



Annual Performance Report 2015/16

This is our thirteenth Annual Performance Report, and in it we provide a range of information on how we performed in 2015/16



Introduction

The report is in two parts, the first part showing our current progress towards meeting the targets set out within the Council Delivery Plan 2015-2018. We refreshed and updated the Council Plan 2013-2018 in 2015, and called this our Council Delivery Plan. It sets out our revised actions and targets for the remainder of the life of the Council Plan 2013-18. The second part of the report shows how well we performed against the national Local Government Benchmark Framework Indicators in 2015/16.

We hope that you find the report interesting. If you would like more detailed performance information, please visit the Performance Section of the Council’s website, which can be found at: tinyurl.com/hkv5j5m

For more detailed performance information on the Local Government Benchmark Framework Indicators, please visit the Improvement Service’s website, which can be found at: tinyurl.com/hwbk66r

If you would like to make a comment on the report, please contact HR and Performance by writing to Orkney Islands Council, School Place, Kirkwall, Orkney, KW15 1NY; by calling **01856 873535**; or by emailing hrrsupport@orkney.gov.uk

If you would like this publication in another language or in any other formats please contact us by using the details above.

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Our budget

Where the money comes from

For every £1 that we received to spend on Council services in 2015/16...

86p came from the Scottish Government

around **9p** came from your annual council tax charge

and **5p** from use of our reserve funds.



...and how the money's spent

For every £1 that we spent on Council services in 2015/16...

around **36p** was spent on education

5p on leisure and cultural services

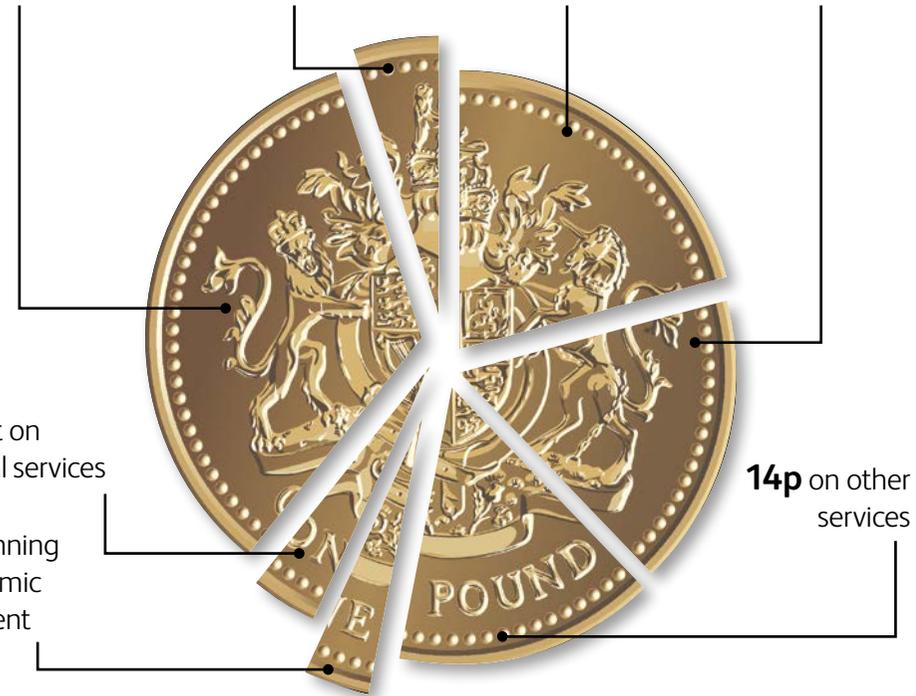
22p on social work and social care services

16p on roads and transport

4p was spent on environmental services

3p on planning and economic development

14p on other services



In 2015/16 our budget was **£81.749M**, which was **more** than our 2014/15 budget of **£80.717M**.

Progress towards meeting the targets set out within the Council Plan 2015-2018

Target 1.1

Improved care facilities in Orkney

Provide additional residential care capacity for older people in Stromness.

Our design work for the new St Peter's House, which will be a modern and purpose built care home for older people, is in progress and we are now at the planning permission stage. We remain on target for the care home being in use by November 2018.

Provide additional residential care capacity for older people in Kirkwall.

We have now approved funding to build the new St Rognvald House, and the planning application work is underway. We remain on target for the care home being in use by the end of 2021.



Target 1.2

Supporting our children

We will work with partners to deliver the Children's Services Plan to improve the life chances of children and young people in Orkney.

The Children's Services Plan contains 72 individual targets, 60 of which we have already met. Key successes of the plan include: introducing 600 hours of early learning and childcare; participation in The National Third Sector Getting it Right for Every Child (GIRFEC) Project; collaboration with the Fostering Network as part of its Head Heart and Hands Project; and preparation for the introduction of a Named Person Service for children and young people in Orkney.

Target 1.3

The impact of Welfare Reform on members of our community

We will provide advice services to help people who are affected by Welfare Reform.

The Scottish Government have committed funding to ensure that all tenants affected by the Spare Room Subsidy, which is often referred to as the "Bedroom-Tax", are entitled to Discretionary Housing Payments to make up the shortfall in their Housing Benefit Payments. We are aiming for 100% take up of these additional payments to ensure that tenants are not affected financially by the impact of this Welfare Reform.



Target 2.1

Digital communications equality

We will make every effort to ensure government commitments and the Broadband Delivery UK (BDUK) project deliver on their promises for high speed broadband which is resilient and pervasive for all our communities including access to 4G services.

The Scottish Government has promised 100% access to superfast broadband by 2020, and work is still being carried out nationally to find out how this will be done. The roll-out of superfast broadband covers most exchanges on Orkney Mainland and Westray, and this will result in increased access for 76% of households. The Government has rolled out subsidised satellite broadband to service the needs of homes and businesses that currently cannot obtain a superfast service. A number of mobile operators are planning to cover Orkney with 4G by the end of 2017, and 4G is available in some areas of Kirkwall. Despite this progress, our target date of March 2016 has been missed, and we will need to continue with our efforts going forward.

We will support communities and hard to reach areas to achieve resilient broadband access and help them to access funding where it is possible.

We are continuing with our aim to lever as much as possible through working in conjunction with communities, and supporting communities who wish to develop local projects. We remain on target for the completion by March 2017.

Target 2.2

Communities and schools

We will establish the criteria and conditions for the viability of schools in rural and island communities.

We have been looking at this particular action as part of one of our Change Programme Reviews, which is entitled Orkney's Learning Landscape, and we are therefore making good progress.

We will prioritise actions (in line with the National Improvement framework and Attainment Challenge) to ensure improvement in both attainment and achievement for Orkney's children and young people.

We are continuing with our work on raising attainment. Our plans were approved by Councillors in September 2016 and a progress report was included in our Annual Review of Attainment, which was considered by Councillors at a Council seminar in December 2016.

Working with our partners, we will introduce the 'Orkney Offer' for learners in the Senior Phase in order to maintain and improve on the number of young people who continue to engage with learning, training & employment opportunities.

We are continuing to work towards the introduction of the Orkney Offer, and we have included a progress report in our Annual Review of Attainment, which was considered by Councillors at a Council seminar in December 2016.



Target 2.3

Regenerating Kirkwall Town Centre

We will undertake public realm improvements in Kirkwall to create a safe, high quality public realm for pedestrians, cyclists and road users.

Through our Kirkwall Townscape Heritage Initiative "Spaces and Places" Programme we have been engaging with businesses, the Kirkwall Business Improvement District, and Kirkwall and St Ola Community Council, with a view to identifying areas where public realm improvement projects can be developed. We remain on target for completing the development of the projects in June 2017, following which these will be implemented in 2018, for completion by March 2019.

We will continue to provide support to the BID [Business Improvement District] including the refresh of their business plan.

The Kirkwall BID has undertaken a number of successful initiatives during 2016 and is continuing to work with its partners, including the Council. With the end of the first term of the Kirkwall BID approaching, a new Business Plan is to be prepared for a 'renewal ballot' of members, due to take place in March 2018.

Target 2.4

Mitigating risk from flood and coastal erosion

We will continue to review our flood risk management plans, working in partnership to deliver sustainable flood risk measures and put in additional funding bids for new opportunities as they arise.

We adopted our Flood Risk Management Plan in spring 2016, which was subsequently endorsed by the Scottish Environment Protection Agency (SEPA) as the basis for action and associated funding applications. The first major project is the Kirkwall Harbour Flood Defence programme, and following a tender process, the contract was awarded in January 2017 with an expected completion date of late November 2017. Attention is now turning to other flood and coastal erosion risk priorities with St Margaret's Hope being high on the list. Progress will be dependent on grant funding.

Target 2.5

Local community participation

Through the Empowering Communities project, we will identify a range of opportunities to test a new business plan supporting the delivery of some council services more locally through Community Councils for example, burial grounds improvement.

We presented an update of the project to the Community Council Conference in November 2016. To date the project has provided part time island Link Officers on the two pilot islands to help residents access Council services, improve communication and develop community projects on their island. Feedback from the conference was supportive to further develop the role of the Link Officer and to look at an expansion of the project to other Community Council areas.

As an extension to the scope of the Council's Office Accommodation Review, establish the criteria for determining if a service or role can be delivered efficiently in an alternative location including costs, changes to policy and infrastructure.

We are at quite an advanced stage with the Accommodation Review, and once we have some detailed costs for the different options for School Place in Kirkwall, we will be able to start looking at the possibility of bringing more services together. We remain on target for completion of the review by June 2017. However, if following the review



there is a Council decision to proceed, then a new piece of work will be needed to plan and then implement any physical changes to the building. In the meantime office facilities have been established in the Warehouse Buildings in Stromness, providing improved access to services locally through temporary and permanent workstations for staff. We also continue to use the Town House in Stromness for office accommodation.

Continue to work with a range of partners such as the Third Sector, Development Trusts and Community Councils to support and empower communities and support local business growth including providing project start up advice and support to facilitate community led projects and initiatives.

We are taking this work forward through the Business Gateway and our Economic Development Service with support and advice being provided in response to enquiries from the community. Core funding was provided during 2016 to support the North Ronaldsay Development Trust and the Papay Development Trust.

We will work with partners to take steps to facilitate community benefit to help ensure tangible benefits are realised across Orkney and as part of this work will develop a new Community Benefit Policy to include the use of Renewables.

We have produced a draft of the Orkney Community Benefit Policy, and this was considered by Councillors in September 2016. The policy is now the subject of stakeholder consultation.

Target 2.6

Orkney's cultural heritage

We will produce a strategy that seeks to balance the protection of Orkney's cultural heritage with their increased promotion to make the most of the available economic advantage.



We have now completed our strategy and action plan, and these were considered by Councillors in November 2016. We have therefore met our target, and work is currently in progress to achieve our initial targets for 2017.

We will work with the North Isles communities to develop through the Landscape Partnership Scheme a programme of projects aimed at regenerating the islands through heritage projects.

We are continuing to gather the information that we need for the application to the Heritage Lottery Fund, having already submitted the Conservation Area Regeneration Scheme funding application to support the scheme to Historic Environment Scotland in August 2016. Presently, we remain on target to submit the funding application to the Heritage Lottery Fund by the August 2017 deadline.

We will ensure that Orkney's war time and cultural heritage is promoted as part of the delivery of the National Commemoration of WWI.

The overall visitor numbers have increased significantly at Orkney's Museums, and in particular at the Scapa Flow Visitor Centre and Museum, with the Battle of Jutland Commemorations being particularly successful.

We will assume a leading role in reviewing the mechanisms to achieve increased economic benefit from the World Heritage Site and other sites, for example, through inward investment opportunities.

Following Historic Environment Scotland's decision to set up a temporary site closure at Tormiston Mill/Maeshowe, the Council agreed to lease the former West Mainland Day Centre as a short-term operational base, to allow the visitor sites to be re-opened. We have also started work on a plan for our World Heritage Site, looking in particular at infrastructure and visitor management, including assessing the potential for the development of a World Heritage Gateway Centre.

Target 2.7

Planning for the management of growth in future years

We will explore the potential to develop a replacement for the Chinglebraes facility to provide a waste management solution for all aspects of council business. We will look to consolidate other services and accommodation requirements through a shared office/depot facility, releasing development sites.

We have looked at various options for managing Orkney's waste, and intend to develop a "Circular Economy" based solution, supported by Zero Waste Scotland. We have also carried out a composition analysis of household waste collections, a scoping study on possible plant processing technologies, an outline appraisal for suitability in Orkney, and will seek Council approval

to develop an outline business case. At this stage we will undertake a comprehensive technical assessment of what suitable waste materials are available in Orkney and what are the possibilities for linking to an innovative approach to fuel and financial poverty through district heating and energy generation. The outline business case is planned for consideration by the Council in June 2017.

We have also, having secured innovation funding, employed a Waste Strategy Officer, and now that we have secured further funding we will employ two Waste Awareness Officers. This will enable us to have greater contact with the public and local business to focus on waste minimisation and increased recycling as well as correct disposal of commercial waste via the waste transfer station at Chinglebraes. To address the increased throughput at our aging waste transfer station at Chinglebraes, we are investing in processing improvements to the facility, as an interim measure until the new facility can be built and commissioned by 2020/21, subject to funding.

The implementation of the 5 year improvement programme for burial grounds to provide additional capacity to meet demand in future years and undertake major general improvement issues.

The 5 year programme of improvements comprises of three key elements. Firstly, create more burial capacity in several locations. Secondly, address a backlog of major improvements around and on each burial site, such as structures and

drainage. And thirdly address a backlog of general maintenance issues. The focus in 2015/16 and 2016/17 has been negotiations with land owners and then to seek planning permission following the requirements for groundwater surveys, archaeological surveys, SEPA surveys etc. We are making good progress, particularly in Sanday, Stronsay and Orphir, and by the end of March 2016 we hope to have the key sites in the planning process, with the intention being to commence extension works in 2017.

Target 3.1

Social housing

We will support the construction of 35 affordable new homes per year to meet the needs of local communities (including low cost home ownership options).

Working with our partners, Orkney Housing Association Ltd, we completed a total of 51 affordable homes in 2015-16, exceeding our target of 35 for the year.



Target 3.2

Affordable private housing

We will work with the private sector to maximise available funding opportunities to support the building of new homes to meet current and future demand.

Under the Scottish Government's Help to Buy Scheme, 32 properties are currently under development. We are also working with developers on relevant projects to maximise funding brought into Orkney. This includes support from the Scottish Government's Rural Housing Fund and Islands Housing Fund. In addition, the Council is working with 10 of Orkney's island development trusts to bid for funding for affordable housing projects.

Target 3.3

Improving housing stock

We will undertake a Local Housing Condition Survey in 2015 to continue to identify disrepair in private sector housing stock and to inform projects linked to fuel poverty.

We carried out the Local House Condition Survey as planned, and the initial overview from the survey was considered by Councillors in November 2016. A briefing report covering the final findings will be issued in February 2017.

We will identify potential funding and support for homeowners in housing need for example grants or loans.

Since April 2016, four new housing loans have been entered into, a further two applications have been received one of which failed to complete.



We will investigate potential funding and support for providing student accommodation (where relevant).

We provide six bed spaces within Council managed accommodation, all of which are currently occupied.

We will work to improve the standard of housing across both the social and private sectors and seek to eradicate fuel poverty by improving domestic heating and insulation.

Social housing is currently required to meet the Scottish Housing Quality Standard, and the Energy Efficiency Standard for Social Housing will need to be met by 2020, and we are making good progress on these. We are also making good progress with the Home Energy Efficiency Programme Scotland.

Target 4.1

A low carbon Orkney – A green approach

We will develop a revised Carbon Management Plan to ensure we continue to make the best use of energy resources and opportunities.

We approved our Carbon Management Programme 2016-2026 in April 2016, and have therefore met our target. We are now in the implementation phase, supporting initiatives to reduce carbon emissions. A highlight has been the operation of



the sea-source heat pump in the new Warehouse Building in Stromness, which has not only reduced carbon emissions in the operation of the building, but has also reduced heating costs. We continue to undertake energy efficiency measures across the Council estate. We are also undertaking feasibility studies of significant strategic energy projects with the potential to impact on the Carbon Management Programme, including: scale wind opportunities; a private wire electricity arrangement for Council non-domestic properties in Kirkwall; future integrated waste facilities for municipal and trade waste; and a potential Energy Supply Company for Orkney.

We will continue to explore the various options for the implementation of low carbon technologies – including wind, solar, wave etc and other energy sources such as Hydrogen and LNG in line with the aims set out in the new Carbon Management Plan and Orkney's new Energy Strategy.

By working with our partners we have successfully secured €5 million of funding from the Fuel Cells Hydrogen Joint Undertaking to fund the €10.9 million Building Innovative Green Hydrogen Systems in Isolated Territories Project. This project is intended to show how hydrogen technology can heat public buildings and operate Council vehicles, and builds on the Scottish Government's Low Carbon Innovation

Technology Programme's £1.5 million funded Surf 'n' Turf project, to which the Council is a partner, and which aims to generate hydrogen from wind and tidal energy. Hydrogen produced in this way can help to avoid grid limitations by supplying important local demand, for example, the transmission of green hydrogen from otherwise curtailed electricity generation in Eday can be used in Kirkwall to heat and power the harbour. We're also working on providing training on the use of hydrogen in a maritime environment. These projects are aligned with our new Carbon Management Programme 2016-2026.

Target 4.2

Attracting investment, investors and companies

We will develop an Orkney Energy Strategy to guide future investment in infrastructure and the development of assets to provide for future business needs, improving the overall competitiveness of Orkney.



We are still in the process of developing Orkney's Energy Strategy with our partners, and we are doing so by taking into account the Scottish Government's revised strategy. We will be considering a revised draft of the Strategy in February 2017.

In support of renewable energy generation, we will continue to work with the Joint Ministerial Working Group to unlock transmission links to the Scottish Islands.

The intergovernmental working group set up to address the barriers to the deployment of island wind and marine technologies has not met during the past year. The UK Government has launched a further consultation on the treatment of island wind energy which will add further uncertainty and delay to the delivery of a transmission link to Orkney. Since this work is fundamental to the development of the Islands Deal, and to the ongoing sustainability and vibrancy of the sector, we will continue with our efforts to work with the UK and Scottish Governments.

Target 4.3

Managing development

In support of the sustainable management of the area's seas, we will take forward the Marine Spatial Plan for the Pentland Firth and Orkney Waters in partnership with Marine Scotland, and the Highland Council.

The pilot Pentland Firth and Orkney Waters Marine Spatial Plan received ministerial approval in March



2016 and has been adopted as planning guidance by the Council. We have therefore met our target.

We will complete the review of the Orkney Local Development Plan.

Following public consultation over May and June 2016, our proposed Orkney Local Development Plan was submitted to the Scottish Government for examination in September 2016. Presently, the Local Development Plan is on target for adoption by the Council by April 2017.

We will establish a policy position in relation to the establishment of Strategic Areas for wind energy development.

The emerging Orkney Local Development Plan now includes a policy commitment regarding Strategic Wind Energy Development Areas. Throughout the lifetime of the Plan we will investigate potential Strategic Wind Energy Development Areas within which the principle of wind farm development will be supported.

Target 4.4

Benefiting from our renewable resources

We will continue to engage with the Crown Estate Commission and developers and use our findings to inform policy in this area.

During the summer in 2016 the Scottish Government consulted with the public on proposals to establish an interim body to manage the Crown Estate assets in Scotland. Along with Shetland Islands Council and the Western Isles Council, we provided a joint response to the consultation, proposing a pilot scheme to operate in advance of the legislative framework, transferring the assets being agreed in the Scottish Parliament. A commitment has been given to explore this possibility and discussions are continuing with Marine Scotland and the Scottish Government. The Scottish Government launched a public consultation on the long term framework for the devolved management of the Crown Estate in Scotland at the beginning of January 2017.



Target 4.5

Ensuring we can compete

We will work with the Scottish Government and other agencies to facilitate energy export.

We take every opportunity to continue our dialogue on this matter with the Scottish Government, from which there is general support. However, such a connection is a matter for the UK Government, which has launched a further consultation on the treatment of onshore wind. This will delay the delivery of a transmission connection to Orkney.

We will work with the Scottish Government and other agencies such as Ofgem, to facilitate a reduction in Island transmission charges.

We take every opportunity to continue our dialogue with the Scottish Government on this matter, from which there is general support. However, such a connection is a matter for the UK Government, with which there is also a continuing dialogue. This will delay the delivery of a transmission connection to Orkney.

We will continue to explore the potential to facilitate the establishment of an Orkney energy company or agency.

In July 2016 we agreed that the feasibility of an Orkney Energy Supply Company should be explored, which is aligned with our new Carbon Management Programme 2016-2026.

We will support measures that will provide short term solutions to the current electricity export constraints on Orkney's grid.

Many of the short-term solutions have been undertaken by communities who have invested in energy projects as a way of supporting and developing their communities. The Hydrogen Projects in Eday and Shapinsay are two of the initiatives to which the Council is a partner. In July 2016 we agreed to provide resources to investigate the feasibility of Scale Onshore wind in three locations in Orkney, a private wire micro-grid for Council properties in Kirkwall and an Energy Supply Company. Work has been undertaken and is planned to be reported in February 2017.

Target 4.6

Renewables, training, research and facilities

We will work to develop proposals to establish a joint venture arrangement with HIE (Highlands and Islands Enterprise) to develop the Orkney Research Campus.

We have agreed to enter into a partnership with HIE in respect of the future ownership and management of the Orkney Research Campus, and draft design proposals for the buildings have been developed, and we have agreed joint funding with HIE for the project. A decision on an application for grant funding to the Scottish Government Regeneration Capital Grant Fund is awaited.

Target 5.1

A skilled workforce

As a socially responsible employer, we will lead by example and each year provide a number of workplace opportunities for Orkney's young people and long-term unemployed.

Wherever possible, we continue to offer work experience, graduate trainee places and modern apprenticeship places for young people. In 2015/16 this consisted of six work experience, seven graduate trainees, and six modern apprenticeships.

By working with local employers and Skills Development Scotland (SDS), we will develop Foundation apprenticeships in schools.

The Foundation Apprenticeship in Health and Social Care was offered for the session at the start of August 2016, however, there was no uptake at that time, and there will now be further encouragement for uptake in the next session.



Target 5.2

Infrastructure to support business growth

We will deliver bespoke marketing material, positioning Orkney as a place to invest.

We have designed and tested a bespoke template through which our bespoke marketing material will be used flexibly, and designed to meet the Council's web accessibility standard, and it is intended that we will use the template further later in 2017.

We will work with partners and other stakeholders to establish an appropriate level of resource, infrastructure and coordination to manage and maximise the opportunities arising from high volume tourism such as that presented from the cruise sector, whilst ensuring developments are managed sustainably to protect Orkney's assets.

Along with Historic Environment Scotland and Highlands and Islands Enterprise, we have commissioned a study to find sustainable solutions to the challenges that come with Orkney's high volume tourism from both coach tours and cruise-ships.

We will continue in response to the Orkney Prospectus work to develop infrastructure, including harbours, to support inward investment and business growth, whilst managing development in a sustainable way.

The Orkney Prospectus is closely aligned with promoting the Council's Strategic Projects. These projects include potential onshore wind development, a Private Wire Network for Council Properties, Hydrogen Projects, an Energy Supply Company, and an Integrated Waste Facility.

We will ensure that we promote innovative opportunities to utilise our curtailed electricity resources through collaborating in innovative transport and building projects.

We continue to work with our partners to seek innovative projects that will use our curtailed electricity resources, and this is closely aligned to our collaborative hydrogen projects.

Target 6.1

Integrated transport networks

We will work with HITRANS, HIE and Transport Scotland in order to establish, properly fund and deliver strategic transport plans for internal and external air and ferry services at service levels which are equitable with those experienced elsewhere across the Scottish island communities in line with commitments set out in the OIOF prospectus. We will also work with Transport Scotland in order to establish fare levels through appropriate Scottish Government concessions and subsidies which are equitable with those elsewhere in the Scottish islands.

We continue to have significant dialogue with the Scottish Government, with the discussions involving HITRANS and Shetland Islands Council where appropriate, linked to the *Our Island Our Future* and *Islands Deal* initiatives where appropriate. Significant progress has been made with Transport Scotland with agreement reached on a two phased approach to funding arrangements. Phase 1 addresses closure of the funding gap for internal ferry services. Phase 2 considers the long term funding responsibilities for internal air and ferry services and a project plan of meetings and actions for this is in place with Transport Scotland. Fair Fares for the Northern Isles have also been discussed in detail with Transport Scotland and much hope has been placed in the Scottish Government's manifesto commitment to resolve this inequality.

We will improve the local transport network and provide dedicated access to new Hospital facilities through the development of the Scapa Link Road.

We have now opened the link road and it is in use. Currently, there are no other approved local transport network improvement projects, although further improvements may emerge from the development of the Local Transport Strategy which will commence once the Regional Strategy has been completed by HITRANS.



Target 6.2

Orkney's internal ferry and air services

We will use the recommendations from the first stage of the air and ferry study to inform STAG 2 (Scottish Transport Appraisal Guidance).

STAG 2 was completed in the autumn of 2016, the results of which were reported to the Council and made available to Transport Scotland, who accepted the work as a valid basis for the development of an Outline Business Case for the future internal transport provision. This particular action is therefore complete.

We will keep under constant review the infrastructure and resource requirements necessary to ensure that Airfield Operations are operated in line with the Airfield Strategy and Investment Plan priorities and the principle of securing ALARP for all related activity.

We are applying resources and making investments in accordance with the Airfields Strategy, in order to safely operate the service at the ALARP level for risk. All of our processes have been updated and audits and inspections are in place to provide assurance of safe operations. New airfield terminals and garages are under construction with North Ronaldsay and Stronsay now complete, new fire tenders are in location, and runway resurfacing is underway with two airfields now complete. Maintenance of the 100% safety record, and compliance with the annual CAA Audit processes, are now routine. We have therefore met our target.



We will use the outcomes from the STAG refresh to inform our work with the Scottish Government on how ferries will continue to be funded and operated, linked to the Scottish Ferries Plan.

This target relates to the level of activity with the Scottish Government and others to establish adequate and fair financial arrangements for inter-islands travel. Our discussions with the Scottish Government have progressed well, and recommendations have been made to Scottish Ministers by Transport Scotland with regard to closing the funding gap for 2017/18. Ultimate closure of this will be dependent on the 2017/18 budget settlement and is therefore beyond the control of the Council. For the longer term, the STAG2 report has been completed, presented to Council and accepted by Transport Scotland as a suitable basis for moving to the next stage which is the Outline Business Case for the future internal air and ferry transport services. Funding responsibility for this will be part of the next phase of discussions with Transport Scotland. This particular action is therefore complete.

Target 7.1

Preparing ourselves for new legislation

To prepare for the implementation of the Community Empowerment (S) Act following publication of statutory guidance.

The Scottish Government has published part of the final version of the guidance to accompany the Community Empowerment (Scotland) Act 2015. Other parts of the guidance are still in draft. In response, the Orkney Partnership has issued an updated Local Outcomes Improvement Plan and the Council has prepared a draft Asset Transfer Strategy. We are also following up other strands of the legislation, for example, in September 2016 we considered a report on Non-Domestic Rates.

Target 7.2

European Union financial support

We will strengthen the capacity of the EU team to maximise funding for Orkney projects.

The result of the European Union Referendum has created uncertainty regarding the UK's place in, and relationship with, the rest of Europe. We are therefore maintaining a watching brief on the consequences arising from the UK's exit from the European Union which are still to be determined, in order to ensure that any impact on Orkney in

respect of European Union funding streams is minimised. We have secured the resource necessary to support Council participation in the Fuel Cells Hydrogen Joint Undertaking, and resources to support other European funded initiatives are also in place. The UK Government has confirmed support and commitment to Horizon 2020 projects and extended this to all British European Funded initiatives, including European Agricultural Fund for Rural Development (CAP Pillar 2, European Social Fund, European Maritime and Fisheries Fund, European Regional Development Fund), and European Territorial Cooperation and LEADER. We are maintaining a watching brief on this agenda, and are also aware that the consequences arising from the UK's exit from the EU are yet to be determined.

We will consider how we prioritise projects to maximise EU Funding.

During 2016 European Union funding was received for the Business Gateway Local Growth Accelerator Programme, the Orkney Employability



Pipeline Projects, Orkney Employability Pipeline Management, and Poverty and Financial Inclusion. We are continuing to maximise European Union funded opportunities wherever possible.

We will continue to lobby the UK and Scottish Governments on Orkney's interests in relation to EU Funding.

The result of the European Union Referendum has created uncertainty regarding the UK's place in, and relationship with, the rest of Europe. We continue to lobby whenever opportunities present themselves, a process that is of vital importance as the UK Government prepares to trigger Article 50 at the end of March 2017, in order to ensure EU funding and the UK Government's future funding substitute will be maximised.

Target 7.3

Innovation

We will develop new solutions to new challenges. We will take advantage of more efficient and state-of-the-art technologies and approaches to deliver services.

Through our Change Programme, we are taking every opportunity to develop new more efficient technologies and approaches. For example, we are exploring the feasibility of a new waste transfer facility to manage our waste products, and we are looking to introduce a new customer relations management system which will enhance the efficiency and accessibility of Council services.

How well did we perform against the national Local Government Benchmark Framework Indicators

Children's services



Preschool education

In 2015/16, the cost per pre-school registration in Orkney was £3,655.44, which is not as good as the 2014/15 figure of £2,677.84, but is better than the 2015/16 Scottish average of £3,853.71.



Primary education

In 2015/16, the cost per primary school pupil in Orkney was £8,380.77, which is not as good as the 2014/15 figure of £8,036.99, and not as good as the 2015/16 Scottish average of £4,733.06. The cost per primary school place in the three island authorities is higher than in other areas of the country. This is because providing education in our most remote and rural settings requires additional staff, resulting in increased costs.

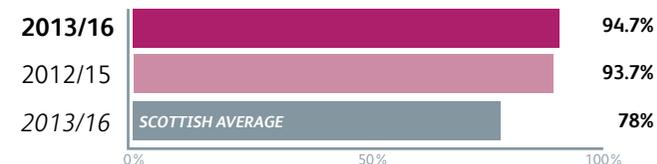


Secondary education

In 2015/16, the cost per secondary school pupil in Orkney was £11,668.74, which is not as good as the 2014/15 figure of 10,920.73, and not as good as the 2015/16 Scottish average of £6,736.84. The cost per secondary school place in the three island authorities is higher than in other areas of the country. This is because providing education in our most remote and rural settings requires additional staff, resulting in increased costs.

In 2015/16, 28% of secondary pupils in Orkney gained 5+ awards at level 6, which is not as good as the 2014/15 figure of 34%, and not as good as the 2015/16 Scottish average of 33%.

Satisfaction with Orkney's schools



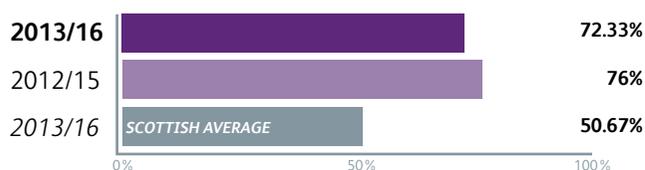
Adult social care

Self-directed support

Self-directed support provides people with more choice in how their support needs are met. In 2015/16, 4.53% of Orkney’s total social work spend went on self-directed support for adults aged 18 years and over, which is better than the 2014/15 figure of 3.44%, but not as good as the 2015/16 Scottish average of 6.65%.

However, if we were to think about the number of people who opt to direct their own support, rather than the percentage of social work spend, Orkney would be the highest. In other areas, support packages, particularly complex, large support packages, can be purchased from third sector or private providers. In Orkney there are few such organisations and most people opt to employ personal assistants to provide their support. Larger and complex packages continue to be provided by the Council. For this reason, the monetary value of our self-directed support spend is less than the Scottish average.

Satisfaction with social care in Orkney



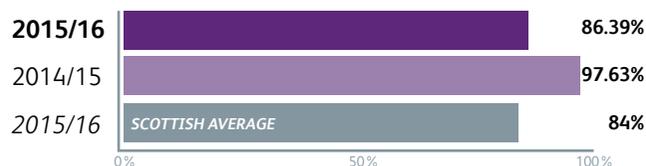
Home care

In 2015/16, 23.78% of people aged 65 and over with intensive care needs in Orkney were receiving care at home, which is not as good as the 2014/15 figure of 40.70%, and not as good as the 2015/16 Scottish average of 34.78%.



There are a number of factors that affect our reported performance in this area. In Orkney many self-directed support payments are used for home care support for people with intensive care needs, and these are not reflected in the currently reported figures. We plan to review how we are approaching reporting in this area to ensure we give a clear picture. In addition, there are some logistical challenges in providing intensive home care support to the more remote islands which may also have an impact.

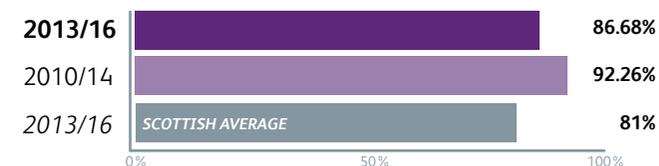
Adults receiving any care or support service in Orkney rated it as excellent or good



Residential care for older people

In 2015/16, the weekly cost per care home resident in Orkney was £746.15, which is better than the 2014/15 figure of £908.46, but not as good as the 2015/16 Scottish average of £368.85. The higher cost of providing residential care in Orkney is due to a number of factors, for example, our care homes meet the needs of older people with very high levels of dependency, and we rarely have to make use of placements out of Orkney, all of which we manage to achieve by having a sufficient number of appropriately trained and supported care home staff which clearly has a cost implication. Other examples include our inability to make cost savings by taking advantage of some of the economies of scale that some larger councils can achieve, and the fact that all of our care homes are provided directly by the Council, which is not always the case in other areas, and which affects overall average costs. We continue, however, to work hard to make the service as efficient as possible although rising utility costs have had an impact on the cost of care home provision this year.

Adults receiving any care or support service in Orkney rated it as excellent or good



Culture and Leisure

Sports facilities

In 2015/16, the cost per sports facility attendance in Orkney was £1.26, which is not as good as the 2014/15 figure of £1.22, but is better than the 2015/16 Scottish average of £2.89.

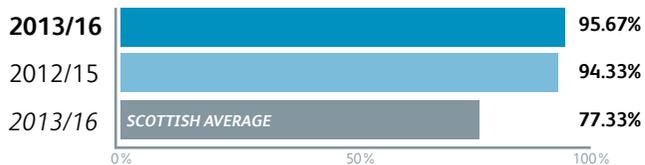
Libraries

In 2015/16, the cost per library visit in Orkney was £2.76, which is better than the 2014/15 figure of £7.26, but not as good as the 2015/16 Scottish average of £2.44.

Our higher costs are due in part to our combined library and archive service, rather than just a library service, and in part to Orkney's lower population and hence lower number of library visits.



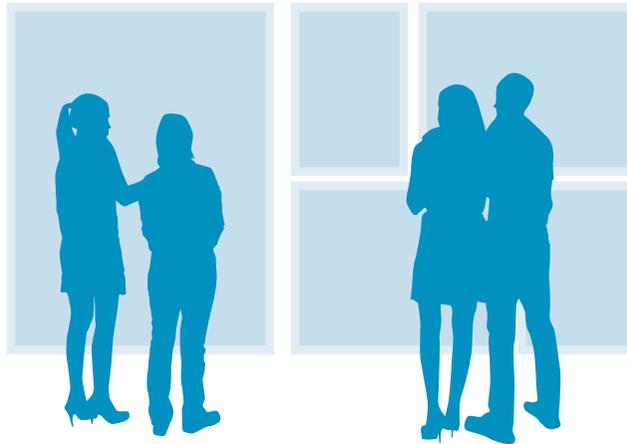
Satisfaction with libraries in Orkney



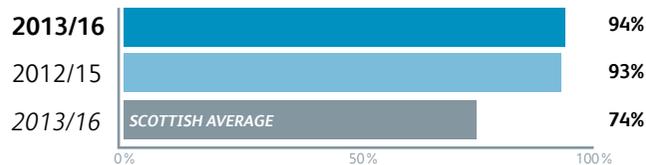
Museums

In 2015/16, the cost per museum visit in Orkney was £5.51, which is better than the 2014/15 figure of £5.82, but not as good as the 2015/16 Scottish average of £3.07.

Our higher costs are due in part to Orkney's museums providing similar levels of service as some larger Scottish mainland sites, but due to our lower population, visitor numbers are significantly lower.



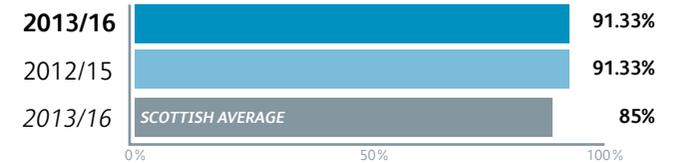
Satisfaction with museums in Orkney



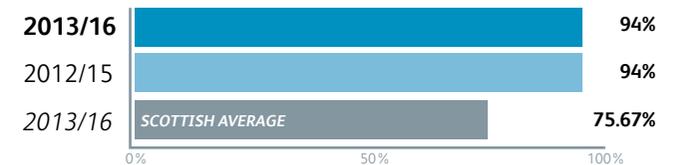
Parks and open spaces

In 2015/16, the cost of parks and open spaces, per 1,000 of Orkney's population, was £15,690, which is better than the 2014/15 figure of £19,314, and is better than the 2015/16 Scottish average of £22,232.

Satisfaction with parks and open spaces



Satisfaction with leisure facilities in Orkney



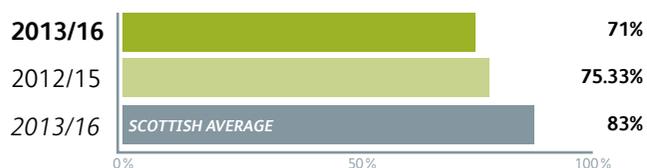
Environmental services

Refuse collection

In 2015/16 the **net cost** of collecting refuse per premise in Orkney was **£46.27**, which is better than the 2014/15 figure of **£47.71**, and is better than the 2015/16 Scottish average of **£65.84**.

We believe that the Alternate Weekly Collection, which was being progressively rolled out during this period, was not positively received by all service users of the new arrangements, and that this affected levels of satisfaction. Had the National survey been undertaken later, when the new arrangements had been bedded-in, it may be that satisfaction would have been higher. Arrangements to help residents of the outer isles recycle more are being put in place in 2017. We have now put in place an additional resource in the form of a Waste Strategy Officer, and will soon put in place two Waste Awareness Raising Officers, who will target poorer performing areas and respond to enquiries from residents, and assist local businesses in better use of local facilities. We believe that this increased support will assist in improving overall satisfaction levels.

Satisfaction with refuse collection in Orkney



Refuse disposal

In 2015/16 the **net cost** of disposing of refuse per premise in Orkney was **£130.64**, which is better than the 2014/15 figure of **£133.25**, but not as good as the 2015/16 Scottish average of **£95.07**.

Here in Orkney we do not landfill our waste, which is shipped for incineration to Shetland. The processing costs in Shetland have increased significantly above inflation, and this has adversely affected our 2014/15 and 2015/16 costs. The development of an Integrated Waste Management Facility for Orkney is one of our priorities, since this would bring to an end shipping to Shetland with its associated transport costs.

Waste recycling

In 2015/16, **19.2%** of Orkney’s waste was recycled, which is better than the 2014/15 figure of **17.3%**, but not as good as the 2015/16 Scottish average of **44.3%**.

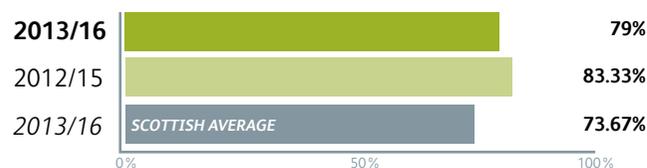
As we have been progressively rolling out the Alternate Weekly Collection from May 2012, so there has been a progressive improvement in recycling rates overall. However, our performance dropped significantly in 2014/15, due to “green waste recycling” no longer counting as recycling, with an improvement in 2015/16. “Green waste recycling” no longer counts in Orkney due to what is known as the Publicly Available Specification 100 Standard, which the Council no longer meets. This is because to achieve this standard our composting facilities and processes would need significant additional investment, which is set to be considered in the near future. Along with the additional resource in the form of a Waste Strategy Officer, and two soon to be in post Waste Awareness Raising Officers, who will target poorer performing areas, it is envisaged that our targeted campaigning to 2019 will result in marked improvements.

Environmental services continued...

Street cleaning

In 2015/16, the cost of street cleaning, per 1,000 of Orkney's population, was £13,244, which is better than the 2014/15 figure of £14,127, and better than the 2015/16 Scottish average of £15,480.

Satisfaction with street cleaning in Orkney*



Environmental cleanliness

A council area's cleanliness score is a measure of the quality of the street cleansing services provided by councils. In 2015/16, Orkney's cleanliness score was 99%, which is slightly lower than the 2014/15 figure of 100%, but is better than the 2015/16 Scottish average of 93%.

Environmental health

In 2015/16, the cost of environmental health, per 1,000 of Orkney's population, was £24,319, which is not as good as the 2014/15 figure of £23,576, and not as good as the 2015/16 Scottish average of £16,849.

In all Scottish councils there is a minimum level of core service required to provide the environmental health service. Despite Orkney's low population base, we still provide a good level of environmental health services to Orkney's consumers, to our diverse business types, and across our dispersed geography. This has an adverse impact on our costs as there are no economies of scale.

Trading standards

In 2015/16, the cost of trading standards, per 1,000 of Orkney's population, was £7,568.10, which is not as good as the 2014/15 figure of £7,086.60, and not as good as the 2015/16 Scottish average of £5,873.30.

In all Scottish councils there is a minimum level of core service required to provide the trading standards service. This has an adverse impact on our costs as there are no economies of scale. Despite Orkney's low population base, we still provide a good level of trading standards services to Orkney's consumers, to our diverse business types, and across our dispersed geography.

Orkney's Roads

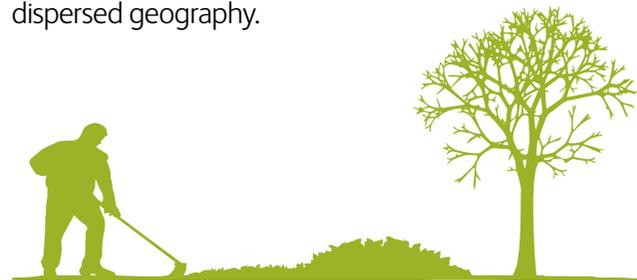
In 2015/16, the cost per kilometre of maintaining Orkney's roads was £4,533, which is not as good as the 2014/15 figure of £3,073, but is better than the 2015/16 Scottish average of £10,791.

In 2014/16, 20.4% of Orkney's A class roads needed to be considered for maintenance treatment, which is not as good as the 2013/15 figure of 18%, but is better than the 2014/16 Scottish average of 29%.

In 2014/16, 18.4% of Orkney's B class roads needed to be considered for maintenance treatment, which is better than the 2013/15 figure of 19.1%, and better than the 2014/16 Scottish average of 34.8%.

In 2014/16, 15% of Orkney's C class roads needed to be considered for maintenance treatment, which is not as good as the 2013/15 figure of 14.4%, but is better than the 2014/16 Scottish average of 34.7%.

In 2012/16, 25% of Orkney's unclassified roads needed to be considered for maintenance treatment, which is slightly better than the 2011/15 figure of 25.9%, and is better than the 2012/16 Scottish average of 40.1%.



Economic development

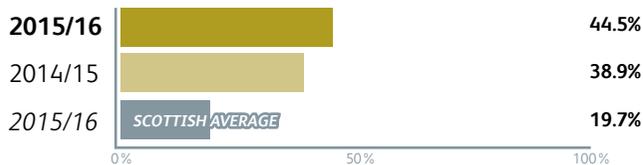
The percentage of unemployed people assisted into work from Council operated/funded Employability Programmes

In 2015/16, 6% of Orkney's unemployed people were assisted into work from Council operated/funded Employability Programmes, which is not as good as the 2014/15 figure of 16%, and is not as good as the 2015/16 Scottish average of 13.91%.



This is due in part to the low unemployment rates and the availability of national employability scheme places allocated to Orkney.

The percentage of procurement spent on local small/medium enterprises



Cost per planning application

In 2015/16, the cost of a planning application was £3,354, which is better than the 2014/15 figure of £3,575.30, and better than the 2015/16 Scottish average of £4,832.

Average Time (Weeks) Per Commercial Planning Application

In 2015/16, commercial planning applications took an average of nine weeks in Orkney, which is better than the 2014/15 figure of 14.8 weeks, and better than 2015/16 Scottish average of 11.2 weeks.



Business gateway start-ups

In 2015/16, the number of business gateway start-ups, per 10,000 of Orkney's population, was 19.8, which is not as good as the 2014/15 figure of 22.2, but is better than the 2015/16 Scottish average of 16.9.



Council management

The democratic core

Scottish councils each have a ‘democratic core’ made up of tax collection, housing benefit administration, registration of births deaths and marriages, emergency planning, licensing and elections.

In 2015/16, the cost of the Council’s democratic core, per 1,000 of Orkney’s population, was £152,699.58, which is not as good as the 2014/15 figure of £ 142,843.91, and not as good as the 2015/16 Scottish average of £ 29,980.64.

In all Scottish councils there is a minimum level of core service required to support the democratic function, whatever the size of the council. Rural and island councils also incur higher costs for travel and accommodation to enable elected members to attend meetings. For these reasons our costs, in common with the other two island authorities, are significantly higher than the Scottish average. The main reason for the increased costs in 2015/16 is the increased spending in relation to Council priorities.



Central support services

In 2015/16, 6.4% of the Council’s total gross expenditure was spent on its central support services, which is not as good as the 2014/15 figure of 6.3%, and not as good as the 2015/16 Scottish average of 5.4%.

As the value of front-line service budgets reduces year on year, so the proportion of fixed and essential central support costs against these budgets has increased very slightly, despite decreases in central support service budgets.

Council staff

In 2015/16, an average of 9.27 work days per Council employee was lost due to sickness absence, which is not as good as the 2014/15 figure of 8.8 work days, but is better than the 2015/16 Scottish average of 10.63 work days.

In 2015/16, an average of 8.11 work days per teacher in Orkney was lost due to sickness absence, which is not as good as the 2014/15 figure of 6.48 work days, and not as good as the 2015/16 Scottish average of 6.12 work days. Although we are behind the Scottish average, absence management continues to be a priority within Orkney’s schools.



In 2015/16, of the Council’s highest paid 5% of employees, 28.42% of these were women, which is better than the 2014/15 figure of 28.26%, but not as good as the 2015/16 Scottish average of 51.89%.

As a Harbour Authority, Orkney Islands Council provides Marine Services, which with its largely male workforce adversely impacts on the gender balance within the highest paid 5% of staff in comparison to councils that do not provide such a service.

In 2015/16, the Council’s gender pay gap was £8.95, which is not as good as the 2015/16 Scottish average of £0.95. The gender pay gap indicator is a measurement of average female pay versus average male pay within the organisation and the figures show that the Council has more male staff at higher rates of pay proportionately than female staff. This is

Council management continued...

partly due to the fact Orkney Islands Council does not contract out many areas of frontline service such as care, cleaning and catering, which traditionally have largely female workforces, when compared to other Councils which do contract out these areas of work.

Council Tax

In 2015/16, 97.97% of income due from the Council Tax in Orkney was successfully collected, which is better than the 2014/15 figure of 97.82%, and is better than the 2015/16 Scottish average of 96.24%.

In 2015/16, the cost of collecting the Council Tax in Orkney was £18.90 per dwelling, which is better than the 2014/15 figure of £19.35, but not as good as the 2015/16 Scottish average of £10.34.

Although net Council Tax collection costs remain higher in Orkney than the Scottish average, Orkney's costs have reduced by almost 30% over the past six years.



Invoice payments

In 2015/16, 79.21% of invoices to the Council were paid within 30 days, which is better than the 2014/15 figure of 77.16%, but not as good as the 2015/16 Scottish average of 92.77%.

Invoice payment within 30 days will be improved by the introduction of electronic purchase ordering which would speed up the whole process. This will be implemented as part of the Council's Change Programme.

Nuisance noise

In 2015/16, it took an average of 988.7 hours from the time a complaint about domestic noise was received and attendance on site by a Council officer (for those complaints requiring attendance on site), which is not as good as the 2014/15 time of 438 hours, and not as good as the 2015/16 Scottish average of 70.3 hours.

The Council received 66 complaints about domestic noise from members of the public or via Police Scotland. Issues at 63 addresses were resolved without the need for a Council Officer to attend. As we are unable to provide a 24 hour, seven day a week service, complaints occurring outside office hours are attended by our partner agency, Police Scotland, where appropriate. Responses by the Police and alternative responses by the Council, such as activities under antisocial behaviour legislation, are not taken into account within the average timescales figures detailed above.



Council housing



Rent loss

In 2015/16, the level of Council house tenant rent arrears in Orkney was 6.74%, which is not as good as the 2014/15 figure of 6.57%, and not as good as the 2015/16 Scottish average of 6.25%.

We continue to have a prudent approach to writing off Council house tenant arrears, and in this period wrote off only 7%, as compared to the Scottish average of 26%. This has an impact on the level of arrears here in Orkney as we aim to collect rather than write-off debt.

In 2015/16, 1.55% of Council house rent due in Orkney was lost due to properties being unoccupied, which is better than the 2014/15

figure of 1.61%, but not as good as the 2015/16 Scottish average of 1.05%.

Orkney's geography has an impact on our ability to let Council houses in some areas. The number of properties which are vacant in areas of low demand including some island areas, varies from year to year, where re-letting the properties may be challenging.

Housing quality

In 2015/16, 85.82% of Council housing in Orkney met the Scottish Housing Quality Standard, which is better than the 2014/15 figure of 85.11%, but not as good as the 2015/16 Scottish average of 92.5%.

In 2015/16, 89.05% of Council housing in Orkney was energy efficient, this being one aspect of the Scottish Housing Quality Standards, which is not as good as the 2014/15 figure of 90.72%, and not as good as the 2015/16 Scottish average of 96.16%.

Generally, we have continued to make progress towards meeting the Scottish Housing Quality Standard, which we were required to achieve by 2015 and to maintain this standard thereafter. In Orkney the main challenges are meeting the requirements for insulating traditional properties and installing appropriately efficient heating systems, since mains gas is not available. We have therefore focussed on a range of modern technologies to deliver the required standards.

We are now underway with planning to meet the new Energy Efficiency Standard for Social Housing by 2020. As well as a storage heating upgrade programme, we have also secured funding from the Scottish Government to upgrade the floor insulation to 100+ properties and therefore expect to report significant progress for 2016/17.



Council housing continued...

Repair times

In 2015/16, it took an average of 11.24 working days to complete non-emergency repairs to Council housing in Orkney, which is better than the 2014/15 figure of 11.26 working days, but not as good as the 2015/16 Scottish average of 9.38 working days.

We continue to work closely with our maintenance contractors and have highlighted to them the need for improved performance. In addition we have been implementing new systems to monitor and report on performance and have implemented a new asset management system linked to our main Measured Term Contractor to provide a more efficient system. This will take a period to become fully established, but in the longer term will provide a better service for our tenants.



Council buildings

Council building suitability

In 2015/16, 84.5% of Council buildings were found to be suitable for their current use, which is better than the 2014/15 figure of 83%, and better than the 2015/16 Scottish average of 79.4%.

Council building condition

In 2015/16, 96.1% of the internal floor area of the Council's operational buildings was found to be in satisfactory condition, which is better than the 2014/15 figure of 96%, and better than the 2015/16 Scottish average of 81.5%.



Some of the images in this document were taken by:

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