

Item: 13

Harbour Authority Sub-committee: 22 August 2023.

1. Recommendations

It is recommended:

1.1.

That the Committee approves the attached minute as a true record.

1.2.

That the Committee considers the recommendations at paragraphs 7.8 to 7.10.

2. Appendix

Draft Minute of the Meeting of the Harbour Authority Sub-committee held on 22 August 2023.

Minute

Harbour Authority Sub-committee

Tuesday, 22 August 2023, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors David Dawson, Gillian Skuse, Graham A Bevan, P Lindsay Hall, Ivan A Taylor and Heather N Woodbridge.

Present via Remote Link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration
- James Buck, Head of Marine Services, Transportation and Harbour Master.
- Paul Olvhoj, Business Development Manager
- Shonagh Merriman, Service Manager (Corporate Finance).
- Karen Bevilacqua, Solicitor.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor David Dawson.

1. Revenue Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

1.1. The revenue expenditure outturn statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for financial year 2022/23, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- An income deficit of £923,100 against an income budget of £539,100 in respect of Scapa Flow Oil Port.
- An income surplus of £185,100 against an expenditure budget of £1,936,100 in respect of Miscellaneous Piers and Harbours.

The Sub-committee scrutinised:

1.2. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that appropriate action was taken with regard to significant budget variances.

2. Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

2.1. The revenue financial summary statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £3,402,500.

2.2. The revenue financial detail by Service Area statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2023, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

2.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that appropriate action was being taken with regard to significant budget variances.

3. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes – Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

3.1. The summary outturn position of expenditure incurred for financial year 2022/23 in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes, as detailed in section 4 of the report by the Head of Finance.

The Sub-committee scrutinised:

3.2. The detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2022/23.

4. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes – Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

4.1. The summary position of expenditure incurred, as at 30 June 2023, against the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2023/24, as detailed in section 4 of the report by the Head of Finance.

The Sub-committee scrutinised:

4.2. The detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2023/24.

5. Miscellaneous Piers and Harbours

Revenue Maintenance Programme – Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

5.1. The summary outturn position of expenditure incurred for financial year 2022/23, in respect of the approved Miscellaneous Piers and Harbours revenue maintenance programme, as detailed in section 5.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

5.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2022/23.

6. Miscellaneous Piers and Harbours

Revenue Maintenance Programme – Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

6.1. The summary outturn position of expenditure incurred, as at 30 June 2023, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2023/24, as detailed in section 5.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

6.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2023/24.

7. Harbour Authority – Cruise Booking and Confirmation Policy

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Business Development Manager, the Sub-committee:

Noted:

7.1. That Orkney had been welcoming cruise ships for over 40 years and was now attracting in excess of 200 vessels a year, being the most popular destination for cruise ships in the United Kingdom.

7.2. That the cruise sector had recovered from the COVID-19 pandemic with record numbers of passengers visiting Scotland via cruise ships and that Orkney was the premier location for lines to include in their itineraries.

7.3. That the growth was expected to continue through the 2024 season with another increase in the number of callers forecast to visit Orkney, which would put further pressure onto local resources and infrastructure and result in overcrowding and dilution of the overall tourism experience.

7.4. That there was a concern that the increased numbers of passengers on some days was not controlled and allowed for a negative view of cruise which offset both the economic impact and the substantial effort dedicated to cruise calls.

7.5. That currently initial bookings, changes, cancellations and information requests for vessels was managed by the Business Development Manager and the Cruise Operation Co-ordinator, Marine Services, and, with the advance bookings, they were handling over 400 vessel calls.

7.6. That there was a requirement to have a set of protocols and rules within a policy that set out the criteria and clauses which were clear and fair with regard to vessels wishing to book Hatston Pier and Kirkwall Anchorage.

7.7. That bookings for other locations under the control of Orkney Harbour Authority would continue with the current system applied.

The Sub-committee resolved to **recommend to the Council:**

7.8. That the Cruise Booking and Confirmation Policy, attached as Appendix 1 to this Minute, be approved for use by the Harbour Authority as the guiding policy for handling bookings for cruise vessels wishing to call into Orkney.

7.9. That the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the Development and Infrastructure Committee, covering the wider challenges in managing cruise, provision of services and infrastructure to support the cruise industry and funding through a potential passenger levy.

7.10. That all members of the Council should be invited to attend the meeting of the Development and Infrastructure Committee, at which the report, referred to at paragraph 7.9 above, was considered.

8. Conclusion of Meeting

At 11:10 the Chair declared the meeting concluded.

Signed: (Chair's signature).



Orkney Harbours



CRUISE SHIP BOOKING AND CONFIRMATION POLICY

1.0 Berthing Objective

The objective of the Cruise Ship Booking and Confirmation Policy is to provide well-defined, transparent, and non-discriminatory guidelines for the allocation of berths at Orkney Harbours, based on vessel prenotification, arrival and administrative compliances.

The Cruise Ship Booking and Confirmation Policy will be classed as applicable from the date of the final draft shown above and Orkney Harbours reserves the right to modify as required with further versions.

Accordingly, the policy below sets out the objective criteria upon which the cruise booking system will be administered.

2.0 Cruise Season

For sake of ease and good order it will be defined that a Cruise Season will run from 1st January until 31st December in any given calendar year.

3.0 Berth and Anchorage Booking Procedure

New reservation requests will be entered directly on our booking system by Port Agents or by Orkney Harbours designated staff.

Orkney Harbours will accept bookings on a First Come, First Served (FCFS) basis and will accept or reject a booking and assign a berth at the time of acceptance.

To ensure fairness, transparency and good business practices, Orkney Harbours will not tolerate or accept the practice of an individual cruise line making call requests for the same ship within a four-day period, on the same itinerary, unless with prior agreement and acceptance from Orkney Harbours. This only applies to Hatston Pier and Kirkwall Bay anchorage.

4.0 Berth and Anchorages Allocation Procedure

Berth allocations are made by Orkney Harbours based on nautical, operational, and commercial aspects. Cruise Lines do not have a right to claim a specific berth.

Orkney Harbours will be able to confirm berths to the following locations:

Hatston Pier	The main cruise berth with a total length of 385m
Hatston RoRo	The ferry berth available to acceptable vessels out with ferry operations
Kirkwall North Pier	Ideal for smaller vessels, close to town centre
Kirkwall Bay Anchorage	Vessels tender into Kirkwall Basin

Other locations under Orkney Harbours jurisdiction will be allocated on an individual basis.

Note: The size of each berth determines if a ship can be allocated to the berth.

5.0 Berthing Criteria

For the purposes of this policy the sizes of cruise liners calling at Orkney berths and anchorages have been categorised into 5 categories based on maximum passenger capacity as per below:

Category 1	Up to 500 passengers maximum capacity
Category 2	501 to 1,500 passengers maximum capacity
Category 3	1,501 to 2,500 passengers maximum capacity
Category 4	2,501 to 5,000 passengers maximum capacity
Category 5	Above 5,000 passengers maximum capacity

The below table covers the cruise bookings at Hatston Pier and RoRo, Kirkwall North Pier and Kirkwall Bay Anchorage. Hatston Pier is the primary berth allocation, and the category of vessel accepted there is the driver for what can be accepted at the other berths below.

The maximum TOTAL for Hatston Pier and Kirkwall Bay Anchorage should not exceed a category sum of 5.

Berth	Maximum Length of vessel	Category of Vessel	Category of Vessel	Category of Vessel	Category of Vessel	Category of Vessel
Hatston Pier	345m	5	4	3	2	1
Kirkwall Anchorage	N/A	0	1	2	3	3
Berths below excluded from Category Sum						
Kirkwall North Pier	124m	1	1	1	1	1
Hatston Pier RoRo	131m	0	1	1	1	1

6.0 Further Policies

6.1 On days on which special events are held within the islands (i.e., County Show) special rules may apply for the allocation of a specific berth and vessels may be denied a berth on these dates.

6.2 The Harbour Master may, for safety and security reasons, impose upon arrival, a berth other than the one assigned to a vessel, no claim from the cruise lines or ship agents regarding the final adjudication for berth assignment will be considered by the Harbour Master or Port.

6.3 The normal shoreside operation times for the cruise reception facilities will work between 0830hrs and 1800hrs on each cruise day. Bookings for vessels prior and after these times must be aware that some services will not be available.

6.4 Vessels already booked can only be substituted by another vessel of the same line with identical characteristics (LOA, Draft, Max PAX). If these differ by more than 5% then the booking will be regarded as a new request.

6.5 All laws and regulations in force at Orkney Harbours shall remain applicable for what is not specified in this policy.

7.0 Cancellation charges

Orkney Harbours reserves the right to apply cancellation charges in addition to those that are incurred for services supplied for cruise liners that have confirmed bookings at Hatston Pier and Kirkwall Anchorage. The maximum charges to be applied will be as below:

If a cancellation notice from a cruise liner is received within 24 hours of expected arrival date, then the cancellation charges will be 50% of the occupation charges for the vessel for the booked call.

If a cancellation notice from a cruise liner is received between 24 hours and 7 days of the expected arrival date, then the cancellation charge will be 20% of the occupation charges for the vessel for the booked call.

If a cancellation notice from a cruise liner is received between 7 and 30 days of the expected arrival date, then the cancellation charge will be 10% of the occupation charges for the vessel for the booked call.

Occupation charges will equal a share of the charges for berth occupancy and contracted services arranged by Orkney Harbours.

Cancellations or changes resulting from severe weather, acts of God, or force majeure will be considered on a case-by-case basis.