



Item: 6

Harbour Authority Sub-committee: 20 January 2026.

Harbour Authority – Annual Performance Report.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. The Annual Report examines the performance of, and revenues generated by, the Miscellaneous Piers and Harbours Account, incorporating all piers within the Harbour Authority estate. The principal commercial piers are recognised as being at Hatston, Kirkwall, Stromness and Lyness.
- 1.2. The Annual Report also examines activities in relation to the Scapa Flow Oil Port account for ship-to-ship cargo transfers, tanker movements at the Flotta Terminal and all other oil and gas related activities in Scapa Flow.
- 1.3. The Scapa Flow Oil Port and Miscellaneous Piers and Harbours Accounts were established as separate accounts from the General Fund of the Council and also separate from each other as set out in the Orkney County Council Act 1974.

2. Recommendation

- 2.1. It is recommended that members of the Sub-committee:
 - i. Note the annual performance report in respect of the Harbour Authority for the operating period 1 April 2024 to 31 March 2025, attached as Appendix 1 to this report.

3. Performance for the Reporting Period

- 3.1. The following are points to note with regards to the Scapa Flow Oil Port account:
 - i. There were 16 crude oil tankers that berthed at Flotta Oil terminal in this period, which was the same number as the previous period.
 - ii. There were 44 Ship to Ship transfers of crude oil involving 90 vessels with three liquefied petroleum gas (LPG) transfers. This showed a decrease of five crude oil transfers and five LPG transfers.

3.2. The following are points to note with regards to the Miscellaneous Piers and Harbours account:

- i. There were a record number of cruise calls in the period with 223 vessel calls at 12 locations with 211,786 passengers.
- ii. NorthLink Ro-Ro services showed an increase in freight numbers on both Stromness and Kirkwall routes over the period with decreased numbers of passengers on the two routes.
- iii. The Harbour Masterplan projects continue to be an area that has a considerable amount of resource attributed, and in this reporting period £2,546,883 was spent on Scapa Deep Water Quay, Hatston Pier Extension and the Pre-Construction Services Agreement. This expenditure was funded by £1,296,388 of Highlands and Islands Enterprise funding with the remainder financed by the Miscellaneous Piers and Harbours account which has reported a gain of £2,077,400 for the period.
- iv. The large underspend was mainly attributable to slippage on the revenue maintenance programme for financial year 2024/25, with £1,304,200 set aside in the Miscellaneous Piers Maintenance Fund leaving £773,000 of passenger dues to be allocated to the County Fund, sitting under the Strategic Reserve Fund.

4. Business Plan

- 4.1. On 21 January 2025, the Harbour Authority Sub-committee recommended that the Corporate Director for Enterprise and Sustainable Regeneration should develop a business plan across all market sectors the Harbour Authority operated within, in order to provide detailed trends in market growth and decline, to be completed in time to feed into the Strategic Offshore Energy Development Strategy.
- 4.2. The Harbour Authority operates on a commercial business model in a competitive market and there is a requirement for a development plan with forward projections to allow Council to understand the aims and risks going forward aligned with the Council Plan.
- 4.3. A draft Orkney Islands Council Harbour Authority Business Development Plan was shared with Elected Members on 20 August 2025 as part of the update on the Offshore Energy Development Strategy that was delivered on 25 August 2005.

5. Legal Implications

- 5.1. Section 1 of the Local Government in Scotland Act 2003 places a duty on the Local Authority to make arrangements which secure best value, and an integral part of complying with that is having in place a robust performance and safety management and reporting system. This report provides evidence that this is the case.
- 5.2. The Council as Statutory Harbour Authority complies with the Port Marine Safety Code (the Code). Although the Code is not statutory, it sets out a national standard for every aspect of port marine safety and efficiency and compliance is expected. Harbour authorities which have been unable to prove compliance have been subject to legal sanction in cases where accidents have occurred. A new version is due to be launched early in the next reporting period.
- 5.3. In terms of section 51 of the Orkney County Council Act 1974 (the 1974 Act), the Council may demand, take and recover for services and facilities provided by them in a harbour area such reasonable charges as they may from time to time determine.
- 5.4. Section 67 of the 1974 Act states that the Council shall keep separate accounts in respect of the harbour undertaking so as to distinguish capital from revenue, and as regards revenue, to show income and expenditure.
- 5.5. Section 68 makes provision for all monies received by the Council in connection with the harbour undertaking to form part of the county fund as receipts for general purposes, and for payments and expenses to be paid out of the county fund.
- 5.6. Section 69 provides that, in any year where monies received by the Council on account of the harbour undertaking exceed the monies expended, the Council may transfer the money into the reserve fund.

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Implications of Report

1. **Financial** – there are no financial implications arising directly from the recommendation to this report. Financial performance is summarised at paragraph 3.2, with further analysis within Appendix 1.
2. **Legal** - Refer to section 5 above.

3. **Corporate Governance** – The receipt of an annual performance report in respect of harbour authority activities, including pilotage and towage, is a referred function of the Harbour Authority Sub-committee.
4. **Human Resources** – not applicable.
5. **Equalities** – An Equality Impact Assessment is not required for performance monitoring.
6. **Island Communities Impact** - An Island Communities Impact Assessment is not required for performance monitoring.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.
 - Improving Population Health.
9. **Environmental and Climate Risk** - not applicable.
10. **Risk** – not applicable.
11. **Procurement** – not applicable.
12. **Health and Safety** – not applicable.
13. **Property and Assets** - not applicable.
14. **Information Technology** – not applicable.
15. **Cost of Living** - not applicable.

List of Background Papers

None.

Appendix

Appendix 1: Annual Performance Report 2024/25



Annual Performance Report 2024-25



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1. Introduction

The Council, as the Statutory Harbour Authority, presents its Annual Performance Report for 2024/25. 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 2024 to 31 March 2025. 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.

2. Harbour Authority Revenue Account – Income and Expenditure

Under the Orkney County Council Act 1974, the accounts for the Harbour operation are required to be kept separate from the Council's General Fund. The Act also

permits separate accounts for different areas of harbour business, and the Harbour Authority therefore maintains distinct accounts for the Scapa Flow Oil Port operations (including Flotta tanker activity, Ship-to-Ship transfers and offshore platform moorings) and for all other activity under Miscellaneous Piers and Harbours, such as ferry, cruise and isles operations. These accounts are funded through Harbour Charges, which, in line with the Harbours Act 1964, are collected for the purposes of maintaining, improving and managing the harbour estate.

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

	2022-23			2023-24			2024-25		
	£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	8,668	7,745	(923)	8,069	8,495	426	8,106	10,139	2,033
M, P & H	10,125	10,310	185	12,178	11,195	(983)	14,342	16,419	2,077
Totals	18,793	18,055	(738)	20,247	19,690	(557)	22,448	26,558	4,110

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

The overall summary position shows an increase in income for both the Miscellaneous Piers and Harbours and Scapa Flow Oil Port accounts of £5,224,000 and £1,644,000 respectively – making a total increase of £6,868,000. This can be partly explained by the increase in cruise calls (see section 11 below) and the first full year of the increased charges levied on tankers calling at Flotta. The income was also boosted by £1,296,388 of grant for the Pre-Construction Services Agreement (PCSA) for Scapa Deepwater Quay from Highlands and Islands Enterprise. Higher operating costs and extra expenditure on assets saw an increase in expenditure of £2,201,000.

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 Oil Terminal operations have always been the priority activity of Scapa Flow, and what drives the responsiveness of pilotage and towage services. For the reporting period, there were no recorded operational delays for Flotta Oil 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 Oil Terminal.

Tanker movements to the Flotta Oil Terminal remained at the same number as the previous reporting period resulting in 16 movements. Previously the Flotta Terminal had provided operational forecasts of 20 to 23 tanker movements but this has not happened and numbers are expected to be around the 14-18 range for the next few years.

STS transfer operations of crude oil also slightly decreased on the previous financial period with a 10% decrease resulting in 44 STS operations involving 90 tankers compared to 97 previously. The INEOS work for Grangemouth stopped for this period although there were some small LPG STS operations. This meant a total of 47 STS transfers were done in the period, although the LPG transfers were in smaller amounts of cargo transferred than the crude oil.

Cargo volumes transferred have decreased by 349,952 tonnes to 3,263,375 tonnes. The geopolitical situation in Ukraine and the Middle East continues to affect the markets and the movement of commodities such as crude oil. It is difficult to predict the levels going forward although oil majors and STS facilitators recognise the excellence of service delivery, experience and knowledge of local marine services staff and the ease with which operations and flexibility are dealt with.

	2022-23	2023-24	2024-25
Pipeline Product			
Total number of Crude Oil Tankers	23	16	16
Total Number of LPG Tankers	0	0	0
Total GT of tankers crude and Propane	1,327,527	985,770	1,033,137
Total Crude Oil Loaded (Tonnes)	1,838,976	1,400,058	1,395,001
Total LPG Loaded (Tonnes)	0	0	0
Ship to Ship Oil Transfers			
Total number of Import tankers	58	48	46
Total Number of Export Tankers	54	49	44
Total Crude Oil Export (Tonnes)	3,934,472	3,550,053	3,219,749
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	2	2	1
Total Number of Export Tanker	5	8	3
Total LPG EXPORT (Tonnes)	50,957	63,274	43,626

(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 during this reporting period there were three minor incidents reported with no incidents associated with the oil port.

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 in January 2025. These returns detail the incident record keeping, reporting, training and exercises conducted and completed. The returns all met with MCA approval.

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.

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.

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.

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) is continuously reviewed and the controlled version is held by the Port Marine Safety Manager with uncontrolled versions 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 been sent monthly updates on reports and incidents which, in turn, have been discussed with the Head of Marine Services, Transportation and Harbour Master in a monthly telephone call prior to the writing of a monthly DP report.

The DP contract is currently held by Marico Marine, and they 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 and extra members 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 two 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.

The Orkney pilots are particularly broadly skilled with few ports anywhere covering this range of pilotage activities, from STS operations to the largest cruise ships in the region. Pilotage is compulsory for all vessels over 80m in length or 65m for passenger vessels.

There were 33 Pilotage Exemption Certificate (PEC) renewals issued during the reporting period, with 28 issued to Northlink and five to Pentland Ferries.

The number of pilotage acts in this period was 34 less than 2023/24. The main decreases were in vessels going to anchor in Scapa Flow (25) and Stromness Cruise vessels (10) although there was an increase (19) in cruise vessels at Kirkwall. Overall, with the increase in pilotage charges for the period, this meant that there was an increase of income from pilotage of £67,327.

Summary of Pilotage Acts 2024/25

	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>At each Port</u>
Crude Oil Tankers	2	2	4	2	2	7	2	3	4	3	2	4	37
Flotta Pier	2	1	0	2	0	2	0	0	0	2	0	0	9
Hatston - Cruise Liner	12	46	50	48	45	26	8	0	0	0	0	0	235
Hatston Terminal	6	2	6	2	8	7	4	4	1	1	2	2	45
Kirkwall Cruise Liner	8	27	42	17	16	12	0	0	0	0	0	0	122
Kirkwall Harbour	0	2	0	0	0	0	0	0	0	0	0	1	3
LPG Ship to Ship	0	0	0	0	0	1	0	0	0	0	0	0	1
Lyness Pier	0	0	0	0	0	0	8	0	0	2	0	0	10
Scapa Flow Cruise	0	0	0	0	0	1	0	0	0	0	0	0	1
Scapa Flow Anchor	0	4	5	9	8	3	3	4	0	2	0	16	54
Scapa Flow Bunkers	0	0	0	0	0	0	2	0	0	0	0	0	2
Scapa Pier	2	0	2	0	0	1	2	0	0	0	0	0	7
Ship to Ship	20	40	20	15	8	17	18	15	25	14	16	16	224
St Margaret's Hope Pier	0	0	0	0	2	0	0	0	0	0	0	0	2
Stromness - Cruise Liner	0	11	9	2	2	0	0	0	0	0	0	0	24
Stromness Harbour	0	0	0	0	0	0	1	2	0	0	0	0	3
Total Acts	52	135	138	97	91	77	48	28	30	24	20	39	779

(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
2022-2023	58	98	113	124	106	76	43	52	41	24	28	51	814
2023-2024	66	133	130	124	98	77	27	36	32	25	20	45	813
2024-2025	52	135	138	97	91	77	48	28	30	24	20	39	779

Pilotage Dues 3 Year Comparative Overview

	2022-2023	2023-2024	2024-2025
Scapa Flow Oil Port	£996,663	£1,006,041	£1,033,805
Miscellaneous Piers and Harbours	£627,783	£931,853	£1,079,365
TOTAL	£1,624,445	£1,937,894	£2,113,170

9. Towage

With the three newer additions to the fleet working well, the towage service is now able to plan around operations in Scapa Flow and Kirkwall Bay as well as taking on work further away. The fourth tug, Harald, continued to be out of action for a time in this period but did return to service and was able to act as a service for cruise liners in Kirkwall Bay.

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 undertake 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	96,624	2	37:25	18:43	48293.17	99.96%	99.80%
CAT 2	54	474,336	3	384:04	128:01	157983:59	99.92%	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	Failure Type	OOS Hours	Availability	Target Availability
Orkney Islands Council						
A3607	Swona. North Head	CAT 2	Extinguished	308:49	96.48%	99.00%
A3610.6	Scapa Flow. Nevi Skerry.	CAT 2	Extinguished	61:15	99.30%	99.00%
A3656.1	Stromness. Ldg.Lts Rear	CAT 1	Extinguished	23:10	99.74%	99.80%
A3662.8	Stromness Harbour. Coplands Pier S End	CAT 2	Extinguished	14:00	99.84%	99.00%

ALLFS No.	Aton Name	IALA Category	Failure Type	OOS Hours	Availability	Target Availability
A3688	Kirkwall. Pier. North End	CAT 1	Reduced Light Range	14:15	99.84%	99.80%
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

The 2024-25 year was another record high for Orkney with 223 vessels calling, all in the 2024 season. The main harbour charges for cruise in this period were as follows:

Alongside a pier	£0.40 per gross tonne
At anchor	£0.28 per gross tonne
Charge per passenger	£5.00 per passenger

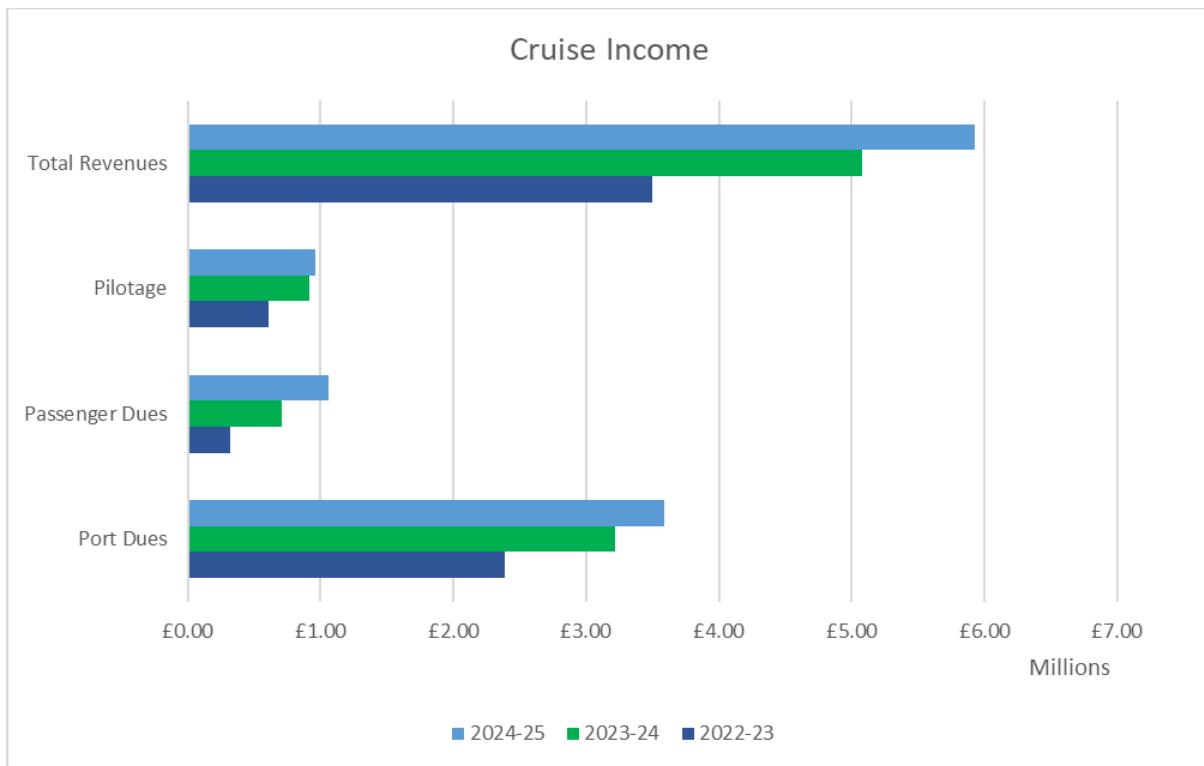
This generated nearly £6M in revenues for the harbour authority, up £849,126 on the previous reporting period. The actual tonnage of cruise vessels calling decreased by 75,022 tonnes. This may be reflected in the detail that there was an increase in the number of small vessels calling into the Isles for this season. The below table shows the breakdown of revenues from cruise.

Cruise Ship Comparative Data

	2022-23	2023-24	2024-25	Change
Port Calls	156	210	223	6.2%
Gross Tonnage	7,332,471	9,649,944	9,574,922	0.8%
Passengers	128,018	203,250	211,786	4.2%
Port Dues	£2,384,989.02	£3,216,192.28	£3,585,264.52	11.5%

	2022-23	2023-24	2024-25	Change
Passenger Dues	£320,045.00	£711,235.00	£1,062,784.00	49.5%
Pilotage	£606,944.56	£912,803.97	£962,308.10	5.4%
Environmental Levy		£83,619.22	£94,083.36	12.5%
Waste Services		£70,542.06	£51,898.38	26.5%
Towage		£27,900.00	£107,000.00	283%
Fresh Water		£51,410.88	£57,666.00	12.2%
Other Services	£187,808.49	£6,454.96	£8,280.12	28.3%
Revenues	£3,499,786.90	£5,5,080,158.37	£5,929,284.49	16.7%

The same information is shown in the graph below with the comparison to the two previous financial years and the whole cruise seasons post COVID.



Prior to this period the Meet and Greet contract was tendered and won by Ship2Shore. Also during this period the shuttle bus service contract holder sold the company to a new local organisation, Orkney Transport Ltd, who continued the season without any change to service. This was the third year of the security contract.

In summary, Orkney celebrated another record-breaking year in 2024 with 223 calls across 12 different locations. These impressive figures highlight Orkney's unique cruise offering and reflect the progress made as a destination. This would seem to be a highwater mark for calls in the region, and Orkney is now the ninth busiest

cruise location in North Europe, but still remains a very popular destination for cruise passengers.

Building on last year's update to our booking policy, Orkney became the first port in the UK to join the Environmental Port Index (EPI) — a collaborative group of ports focused on gathering data about operational emissions. This initiative ensures we continue to offer visitors an exceptional experience while prioritising the environmental wellbeing of our community.

12. Vessel Traffic Services

The Vessel Traffic Services (VTS) system of radar and CCTV sites has operated reliably during the reporting period and the system was kept up to date with upgrades, meaning that 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

Number of surveys and tests carried out by the Marine Environmental Unit in 2024/25 (with previous year as comparison) is detailed below.

Number of surveys and tests carried out by Marine Environmental Unit.

Surveys	2023/24	2024/25
Non-native species surveys	58	40
Sandy shore surveys	4	4
Rocky shore transects	3	3
Rocky shore MarClim surveys	5	5

Tests		
Ballast water tests	41	50
Potable water tests - Ferries	60	83
Potable water tests - Piers	51	51
Radiological samples tested	-	20

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)
2022-2023	163,538	52,389	6,716	26,187
2023-2024	212,257	65,767	9,175	45,400
2024-2025	211,931	62,762	9,981	46,106
% Change	0.2%	-4.6%	8.8%	1.6%

Traffic on Kirkwall-Aberdeen-Lerwick Route

	Passengers	Accompanied Cars	Commercial Vehicles	Freight (tonnes)
2022-2023	54,894	9,628	9,882	83,381
2023-2024	53,643	12,301	10,603	87,213
2024-2025	55,181	10,575	10,898	88,100
% Change	-2.3%	-14%	2.8%	1%

John O Groat's Ferries

No longer in operation. First year with no service.

Orkney Ferries Ltd

	Passengers		Cars		Total
	Outer	Inner	Outer	Inner	
2022-2023	98,043	222,864	39,206	61,972	2024-25 Total OF Passengers = 360,150 (Northlink totals both routes = 267,112)
2023-2024	106,702	230,207	40,550	65,438	2024-25 Total OF Cars = 114,642 (Northlink totals both routes = 73,337)
2024-2025	135,622	224,528	49,393	65,249	
% Change	27.1%	-2.5%	21.8%	-0.3%	

As can be seen there was an increase in freight across both the Northlink routes, particularly Stromness – Scrabster. Passengers and cars saw either small drops or stationary numbers across both routes.

Orkney Ferries Ltd reported a large increase of passengers and cars utilising their Outer Isles routes with small decreases on the Inner Isles routes.

15. Staffing

At the beginning of the reporting period there were still severe issues with staff levels with several key vacancies in the department. A renewed recruitment drive was more successful than previous, with the involvement of an outside recruitment agency, and four new roles were filled in the early part of the reporting period as follows:

- Deputy Harbourmaster – Piers.
- Assistant Harbourmaster – Operations.
- Assistant Harbourmaster – Projects.
- Marine Infrastructure Manager.

All of these positions were filled by people coming from outside Orkney. The Technical Superintendent retired at the end of 2024 and the Marine Infrastructure Manager took on their Harbour Authority tasks. The busy catching up process for all the new starters began immediately and a busy cruise season gave the Operations team a chance to integrate quickly.

Collective and emergency training ashore continues to be an area for attention and team and individual pollution training has continued to take place. Refresher training for members of the Harbour Authority Sub-committee and senior Council officials has been undertaken.

16. Current and Future Activity

With Flotta activity at a low point with very little chance of growth, the onus is on the other established sectors to make up the income shortfall. STS operations have shown a small decline year on year although new opportunities in both crude and other types of fuel are being followed. The potential for the Barents Sea based Johan Castberg field is large and the operators, Equinor, have a good knowledge of the operations in Scapa Flow already.

The cruise sector in Orkney once again was a record year with 223 calls an increase of 6% on the 2023 figure. This is likely to be a high water mark looking forward but Orkney remains the premier location for cruise calls in Northern waters. This was the first year that the port participated in the Environmental Port Index (EPI) and data was collected by the system on visiting vessels' emissions and fuel usage to give each reporting vessel a score. This will continue in the 2025 season to develop an idea of how this can be used to incentivise those vessels reporting better scores.

The Cruise Booking Policy was in its first full season although bookings previously taken were unaffected however there was already a sign that large cruise ship days were reducing, even in a record year. Going forward there is an understanding from cruise lines that earlier bookings mean control of the berth and coaches and is to their benefit.

Work continued with the development plans for the new quay in Scapa Flow as well as extension of the Hatson Pier. These developments linked together with Scapa Flow and existing facilities at Lyness, Stromness and Hatston are critical to attracting future income streams from renewable energy and in particular offshore wind.

17. Harbour Master Conclusions

The 2024/25 reporting period has been a year of significant progress and resilience for Orkney's harbour operations, marked by strong performance across several key sectors and continued adaptation to a rapidly evolving maritime environment. The Harbour Authority has successfully balanced the challenges of declining Flotta throughput with growth in other areas, demonstrating the value of a diversified operational portfolio.

The cruise sector once again delivered record-breaking results, with 223 vessel calls and nearly £6 million in associated revenues. This sustained demand underscores Orkney's reputation as a premier Northern European cruise destination and reflects both the quality of service delivered locally and the enduring appeal of the islands. The introduction of the Environmental Port Index (EPI) marks an important step in aligning cruise activity with environmental stewardship, positioning Orkney as a leader in responsible port operations.

Ship-to-Ship (STS) operations remained robust despite a modest decline in crude volumes and the cessation of INEOS-related activity. The continued confidence shown by operators highlights the strength of Scapa Flow's natural advantages and the professionalism of the marine services teams who consistently deliver safe, efficient operations. The Harbour Authority's 100% response record for Flotta-related pilotage and towage further reinforces this reputation.

Operational reliability has remained high across the board. Aids to Navigation exceeded most IALA availability targets with just a couple below target, VTS maintained full operational capability, and pollution incidents were minimal and effectively managed. These outcomes reflect a strong safety culture and the diligence of staff across all functions.

The year also saw meaningful progress in recruitment, with several key posts filled and new personnel integrating quickly during an exceptionally busy cruise season. This renewed capacity strengthens the organisation's ability to meet current demands while preparing for future growth.

Looking ahead, the strategic focus on offshore wind and wider renewable energy opportunities remains essential. With Flotta activity at historically low levels and unlikely to recover, the development of Scapa Deepwater Quay, the Hatston extension, and associated infrastructure is critical to securing long-term economic sustainability. These projects position Orkney to play a central role in the energy transition, supporting offshore wind deployment, electrification initiatives, and emerging marine industries.

Overall, this year's performance demonstrates a harbour organisation that is both adaptable and forward-looking. The dedication, professionalism and resilience of the team have been central to maintaining high standards of safety, service and operational delivery. With the right investment and continued strategic focus, Orkney's harbours are well placed to capture new opportunities, support the local economy, and meet the evolving needs of users in the decade ahead.