Item: 1

Harbour Authority Sub-committee: 27 October 2026.

Ports and Marine Facilities Safety Code – Audit Check.

Report by Director of Enterprise and Resources.

1. Overview

1.1. The purpose of this report is to provide an update emanating from the Ports and Marine Facilities Safety Code Audit Check carried out by the Designated Person.

1.2. Marico Marine as the Designated Person for Orkney Islands Council Harbour Authority conducted a Ports and Marine Facilities Safety Code audit check for Marine Services on 29 and 30 July 2026, with their report attached as Appendix 1.

1.3. This was the Designated Person's final visit as a new Designated Person.

1.4. ABPMer, has been appointed following a procurement process. They will take up the duties of the Designated Person on 9 October 2026.

2. Recommendation

2.1. It is recommended that the members of the Sub-committee:

i. Scrutinise the Ports and Marine Facilities Security Code audit check report, including key highlights and progress since 2025, attached as Appendix 1 to this report, in order to obtain assurance.

3. Ports and Marine Facilities Safety Code

3.1. The Ports and Marine Facilities Safety Code (the Code) sets out a national standard for every aspect of port and marine facility safety. Its aim is to enhance safety for everyone who works in, or uses, ports, harbours, marinas and other marine facilities. Recognising the significant differences in the role, powers, duties, responsibilities and risks that different organisations have and manage, the Code is intended to be sufficiently flexible to enable its principles to be applied in a manner proportionate to local requirements.

3.2. The Code was introduced in 2000 in response to lessons learned from the grounding of the Sea Empress in 1996. The involvement of the maritime sector

during its development and evolution has been, and is, critical. Although compliance is not mandatory, there is a strong expectation that anyone who manages ports and other marine facilities will incorporate the relevant requirements of the Code into their safety management and other systems.

3.3. The Code includes references to the statutory responsibilities some organisations have for marine safety but does not purport to cover all legal duties or any wider, non-marine, safety responsibilities. Other legislation, such as that relating to security, can also impact marine safety. It is important for organisations to recognise this and strive to deliver cohesive and consistent policies and management across all these responsibilities.

3.4. The Code received an overhaul in 2025. The 2025 edition modernised the structure and language of the Code, strengthened its own focus on governance, accountability and assurance, and clarified the respective roles of the Duty Holder, Harbour Authority, Harbour Master and Designated Person. Greater emphasis was placed on proportionality, evidence-based decision making, continuous improvement and alignment with wider regulatory and best practice frameworks, reflecting changes in the operating environment since the previous edition and lessons learned from audits, incidents and sector engagement.

4. Designated Person

4.1. In October 2021, the Council appointed Marine and Risk Consultants Limited (Marico Marine) to provide Designated Person services to Marine Services for an initial term of three years with an option for two 12-month extensions. Part of the service provided by Marico Marine includes an annual audit of the Harbour Authority against the Code as the nominated Designated Person. This Audit report covers all aspects of operations of the Harbour Authority as covered by the Code.

4.2. Following a procurement exercise a new contract has been awarded to ABPMer and they have appointed a new Designated Person who will meet with the Harbour Authority Sub-committee in November 2026.

4.3. The latest annual audit of compliance was undertaken on 29 and 30 July 2026. The check report, attached as Appendix 1 to this report, provides an update on progress and give feedback.

5. Audit Report

5.1. The latest report from the Designated Person shows a return to compliance with the Code and highlights the significant work undertaken by Marine Services to rectify the issues highlighted in previous reports.

5.2. The overall observations highlight:

i. A settled, competent and almost fully staffed harbours team, who had a good, shared understanding of their duties and powers which were efficiently discharged. The following is extracted from the report.
ii. Considerable progress in the review and update of the Marine Safety Management System which had been undertaken in a planned managed manner, with progress fully recorded in the action tracker.
iii. A good relationship between harbours staff and the Duty Holder, and an appreciation of the support provided by the Harbour Authority Sub-committee. There is a clear shared understanding of objectives and responsibilities.
iv. Clear operational procedures understood by staff, which are kept under review leading to real improvement in safety – the revised traffic management on Kirkwall pier being an excellent example of a relatively cheap and simple solution which has led to both significantly reduced risk to harbour users as well as leading to operational efficiencies through improved traffic flow and a reinvigorated approach to stakeholder involvement through the harbour user groups and communications.

6. Legislative Position

6.1. The Council, through its designated Duty Holder, is responsible for complying with the Ports and Marine Facilities Safety Code. This includes:

i. Being aware of the organisation's powers and duties related to marine safety.
ii. Ensuring that a suitable Marine Safety Management System (MSMS), which employs formal safety assessment techniques, is in place.
iii. Appointing a suitable Designated Person to monitor and report the effectiveness of the MSMS and provide independent advice on matters of marine safety.
iv. Appointing competent people to manage marine safety.

v. Ensuring that the management of marine safety continuously improves by publishing a marine safety plan and reporting performance against the objectives and targets set.
vi. Reporting compliance with the Code to the MCA every three years.
vii. Reviewing existing powers on a periodic basis to avoid a failure in discharging its duties or risk of exceeding its powers.

For Further Information please contact:
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Implications of Report

1. **Financial:** There are no direct financial implications arising from the PMSC audit, however, any further costs incurred in respect of work to address the audit recommendations will require to be funded from within existing Service revenue budgets.
2. **Legal:** The legal aspects are set out in the body of the report.
3. **Corporate Governance:** In terms of the Scheme of Administration, receipt of reports on assurance from the Designated Person in relation to compliance with the Ports and Marine Facilities Safety Code, including an annual compliance audit report, is a referred function of the Harbour Authority Sub-committee.
4. **Human Resources:** No Impact.
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 relevant to this report.

10. **Risk:** The audit report reflects mitigation of potential risks.
11. **Procurement:** Not relevant to this report.
12. **Health and Safety:** The audit report reflects an independent assessment of marine safety of all users of the Harbour Authority.
13. **Property and Assets:** Not relevant to this report.
14. **Information Technology:** Not relevant to this report.
15. **Cost of Living:** Not relevant to this report.

List of Background Papers

None

Appendix

Appendix 1: Orkney Islands Council Harbour Authority Ports and Marine Facilities Safety Code Audit Check report.

ORKNEY ISLANDS COUNCIL HARBOUR AUTHORITY

PMSC AUDIT CHECK 2026



Report Number: 21UK1779_Audit_2026
Issue: 01
Date: 19 August 2026

MARINE AND RISK CONSULTANTS LTD

Prepared for: Orkney Islands Council Harbour Authority

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EXECUTIVE SUMMARY

Overview

This report summarizes the August 2026 Ports and Marine Facilities Safety Code (PMSC) Compliance Progress Review for the Orkney Islands Council (OIC) Harbour Authority. Conducted by the outgoing Designated Person, William Heaps of Marico Marine, this audit serves as the final review before the current contract expires on October 9, 2026.

The primary objective was to evaluate progress made against the 41 recommendations from the 2025 audit, ensure ongoing safety assurance for the Duty Holder, and provide a clear baseline for the incoming Designated Person.

Overall Compliance Status

Core Finding: The OIC Harbour Authority remains compliant with the current (April 2025) PMSC.

The Harbour Authority demonstrates robust marine governance across its 29 ports and harbours—including strategic assets like Scapa Flow, the Flotta Oil Terminal, and the high-density cruise destination at Kirkwall. The Duty Holder is advised to continue supporting and monitoring the remaining (and future) action items as they are brought to completion.

Key Highlights & Progress Since 2025

- Action Tracking & Governance: All 2025 recommendations were formally logged into a centralized action tracker, showing structured progress (36 accepted/actioned, 5 rejected with justification).
- Duty Holder Alignment: Revised organizational structures clearly separate the Head of Service and Harbour Master roles. Reporting lines and Duty Holder review procedures are now well-embedded into the Marine Safety Management System (MSMS).
- Risk & Compliance Digitalization: Transitioned operational risk assessments and SOPs into the software-based *"My Compliance"* platform, and continued utilizing *Hazman* for navigational risk tracking.
- Operational Improvements: Successfully implemented practical safety measures, such as the redesigned traffic management layout at Kirkwall Pier, well-understood pilot fatigue procedures, and an expanded incident/near-miss public reporting framework.
- Stakeholder & Facility Engagement: Re-invigorated harbour user groups, formalized minuted stakeholder meetings, and established preliminary bridging documents (e.g., MOU with St Margarets Hope).

Key Recommendations & Focus Areas for the Incoming DP

While significant progress has been achieved, the following priority areas are recommended for consideration by the Harbours team, and the incoming Designated Person:

- Document Control & Controlled Versions: Ensure the website-hosted controlled MSMS versions strictly match internal working copies, and enforce rigorous version control (footers, amendment tables, filing logic).
- Resource Management for Digital Systems: train additional personnel on *"My Compliance"* and the online training matrix to prevent reliance on single staff members (e.g., Safety Manager).
- Navigational & Operational Reviews: Conduct a comprehensive review of Navigational Risk Assessments (NRAs) with the newly established management team and consider an internal audit targeting high-density cruise operations.
- Transparency & Formal Agreements: Publish the outstanding Marine Safety Plan on the public website, capture outstanding hydrographic/outlying pier master procedures in the MSMS, and re-evaluate a bilateral agreement with the UKHO for potential financial and operational benefits.

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1 INTRODUCTION

The purpose of a Ports and Marine Facilities Safety Code (PMSC, The Code) compliance audit is to ensure that harbour authorities, ports, and marine facilities deliver safe marine operations by adhering to the national standards set out in the Code. This involves verifying that a Marine Safety Management System (MSMS) is in place, effective and capable of managing risks to a level as low as reasonably practicable (ALARP). The audit provides independent assurance to the Duty Holder that the MSMS complies with the Code, identifies areas of non-compliance or for improvement, and promotes safety for people, the environment and property.

It also contributes to accountability, transparency and alignment with legal and operational responsibilities, enabling compliance which is to be reported to the Maritime and Coastguard Agency (MCA) every three years.

2 PROPORTIONALITY

The Code and accompanying Guide to Good Practice (the Guide) emphasise a proportionate approach. Auditors will consider the organisation's size, operations, and statutory powers, if any, when assessing responses.

- **Evidence-Based**: Responses are to be supported by documentation, such as policies, audit reports, training records, or maintenance schedules.
- **Stakeholder Engagement**: Many questions involve consultation with stakeholders. Auditors are to verify that engagement processes are inclusive and documented.
- **Continuous Improvement**: The audit is to identify areas for improvement, referencing the Guide's best practices to guide corrective actions.
- **MCA Health Checks**: Organisations are to be prepared for Maritime and Coastguard Agency (MCA) Health Checks, which assess compliance and share best practices (MCA Health Checks).

3 2026 VISIT OVERVIEW

3.1 THE ORGANISATION

Orkney Islands Council Harbour Authority is a municipal Statutory and Competent Harbour Authority with responsibility for the operation of all 29 ports and harbours within Orkney. This includes the strategic oil port of Scapa Flow and the Flotta Oil Terminal and frequent Ship to Ship operations, and the port of Kirkwall which has been recognised the UK's most successful cruise destination.

The Harbour Authority operates a pilotage service and a fleet of modern tugs, and a Vessel Traffic Services for Scapa Flow and approaches and the Kirkwall Harbour area[1].

The Harbour Authority has committed to complying with the UK Ports and Marine Facilities Safety Code, which was last revised in April 2025, and reported compliance to the MCA in March 2026.

As a consequence of this commitment, the Authority has appointed an independent Designated Person (DP) to provide assurance to the Authority's Duty Holder, the Harbour Authority Sub-committee, that the organisation is compliant with the current version of the Code. Since March 2025, the named DP has been William Heaps of Marico Marine.

The current contract to provide DP services expires on 9 October 2026, and a new Designated Person will be appointed on that date. As it is expected that the new DP will undertake a full audit of PMSC compliance soon after appointment, it was agreed that final visit due under the current contract with Marico Marine would take the form of a review of progress against the previous (2025) audit findings[2]. The objective of this report is therefore to provide ongoing assurance of PMSC compliance to the Duty Holder and make recommendations for the new DP to consider following up.

3.2 VISIT PROGRAMME AND PARTICIPANTS

3.2.1 Schedule

29 August 2026

a.m. Introductions, review of audit progress and documentation

p.m. Visit to Hatston Pier while cruise ship alongside, visit to Kirkwall Pier and inspection of new traffic layout

30 August 2026

[1] Information provided as part of Head of Service Job Description

[2] 21UK1779_Audit_2025, PMSC Audit 2025, Marico Marine, 3 December 2025, Issue 01

Harbour office, Scapa.

a.m. Completed review of documentation, visit to VTS, discussion with Pilot, wash up

p.m. William Heaps departure.

3.2.2 Participants

Auditor / DP – William Heaps, Marico Marine.

The formal audit was undertaken in the harbour offices and chiefly supported by:

- Dougie Manson – Harbour Master
- Ross Spence – Port Safety
- Also held discussions with:
    - Duty staff at Hatston pier
    - Duty VTS officer and trainee
    - Duty Pilot

4 OBSERVATIONS

As recommended following the 2025 audit, all recommendations from that audit were captured in an action tracker (held in an Excel spreadsheet on the Marine Drive) which allowed each recommendation to be considered and followed up until completed.

The headings in the spread sheet were:

Marico Ref, GtGP Ref, Recommendation, Comments, Status, Location (in MSMS), Action By, Completion Date

This document therefore provided an ideal basis for discussion during the review visit, and was worked through line by line, to confirm that recommendations had been addressed and incorporated into the wider MSMS (through review of documents and procedures, and observations during the site visits).

A small number (5 out of a total of 41) of the recommendations were not accepted or followed up, and the reasons for this were discussed and reviewed.

The following paragraphs discuss progress observed, grouped by PMSC chapter heading (corresponding to the 2025 audit report)

4.1 DUTY HOLDER

All of the recommendations relating to “Duty Holder” were accepted and have been closed out. In particular the new staffing arrangements (with a new Head of Service Post, distinct from Harbour Master) and amended reporting lines have been clearly described in a revised Organogram.

The MSMS has been updated to develop previous policy into procedures which are in place to ensure that the Duty Holder reviews performance against the Code and Safety Plan – and the important function of the HSC in this process.

It has also been clarified that the HSC chairperson is the primary point of contact for the Designated Person on behalf of the Duty Holder.

4.2 DESIGNATED PERSON

The MSMS has been updated to reflect contact details of the Designated Person, though this will require further revision in October 2026.

The action tracker, described above, has been formally referenced in the MSMS to ensure it remains in use to capture all future audit recommendations and is accessible to all authorised staff.

4.3 LEGISLATION

The MSMS has been reviewed and additional local legislation (General Directions) referenced.

It was recommended that the MSMS references the desirability of maintaining BPA membership to keep aware of national port and harbour issues, but this was not followed up as the membership is automatically renewed, and it was not considered necessary to document this.

A further recommendation to list all officers with delegated Harbour Master powers was also removed, as this was subsequently found to be in place at section 5.6 of the MSMS.

A recommendation to consider a review of the need for / use of licencing powers was also removed for the time being as such powers are in place, but their implementation is not considered a priority (other procedures and mitigations being effective).

The enforcement policy has now been published on the website and can be found in the documents section.

While it was noted that consultation procedures were robust, there was no evidence they had been followed, this has been addressed through the re-invigoration of stakeholder meetings / user groups and formal minuting of meetings. This is still "a work in progress" and will be led by the new Deputy Harbour Master once he is formally in place.

The recommendation relating to review of operational risk assessments (and recording those reviews) has been comprehensively addressed through the migration of all such assessments and SOPs to a new software-based system "My Compliance". While this is in early stages if implementation, the system appeared effective, and should be considered for review in future audits,

The website has been reviewed and updated – and "tested" by asking Duty Holders to find specific documents. Now considered to be fit for purpose and generally up to date.

Finally, internal consultations with harbours staff will be included in the general review and reset of user consultations referred to above and recorded going forward.

4.4 DUTIES AND POWERS

The recommendation to develop procedures to manage Pilot fatigue was closed out as these procedures were found to be in place. In discussion with a Pilot during the 2026 audit, it was observed that these procedures were in fact well known to all pilots and considered effective on the relatively rare occasions when they need to be implemented.

The recommendation to fully risk assesses (confirm) the need for the pilotage service was accepted but assigned a lower priority as the service is in place and an effective mitigation in the overall Navigational Risk Assessment.

Towage guidelines have been published on the website (under documents)

Four recommendations relating to the management and approval of third-party operations in the SHA area (Tugs and workboats, diving (and the permitting thereof) and mooring services) have all been fully accepted

and are being progressed. In particular the management of commercial providers of vessels used by leisure divers (over the historic wrecks) is under advanced stages of review following the recent MAIB report. Due to changes in dive vessel operators, it is now considered that relationships and communications are much clearer and the new procedures will reflect current effective practices.

The final two observations in this section referred to document management and control (removal of out-of-date documents and logical filing of some documents outside email correspondence), and both have been closed out. (However, see comments in section 4.6 below).

4.5 RISK ASSESSMENT

An observation relating to the review of operational risk assessments has been addressed through the migration of these assessments to "My Compliance" (see section 4.3 above). However, it is noted that this is a considerable task currently being undertaken almost single handedly by the Safety Manager, and care should be taken to develop procedures / train alternative users to ensure the effectiveness of the software in the future.

Navigational Risk Assessments remain under review as demonstrated in the Hazman software, but it is recommended that a full review of the NRAs be considered in due course to include the views and experience of the new management team, and re-invigorated stakeholder groups

4.6 MARINE SAFETY MANAGEMENT SYSTEM

Two specific recommendations were made in 2025. Awareness of the need for incident and near miss reporting amongst both harbour staff and users has been fully addressed through a staff awareness campaign, publication of a Health safety and environmental handbook for employees, contractors, users and visitors, and the ability to report directly into the Hazman system from the public website.

The second recommendation relating to bridging documents is in hand. An MOU with the adjacent Harbour Authority at St Margarets Hope is already in place and may be developed into a more comprehensive bridging document. Other Marine Facility operators have been identified and approached, to make them aware of their need for PMSC compliance, prior to engaging with them to develop full bridging documents in due course.

It was noted during the 2026 that the MSMS documentation was now much more up to date than during the 2025 audit, reflecting ownership by a nominated individual (Health and Safety officer). It was agreed that there is still opportunity to fully apply the document control procedures which already form part of the MSMS, in particular to ensure version numbers / amendment tables are correctly used to capture all changes and updates and that document footers match titles. The version on the web site MUST be updated immediately a new version is agreed as this is stated to be the controlled version. (Some users can access the version on the marine drive, which while potentially more up to date, is not the stated controlled version).

4.7 REVIEW AND AUDIT

A recommendation to update SOP 03-002 to reflect the actual annual audit procedures (including reporting of findings to HSC) is in progress and will be completed when the SOP is due for regular review.

During the 2026 visit it was suggested that an internal audit of cruise operations would be a useful exercise, given the frequency and potentially hazardous nature of these operations.

4.8 COMPETENCE

A reference to the training matrix still needs to be added to the MSMS.

It has been confirmed that competency of third-party contractors is assured through the dynamic purchasing system, and this has been incorporated in the MSMS.

The training matrix mow forms part of the Council compliance system and can be viewed by appropriate staff online. It is noted that this needs considerable resource to maintain and consideration should be given to ensuring sufficient staff are competent and authorised to update the system.

4.9 PLAN

The Marine Safety Plan is still not published on the web site, or available to all stakeholders for comment. This will be addressed ASAP, as It was thought this had been completed.

Progress against the plan objectives is discussed at HSC meetings, and these discussions / reports are publicly available through published meeting minutes.

4.10 CONSERVANCY DUTY

Four recommendations were made under this heading in 2025, of which two remain in progress and two were initially rejected.

Reference to procedures for outlying pier masters remains under full review and can be progressed now that the management team is up to strength. Similarly, procedures for undertaking hydrographic surveys, and disseminating data, while effective, still require capturing in the MSMS during future revisions.

In regard to establishing a bilateral agreement with the UKHO, it is acknowledged that this is not compulsory for PMSC compliance, and despite rejection of the previous recommendation to do so, it is suggested that this be reconsidered – not least as there may be positive financial benefits for the Harbour Authority.

Finally, the recommendation relating to development of procedures for maintaining the live weather feed on the web site was rejected as it was considered this was the responsibility of a separate department (Engineering) – but this responsibility has been added to SOP 04-003 for the sake of good order.

It is understood, that following previous discussions, procurement and installation of tide gauges transmitting live data, is now in hand.

5 CONCLUSIONS

The final visit to Orkney Harbours by a representative of Marico Marine fulfilling the role of Designated Person confirmed that the Harbours Department continues to make good progress in many areas of operation.

Highlights of this progress, witnessed by the DP, either in documentary form, or observed while in the offices or on quay sides included:

- A settled, competent and almost fully staffed harbours team, who had a good, shared understanding of their duties and powers which were efficiently discharged;
- Considerable progress in the review and update of the Marine Safety Management System; which was being undertaken in a planned and managed manner, with progress fully recorded in the action tracker;
- A good relationship between harbours staff and the Duty Holder, and an appreciation of the support provided by the Harbours Sub-committee. There is a clear shared understanding of objectives and responsibilities;
- Clear operational procedures understood by staff, which are kept under review leading to real improvements in safety – the revised traffic management on Kirkwall Pier being an excellent example of a relatively cheap and simple solution which has led to both significantly reduced risk to harbour users (especially pedestrians) as well as leading to operational efficiencies through improved traffic flow; and
- A re-invigorated approach to Stakeholder involvement through the harbour user groups and communications.

Not withstanding the progress made, there will always be opportunities for improvement – some previously identified and still active on the action tracker.

The new full-strength team in the harbours department, supported by a potentially fresh external viewpoint from a new DP provide the opportunity for continuing development.

Key to this will be the ongoing revisions to the MSMS documentation, with attention being given to document control, and considering ways to make access to the documents on the file server simpler and more secure.

In summary, from the outcome of the 2025 audit, observations made during the 2026 visit, and regular reports received from the marine team, it is concluded OIC Harbour Authority is compliant with the current version of the Code and the Duty Holder should continue support the implementation of the recommendations made and monitor progress as they are addressed.