plankton-status-report>.

Wind Data

Marine Services collects wind data from instruments located on the Barrel of Butter in Scapa Flow, the Harbour Authority Building at Scapa, and Kirkwall, Hatston, Stromness, Lyness and North Ronaldsay piers, along with the Sandy Hill radar building on South Ronaldsay.

Although the responsibility for physical maintenance of these has now passed to the maintenance team in Marine Services, the Marine Services Environmental Unit provides data and data analysis for Marine Services and other services within the Council. Live data feeds from the weather stations are provided over the internal network and on the Marine Services' website. The data is available for purchase by third parties.

Contract Work

Shellfish Sampling

The Marine Services Environmental Unit is contracted by Hall Mark Meat Hygiene Ltd to act as shellfish sampling officers for Shellfish Harvesting Classification areas in Orkney. The following samples were collected as part of this contract:

Site	No. of samples	
	2012/13	2013/14
Bay of Backaskaill, Sanday	3	0
Fersness Bay, Eday	51	55
Total no. of samples collected	54	55
Total Revenue	£13,918.98	£13,275.35

Potable Water Testing

Testing of potable (drinking) water samples by the Marine Services Environmental Unit was started in 2011/12. Currently the Unit tests potable water from all Orkney Ferries vessels, Orkney Towage tugs, Marine Services pilot boats as well as from six piers on the Orkney Mainland. As the Marine Environmental Unit is part of Marine Services, pilot boats and piers are not charged for their potable water testing.

Summary

Total revenue in 2012/13 was £19,558.98. Total revenue for the reporting period is £21,195.35, an increase of 7.5%.

In August 2013 the Marine Environmental Unit conducted a review to assess its long term monitoring programme and to ascertain from academia that the methodology and outcomes that the unit was utilising were conversant with national monitoring programmes throughout the UK. The review was at the instigation of the Marine Services biologist, and involved a two-day review workshop, and visits to monitoring locations throughout Orkney.

The review panel included eminent scientists from intertidal ecology; Prof. John Baxter (Scottish Natural Heritage), Dr Mike Bell (The International Centre for Island Technology, Heriot Watt University), Prof. Mike Burrows (Scottish Association for Marine Science), Dr Matt Frost (Marine Biological Association of the UK), Prof. Stephen Hawkins (University of Southampton) and Prof. Jon Side (The International Centre for Island Technology, Heriot Watt University). The main aim of the review workshop was to assess and update the methods used in intertidal monitoring and, if possible, to decrease the amount of survey sites within the programme. The outcome of the workshop was very beneficial to the Unit and the group provided a more focused approach to tasks undertaken by the Unit and highlighted areas of duplication that have now been eradicated.

In August 2013 a LNG ship-to-ship transfer took place in Scapa Flow. This offered an opportunity for the Marine Environmental Unit to carry out a ballast water sampling exercise on board the tanker vessel. The aim of the exercise was to collect samples from a ballast water tank and gain practical experience of testing for compliance with the ballast water IMO Convention standards on board ship.

The Biologist within Marine Environmental Unit continues to study and research for her part-time PhD with Heriot-Watt University. Her PhD titled 'Shoreline monitoring to detect impacts against a background of long-term trends and variability in littoral species assemblages: an Orkney case-study' is funded by the Marine Environmental Unit.

13. ROLL-ON ROLL-OFF TRAFFIC MISCELLANEOUS PIERS AND HARBOURS

Serco Ltd (NorthLink Ferries)

Stromness

Traffic on Stromness - Scrabster Route (Hamnavoe)

	Passengers	Accompanied Cars	Commercial Vehicles and Trailers	Freight (tonnes)
2010-11	141,814	41,568	6,695	30,685
2011-12	138,938	40,139	6,424	23,228
2012-13	136,817	39,487	5,596	17,056
2013-14	111,593	31,557	6,658	21,506

Traffic on Kirkwall-Aberdeen-Lerwick route

	Passengers	Accompanied Cars	Commercial Vehicles and Trailers	Freight (tonnes)
2010-11	52,391	7,930	4,063	41,895
2011-12	51,924	7,788	5,400	56,540
2012-13	51,694	7,643	6,734	77,573
2013-14	48,691	7,185	6,844	74,479

Northern Isles Freightways Ltd (Streamline Shipping Group)

	Freight (tonnes)
2011-12	65,232
2012-13	63,325
2013-14	46,616

Comment

NorthLink Ferries' passenger and accompanied car movements on the Stromness – Scrabster route are reporting a decrease in traffic although there is a notable increase over 2012/13 in commercial vehicles. Freight tonnage has increased to almost 2011-12 figures.

The Kirkwall – Aberdeen –Lerwick route also reported a decrease in passenger and accompanied car traffic but cargo movements remained steady.

Streamline Shipping Group has reported a notable decline in freight tonnage movements over the reporting period compared to previous years.

14. STAFFING

The Harbour Authority operated throughout the period with a number of significant staff turnover issues. For much of the period, the post of Towage Superintendent was vacant despite a number of attempts to recruit and the post of Port Operations Manager became vacant, although this was successfully filled on a temporary basis pending recruitment. The Pollution and Safety position was vacant throughout the period. As stated previously, VTS

vacancies were quickly filled and a vacancy for the Pier Operations Manager was also quickly filled.

Recruitment generally for more senior management remains a challenge due to the vibrant employment situation elsewhere in the marine sector.

15. HARBOURS INFRASTRUCTURE

Capital investment in the harbours infrastructure continued during the period with the opening of the Hatston Pier extension and the near completion of Copland's Dock. Hatston has run very close to budget although the project was behind schedule and additional work emerged, at no cost to Council, with regards to wave screens. As reported separately, Copland's Dock experienced cost growth due to weather delays and rock conditions which required additional dredging. However, the project has run close to schedule.

The developments at Lyness and Hatston identified the need for improved water supplies. The installation of a tank at Lyness was completed although full treatment will await the solution for Hatston. At Hatston, approval was given to construct a 500 tonne water tank but changes in location and stringent requirements from Scottish Water with regards to water supplies and treatment requirements delayed this project into financial year 2014/15.

Maintenance at all piers and harbours has continued but it became clear during surveys that an increase in reactive repair/maintenance would be required in order to take proper care of this vital infrastructure through a planned maintenance regime. As part of this, a programme costing in the region of £4m to deal with the phenomena of Accelerated Low Water Corrosion and resultant repairs was established pending Council approval. Surveys were also commenced on the Link Spans and a programme to refurbish these is likely to become essential. Of all the piers, Pierowall was considered to require the greatest amount of work and a programme of remedial work was undertaken pending a more significant proposal.

With regards to assets, Council approval was achieved to take ownership of Helliar Holm light as directed by the Northern Lighthouse Board. It is anticipated that the legal requirements for this will be concluded in 2014/15.

16. GENERAL

The Miscellaneous Piers and Harbours Account has demonstrated an increase in revenue of £407,000 on the previous reporting period and a net profit of £1,443,000 for the reporting period.

The Scapa Flow Oil Port continues to report operating losses due to the paucity of tankers to Flotta and this is of concern to the Harbour Authority. It is hoped that the revision and implementation of the Ballast Water Management Policy will result in a positive impact on income generated through ship to ship transfers of crude oil and LNG in Scapa Flow. During the period the Golden Eagle development was announced and forecasts of tanker movements from late 2014/15 are set to show a steady increase. However, until then, the numbers of tankers are expected to worsen further throughout most of 2014/15.

17. STATEMENTS OF CURRENT AND FUTURE ACTIVITY

The Harbour Authority is fully engaged with industry bodies in the marine renewable energy and oil and gas sectors to explore and determine Orkney's future role for both industries. Grid associated issues by default continue to detrimentally affect revenue growth for the Harbour Authority from marine renewables, and a revision of the previous pre-set 2020 targets for the Pentland Firth and Orkney Waters will indicate a more realistic approach to industry development over the next five years.

Oil and Gas developments, in particular to the West of Shetland, and the overcrowding and lack of supply chain availability in Aberdeen, plus prohibitive costs to the industry will provide Orkney with an opportunity to capture industry activity. The innovation of a bunkering facility and the provision of volume fresh water for oil and gas supply and dive vessels and cruise ships will underpin revenue development for the Miscellaneous Piers and Harbours account.

The conclusion of a Memorandum of Understanding for the redevelopment of the underground storage tanks at Lyness is imminent, and this future activity as a fuel storage and supply and distribution base will greatly enhance activity at Lyness Wharf and beyond.

To be further explored is the potential for a supply forwarding base at Lyness Golden Wharf for the oil and gas industry, and feasibility for such a project is soon to be discussed with decomm (decommissioning) North Sea.

The Harbour Authority continues to encourage cruise ship business growth whilst simultaneously is cognisant of the limitations that a remote island community has in delivering shore based supporting infrastructure to serve the cruise industry. Protection of the overall integrity of the tourism experience is paramount.

The Harbour Authority will, following completion of the Council's three port development strategy, continue to develop current revenue streams and encourage new business through the business development manager.

18. CONCLUSIONS

The major financial challenge for the Harbour Authority has been to address the losses incurred on the Scapa Flow Oil Port account and take the necessary steps and commercial initiatives to place this account back into profit.

The Miscellaneous Pies and Harbours account continues to increase gross revenues year on year, but attention will continue to be given to the controlling of expenditure in order to increase operating profit margins.

The Harbour Authority will also continue to be challenged by the need to take full account of the pressures on its human and infrastructure resources. For the former, recruitment and retention of suitable staff has been difficult throughout the reporting period and will continue to be so. For the harbours infrastructure, investment in maintaining, repairing and preserving the Council's piers and harbours was given significant attention in 2013/14 resulting in the development of a range of programmes to improve the condition of older elements of the piers network.