



Annual Performance Report 2017/18

This is our fifteenth Annual Performance Report, and in it we provide a range of information on how we performed in 2017/18.



Introduction

Welcome to Orkney Islands Council’s Annual Performance Report for 2017 to 2018. The report aims to present a balanced picture of the council’s performance over the last year, highlighting areas where we performed well as well as areas where we need to improve.

The first section of the report shows our performance and progress against targets in the Council Delivery Plan 2015 to 2018. The council has since adopted a new plan for the next five years – 2018 to 2023 – and while most of the information in this report focusses on the older plan, references are made to the new plan, where appropriate, to reflect the most recent progress.

The second part of the report compares our performance against the Local Government Benchmark indicators in 2017 to 2018. In this section you will also find information on the previous year’s performance and be able to compare our performance against the Scottish average.

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 at:

<http://www.orkney.gov.uk/Service-Directory/Performance/performance.htm>

For more detailed performance information on the Local Government Benchmark Framework Indicators, please visit the Improvement Service’s website at: <http://scotland.mylocalcouncil.info>

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 01856873535; or by emailing hrrsupport@orkney.gov.uk

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

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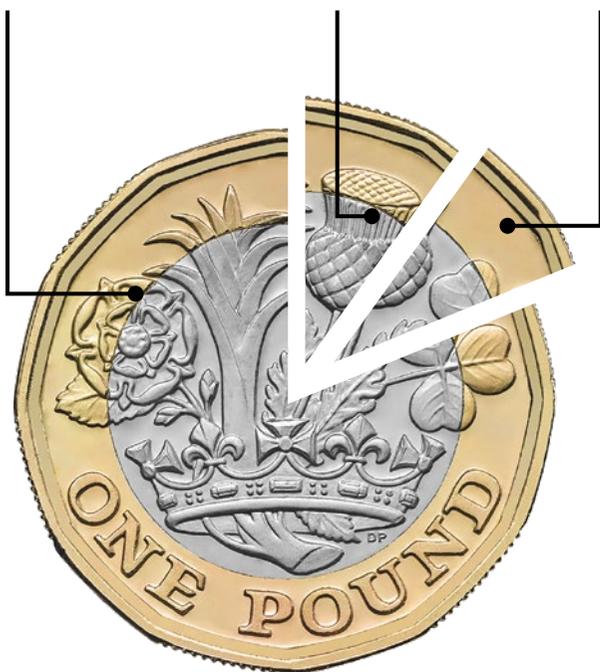


Our budget

Where the money comes from

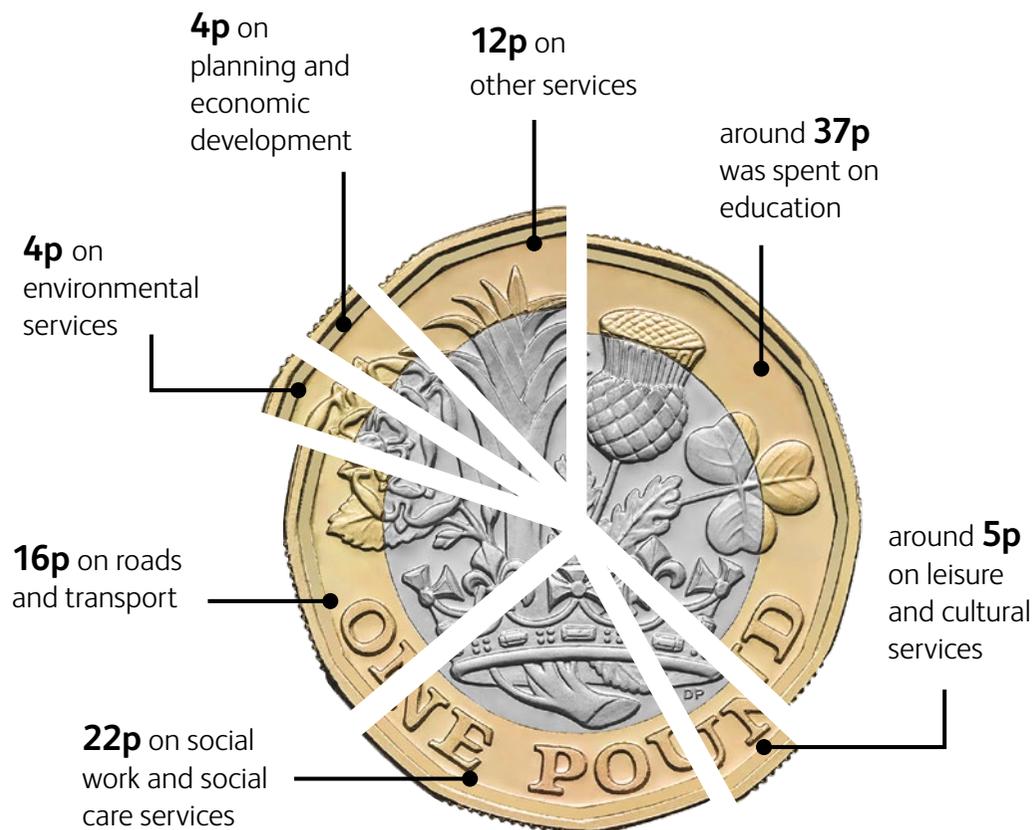
For every £1 that we received to spend on Council services in 2017/18...

81p came from the Scottish Government around **10p** came from your annual council tax charge and **9p** from our reserve funds.



...and how the money's spent

For every £1 that we spent on Council services in 2017/18...



In 2017 to 2018 our budget was **£82.441**, which was more than our 2016 to 2017 budget of **£79.163M**.

Part 1: Progress towards meeting the targets set out within the Council Delivery Plan 2015 to 2018

Target 1.1

Improved care facilities in Orkney

Provide additional residential care capacity for older people in Stromness.

The new St Peter's House build is progressing well and remains due for contractor completion in August 2019. Then there will be a period of fitting out, a public open day, and staff familiarisation and training, before the transfer of the existing residents takes place. A date for the new facility becoming operational will therefore be set in due course.

Provide additional residential care capacity for older people in Kirkwall.

A submission for planning approval has been made for the replacement build for St Rognvald's House. The project will go out to tender later in 2019 and the completion date remains 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 Action Plan (2017 to 2020) has three key priorities:

- **Wellbeing** – working together to ensure that children and young people have the opportunity to experience activities that will help them to be safe, healthy, achieving, nurtured, active, respected, responsible and included.
- **Relationships** – working together to ensure that there is a consistent approach to recognising that children are rich in potential, strong, powerful, and competent; realising that the best outcomes are achieved when we pay attention to relationships and 'how' we work together.
- **Poverty and Rural Disadvantage** – working together to ensure that Orkney's potential (through connecting people, community, activity and services) is maximised to limit negative outcomes and ensure equality of opportunity for children and young people.



Target 1.3

The impact of Welfare Reform on members of our community

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

This relates to Scottish Government funding to ensure that all tenants affected by the Spare Room Subsidy, often referred to as the 'Bedroom Tax', were entitled to Discretionary Housing Payments to make up the shortfall in Housing Benefits Payments. This action was reported as complete at the Council's Policy and Resources Committee meeting on 20 June 2017.

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.

Orkney has the worst broadband internet speeds and coverage across the UK's 390 council areas. The Scottish Government Reaching 100% (R100) Programme is a plan to extend superfast broadband access to every home and business in the country in Scotland by 2021. The Council continues to lobby the Scottish and UK Governments to ensure resources are targeted at areas with the poorest speeds and coverage.

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 have continued to signpost residents to the Better Broadband Subsidy Scheme.



Target 2.2

Communities and schools

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

With support from our Change Programme, the Education Service has been looking at the viability of our schools. Recommendations in relation to the survival and sustainability of learning in our communities were agreed in November 2017, and these will now be taken forward as part of the ongoing work in relation to the 'Orkney's Learning Landscape' project.



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.

In response to the Scottish Government's National Improvement Framework a five-year Improvement Plan highlighting how the collective service will raise attainment was ratified by the Council, and the implementation of this Improvement Plan is now in progress. Significant engagement in moderation of pupils' assessment took place across all schools to support the development of consistent accuracy in awarding and reporting on pupil progress. There was a focus on writing, mathematics and talking and listening during this period. Teaching and learning style development of early and first-level literacy and numeracy is in year two of development. All schools have engaged in one of the projects.

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 and employment opportunities.

In addition to traditional school-based Scottish Qualification Awards the Orkney Offer Senior Phase option offered:

Course	Number on Course
Skills for Work: Construction Nat 4	22
Skills for Work: Early Years Nat 4	15
Skills for Work: Early Years Nat 5	1
Skills for Work: Maritime Nat 5	10
Skills for Work: Rural Skills Nat 4	9
Skills for Work: Engineering Nat 5	13
Skills for Work: Hairdressing Nat 4	11
Skills for Work: Hospitality Nat 4	4
Coastal Navigation	7
NPA Cyber Security and Games Design	15
Higher: Care	9
Higher: Childcare and Development	9
Higher: Psychology	24

Target 2.3

Regenerating Kirkwall Town Centre

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

The Kirkwall Townscape Heritage Initiative ‘Places and Spaces’ programme identified a number of areas for public realm improvements and, following public consultation on the proposals, funding was secured to undertake works at the head of Victoria Street, the junction of Albert Street, Broad Street and Castle Street, and to improve pedestrian access to the War Memorial and on to St Magnus Cathedral. Work commenced at the start of 2019 and will be completed in Spring 2020.

We will continue to provide support to the Kirkwall BID (Business Improvement District) including the refresh of their business plan.

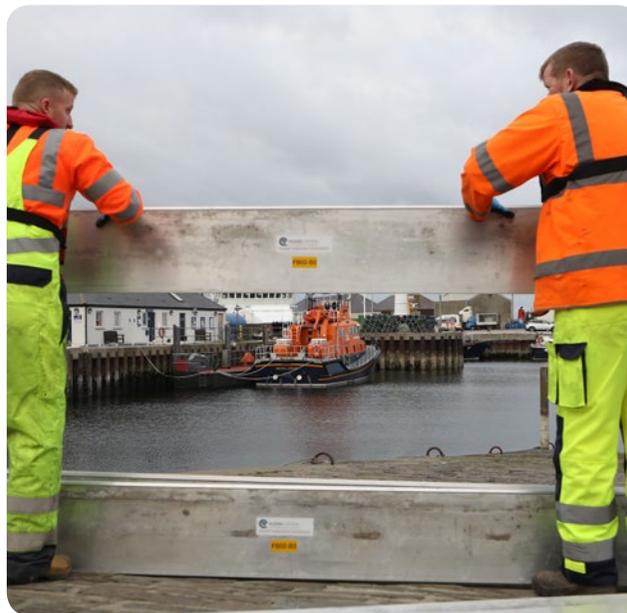
Following the end of first five-year term of the Kirkwall BID, a successful renewal ballot took place on 1 March 2018 giving Kirkwall BID Limited the mandate to continue to deliver the Business Improvement District for Kirkwall businesses for a further five-year term. We have signed an Operating Agreement with Kirkwall BID Ltd and established a Discretionary BID Fund to enable Kirkwall BID to develop projects over the next five years.

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.

The Kirkwall Harbour flood defence work is scheduled for completion, including training and deployment procedures, in Autumn 2018. Further work with flood risk management at St Margaret’s Hope has commenced but, to date, the work has not progressed to the point where it is able to attract further 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.

The Empowering Communities project has provided a part-time Island Link Officer on four islands – Papa Westray, Stronsay, Hoy and Sanday – to assist island residents to access Council services, improve communication, and develop community projects. The Empowering Communities project continues to deliver the islands’ action plans but will be reviewed, together with the communities, to see how it can further develop to support efficient service delivery in remote 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.

Building on the success of the Stromness Warehouse Building, we have been looking at more flexible office accommodation in Kirkwall. This is being taken forward as a Council project, but progress is slow due to higher priorities.



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 service and our Economic Development Service which administers the Leader Programme and the Community Development Fund, with support and advice being provided in response to inquiries from the community. Core funding has been provided during 2018 to support the Development Trusts in Papa Westray and North Ronaldsay. In addition, Community Development Fund grant applications for several community projects were approved including upgrades to the Deerness Hall and the Sandwick Community Centre.

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.

Delays in delivery of a transmission connection to Orkney and the announcement by The Crown Estate of a new leasing round during 2019 for offshore wind, including Orkney waters, has resulted in the Council's draft policy no longer being up to date.

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.

Our strategy is reviewed annually, with some actions having been completed and others making good progress. However, some actions have not yet been progressed due to other priorities, for example, the work on the delivery of the Scapa Flow Visitor Museum, as well as staff capacity issues within partner services.

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.

A funding application was submitted to the Heritage Lottery Fund (HLF) in October 2017 with an announcement in March 2018 that the bid was successful in securing £3 million. Historic Environment Scotland is providing further grant funding of £650,000 with the additional funding secured primarily from project partners. A Project Manager was appointed in August 2018 with the three additional members of the team required to deliver the project recruited in November/December 2018. The project team is based at Atholl House in Albert Street, Kirkwall.

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

We are continuing to raise and maintain awareness of the part that Orkney is playing in WW1 National Commemorations. Community-led events to mark the scuttling of the German High Seas Fleet in Scapa Flow will take place in 2019. Work with schools and many other partner groups will be an important part of the programme. Orkney's Museums will be hosting important exhibitions linked to this theme. The Scapa Flow Museum is currently closed for refurbishment and development.

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.

Work on developing a strategic masterplan approach for considering infrastructure and visitor management in the World Heritage Site is progressing. The Council, in association with Highlands and Islands Enterprise, has also commissioned a feasibility study in relation to development of a World Heritage Site 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.

A Stage 1 Capital Project Appraisal (CPA) has been approved by council for the development of waste management options. A technical assessment of potential solutions will be procured in 2018 to 2019 for a CPA 2 submission in 2019 to 2020.

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

The five-year improvement plan is at its mid-point. Several issues have arisen with land ownership, groundwater survey findings, and archaeology, resulting in some delays. However, extension work is advancing and new lairs are being created to meet demands. The programme was planned for completion in 2020, but this has been revised to 2021.

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).

The Council and Orkney Housing Association Limited (OHAL) are reducing the scale of new build development programmes due to the significant build programme that was undertaken since 2010. The Council's development at Carness Road has been delayed and is not yet on site. This has restricted the number of completions. The Council did not complete any properties in 2017 to 2018 and OHAL completed 38, including 34 rented and four new supply shared equity.





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.

We are working with private sector developers and the Scottish Government to try and ensure that local developers can access as much low-cost home ownership development funding as possible. LINK Housing Association have taken on the contract to manage Open Market Shared Equity (OMSE) across Scotland and we are in discussions with LINK about how the use of OMSE in Orkney can be maximised, including properties being built especially for OMSE. We are also working with seven development trusts and two other organisations to help them to access Islands Housing Fund funding for new build 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 findings was issued in March 2017.

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

Since April 2018 six new housing loans have been approved.

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

The Council continues to provide six bed spaces within Council-managed student housing. Additional work is ongoing with the private sector, the University of the Highlands and Islands and Heriot Watt University, to investigate other options for student housing provision.

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.

Work is ongoing to bring the Council's housing stock up to the Energy Efficiency Standard for Social Housing (ESSH) by 2020, with the expectation that the Scottish Government will then introduce a higher ESSH2 standard. The Council continues to work with Firefly Energi (Orkney) on the Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS: ABS). One-hundred-and-twenty-two households received insulation installations in 2017 to 2018 with a total HEEPS: ABS funding spend of £1.024 million. The Council was successful with a bid for £1.343 million in funding from the National Grid, for around 200 heating installations in private sector properties, and this funding will be used alongside HEEPS: ABS.



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.

The scale wind, private wire and waste management projects continue to advance through the Capital Project Appraisal process. Equally, the council's property improvements, through the Property Capital Programme, continue to focus on energy reduction improvements through insulation-focused solutions. This is a progressive strategy to see stepped improvements in meeting carbon reduction goals.

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.

The more innovative approaches in terms of alternate fuels and new marine options for ferries continues, and this work has several interdependencies and partners. The hydrogen refuelling station at Hatston has been in operation and the Shapinsay works are reaching completion, despite significant technical delays by others. The planned hydrogen strategy update will be considered by elected members in 2019.

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.

The Orkney Sustainable Energy Strategy was completed and launched by the Scottish Government Energy Minister during a visit to Orkney in September 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 UK Government Department for Business, Energy and Industrial Strategy has issued its Contract for Difference (CfD) Draft Allocation notice, allocating a £60m budget for “less-established” Pot 2 technologies, for the delivery years 2023 to 2024 and 2024 to 2025. Remote island wind providers are eligible to bid for contracts at the next CfD auctions, which will take place in May 2019 and then every following two years.

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 Scottish Government ministerial approval in March 2016 and has been adopted as planning guidance by the Council. The Scottish Government announced that Orkney would be the next region to establish a Marine Planning Partnership to deliver statutory regional marine planning. It is expected that the Partnership will be established in the Spring/Summer of 2019.





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

The Local Development Plan was reviewed and formally adopted on 18 April 2017. Following a review of the Planning System in Scotland a new Planning Act is to be enacted by the Scottish Parliament in 2019. We are awaiting details of the changes expected to the legislation covering the preparation of Local Development Plans, prior to commencing a review of our current Plan.

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

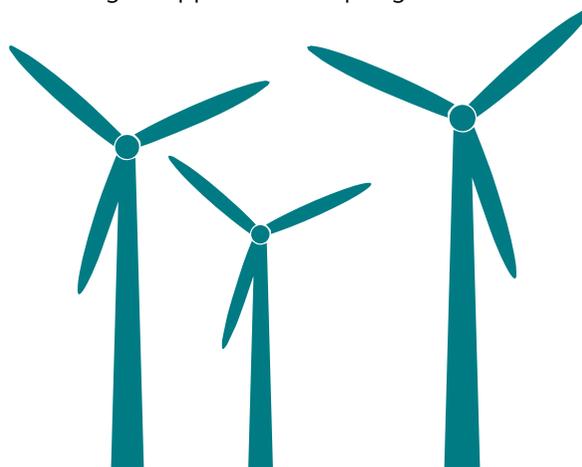
The Local Development Plan includes a policy indicating that the Council supports identification of potential Strategic Wind Energy Development Areas within which the principle of wind farm developments will be supported, subject to appropriate assessment and full public consultation.

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.

The Crown Estate's management duties were transferred to the Scottish Government on 1 April 2017 and a new interim public body, Crown Estate Scotland, was established to manage the assets in Scotland. The ultimate objective of the three Islands Councils is to gain control over the management and net income of the Crown Estate assets for their own areas. Following an invitation from Crown Estate Scotland for submission of applications from local authorities and other community bodies on how they could improve the economic, social and environmental well-being of their local area by managing Crown Estates assets, the Council will be submitting an application in Spring 2019.



Target 4.5

Ensuring we can compete

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

The Scottish Government continue to support our efforts for 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.

Scottish and Southern Energy Networks submitted a Needs Case to the regulator, Office of Gas and Electricity Markets (Ofgem) in 2017. Ofgem has indicated they will conditionally approve the Final Needs Case for the Orkney transmission project.





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

Progress on the development of options for an energy supply company has been reported to elected members. However, following a recent procurement exercise, the preferred supplier has now ceased trading. Therefore, further options are being explored while considering that a planned national roll-out of some form of energy company by the Scottish Government is progressing.

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

This work is tied into the ongoing development of wider wind and wire projects and we are hoping to develop these projects to the planning submission stage by December 2020, subject to funding. The aim is to secure new cables to Orkney and export electricity to generate income for significant community benefit.

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 in Stromness.

Designs were developed by Threesixty Architecture with planning and building warrant applications submitted and approved. A contract for the £5.4 million works was awarded to R. Clouston Ltd in March 2018. Work commenced in April 2018 and is expected to be completed by the end of 2019.



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.

The Developing the Young Workforce Project Manager continues to implement the action plan promoting employer engagement in work experience and apprenticeships. The Executive Directors of Education, Leisure and Housing and Development and Infrastructure are in the process of auditing our strategic structures for employability work-streams to establish a revised improvement schedule for this area.

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

Foundation Apprenticeship courses are now formal options within the Orkney Offer Senior Phase course choices. In this period three Foundation Apprenticeship offers were made in Business Skills, Engineering and Social Services: Healthcare.



Target 5.2

Infrastructure to support business growth

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

A Hydrogen Strategy Roadmap is being developed as well as a Port Masterplan and Business Plan. The Economic Development service has held two seminars with Councillors on the Development and Infrastructure Committee and is planning to report on revised service priorities during 2019. This will include a focus on internationalisation. Increasing focus on Nordic/Arctic Circle work is also expected as part of this new agenda.

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 commissioned a study to find sustainable solutions to the challenges that come with Orkney's high-volume tourism, from both cruise ships and coaches, which was reported to the Council in September 2017. A Tourism Strategy and Action Plan is now being progressed, in partnership with the new

local destination management body Destination Orkney, and other key stakeholders. Funding applications for several Orkney tourism projects are to be submitted to the Scottish Government Rural Tourism Infrastructure Fund in 2019.

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.

We are continuing to progress strategic projects, including preparation of targeted marketing material for Orkney, with a view to establishing a refreshed inward investment approach during 2019.

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, Strategic Wind, and Private Wire project activities. Involvement in the HYSEAS III hydrogen ferry project and the shore power/cold ironing proposals for the MV Hamnavoe will also have a significant draw on surplus energy. Involvement in Innovate UK Reflex project, which is being led by EMEC, is also now underway.

Target 6.1

Integrated transport networks

We will work with Transport Scotland, HITRANS and others to develop internal air and ferry services in line with the outcome of the Strategic Business Case produced as part of the STAG (Scottish Transport Appraisal Guidance) process.

The Orkney and Shetland Inter-Island Transport Working Group continued to meet regularly throughout 2017 to 2018, with representatives from Orkney Islands Council, Shetland Islands Council, HITRANS, Transport Scotland and Highlands and Islands Enterprise. The agenda focussed on developing fair funding principles for internal ferry services. However, preparing the outline business case has been delayed until 2019.

We will work with Transport Scotland to develop a funding and responsibility arrangement with the Scottish Government for internal air and ferry services which is equitable with arrangements in the Western Isles.

Work continued to seek funding from the Scottish Government to support the delivery of proper levels of lifeline internal ferry services. In January 2018 the Council welcomed the announcement by the Finance Secretary, Derek Mackay MSP, that £5.5 million in additional funding for Orkney's inter-island ferry service would be included in the Scottish Government's budget for 2018 to 2019.



We will work with Transport Scotland and others to develop service levels and fare levels for transport between Orkney and the Scottish Mainland which are equitable with those on Scotland's west coast.

Officials continue to meet regularly as part of the Orkney and Shetland Transport Working Group which also considers the Northern Isles Ferry Services. Transport Scotland continued to conduct a comprehensive review of ferry freight fares although there is no commitment to a timescale for this study. The study Working Group agreed on a preferred freight fares structure, which is on a cost-neutral basis, at a meeting in March 2017, and since then, Transport Scotland officials have been conducting further analysis to assess the impact of any potential changes on individual fares, hauliers and sectors. There was a commitment by Scottish Ministers to introduce reduced fares on ferry services to Orkney and Shetland before the end of June 2018.

We will improve the local transport network in Kirkwall by providing dedicated access to new Hospital facilities through development of the Scapa link road.

As reported in last year's Annual Performance Report, the link road is open and in use.

Target 6.2

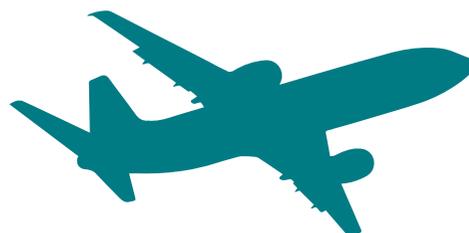
Orkney's internal ferry and air services

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

The preparatory work for the outline business cases was undertaken, although the commissioning of the studies has been delayed until 2019.

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 reducing risk to 'as low as reasonably practicable' for all related activity.

New airfield terminal buildings have been built on North Ronaldsay and Sanday, and new garages at Eday, Papa Westray, Stronsay and Westray are now complete. New fire engines are in location, a regional spare has been purchased, and runway resurfacing at all six airfields is now complete. The apron at Westray has been resurfaced and a new car park has been constructed at Sanday.



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 regarding closing the funding gap for 2018 to 2019. For the longer term, the STAG 2 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.



Target 7.1

Preparing ourselves for new legislation

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

In June 2018, the Council published its Annual Report for 2017 to 2018 on Parts 3 and 5 of the Community Empowerment (Scotland) Act 2015, covering Participation Requests and Community Asset Transfer Requests. During the year, new policy and guidance on both was approved by the Council and published online, and promotional events organised to raise awareness. One asset transfer request was received during the year but was withdrawn prior to validation. No participation requests were received during 2017 to 2018 but two were received later in 2018, details of which will be included in the Annual Report 2018 to 2019.

With regard to Part 2 of the Act, Community Planning, the Orkney Partnership reviewed and refocused its strategic priorities during 2017 to 2018, remodelled its three Delivery Groups and updated its Local Outcomes Improvement Plan to reflect its revised priorities. The Partnership also completed its first Locality Plan, which was published in June 2018. The locality selected was the non-linked isles, in light of their particular socio-economic challenges, and an associated action plan is now being progressed by the Delivery Groups.

With regard to Part 10 of the Act, Participation in Public Decision-Making, residents of the isles progressed the projects they had selected for funding in Your Island Your Choice, their first participatory budgeting exercise. The Council meantime was tasked by COSLA and the Scottish Government to mainstream participatory budgeting by 2021, and began to consider how this might be achieved in Orkney.

Target 7.2

European Union financial support

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

In terms of delivery of projects, an additional temporary post of Assistant Project Officer was appointed in July 2017 to assist in the delivery of the LEADER programme and the community element of the Fisheries Fund.

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

Key projects securing EU funding in the last 18 months include a major upgrade of the harbour at Pierowall, Westray, which secured £1.7 million from the European Maritime and Fisheries Fund, and a low-carbon project in Stromness which will provide 'green' electrical power to the MV Hamnavoe which secured £670,000 from the European Regional Development Fund.

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

The UK Government has proposed a new fund – the UK Shared Prosperity Fund (SPF) – to replace European Union Funds. The structure of the SPF and how the fund will be deployed is still to be determined. The Council has submitted initial views on the operation of the SPF to the UK Government.

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.

The Waste Project has been progressed through the Capital Project Appraisal approval process. It is planned to report a full options appraisal/ Capital Project Appraisal 2 to Council during 2019. The Change Team has also been supporting the Operations Service Team in a review of the waste service specifications in line with the approved budget strategy. This will include exploration of the potential for community-based models, alongside reduction in some service areas, for example, frequency of collection to match budget pressures.

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

***Please note that some of the monitoring periods in this section differ. For example, most are for 2017 to 2018, but some maybe for 2015 to 2018 or 2014 to 2018. This is because all the figures in this section are national figures and are generated by different organisations for different purposes. The important point for this Annual Performance Report, however, is that we use only the most up to date figures.**

Children’s services



Preschool education

In 2017/18, the cost per pre-school registration in Orkney was £3,805, which is less than the 2016/17 figure of £3,978, and the 2017/18 Scottish average of £4,463.

In 2017/18, Orkney’s funded early years provision which was graded good or better was 90%, which is not as good as the 2016/17 figure of 94.74%, or the 2017/18 Scottish average of 91.03%.



Primary education

In 2017/18, the cost per primary school pupil in Orkney was £8,315, which is less than the 2016/17 figure of £8,423, but significantly more than the 2017/18 Scottish average of £4,974.

The cost per primary school place in the three island authorities is generally significantly 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. The cost per pupil in Orkney is lower than in the Western Isles, but higher than in Shetland.

Secondary education

In 2017/18, the cost per secondary school pupil in Orkney was £11,559, which is less than the 2016/17 figure of £12,196, but significantly more than the 2017/18 Scottish average of £6,879.

The cost per secondary school place in the three island authorities is generally significantly 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. The cost per pupil in Orkney is higher than in the Western Isles and Shetland.

In 2017/18, 68% of secondary pupils in Orkney gained 5+ awards at level 5, which is better than the 2016/17 figure of 65%, and the 2017/18 Scottish average of 62%.

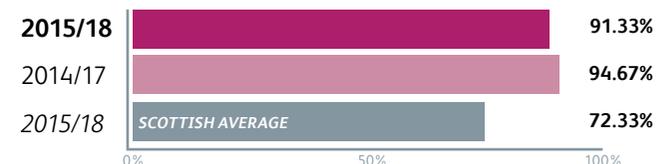
In 2017/18, 33% of secondary pupils in Orkney gained 5+ awards at level 6, which is not as good as the 2016/17 figure of 39%, or the 2017/18 Scottish average of 34%.

Participation rates amongst 16 to 19-year-olds

In 2017/18, participation in learning, training or work among Orkney’s 16 to 19-year-olds was 95.3%, which is better than the 2016/17 figure of 93.8%, and the 2017/18 Scottish average of 91.8%.



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 2017/18, 6.39% of Orkney's total social work spend went on self-directed support for adults aged 18 years and over, which is more than the 2016/17 figure of 5.15%, but less than the 2017/18 Scottish average of 6.74%.

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.

In 2017/18, 94.32% of adults receiving care or support in Orkney rated it as excellent or good, which is better than the 2015/16 figure of 86.93%, and the 2017/18 Scottish average of 80.18%.



Home care

In 2017/18, the hourly cost of providing home care for people aged 65 or over in Orkney was £37.33, which is more than the 2016/17 figure of £36.09, and the 2017/18 Scottish average of £23.76.

Here in Orkney, we provide home care services within the Council rather than through contracting out to private providers, as may be the case with some other Scottish councils. Although there would likely be savings by contracting out home care to the private sector, this is not possible in Orkney due to the current small-scale of private sector providers who could take on the delivery of this service.

In 2017/18, 96.57% of adults in Orkney who are supported at home agreed that their care had a positive impact on improving or maintaining their quality of life, which is better than the 2015/16 figure of 86.68%, and the 2017/18 Scottish average of 79.79%.

Residential care for older people

In 2017/18, the residential cost per week per resident for people in Orkney aged over 65 or over was £871, which was more than the 2016/17 figure of £744, and significantly more than the 2017/18 Scottish average of £386.

The higher cost of providing residential care in Orkney is due to several factors. 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 being unable 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 our care homes are provided directly by the Council which is not the case in other areas. We continue, however, to work hard to make the service as efficient as possible although rising running costs continue to make an impact on the cost of care home provision.

In 2017/18, 94.32% of adults receiving care or support in Orkney rated it as excellent or good, which is better than the 2015/16 figure of 86.93%, and the 2017/18 Scottish average of 80.18%.

Culture and Leisure

Sports facilities

In 2017/18, the cost per attendance at sports facilities in Orkney was £1.07, which is less than the 2016/17 figure of £1.19, and the 2017/18 Scottish average of £2.71.

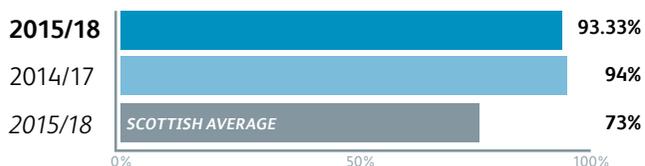
Libraries

In 2017/18, the cost per library visit in Orkney was £2.65, which is more than the 2016/17 figure of £2.54, and the 2017/18 Scottish average of £2.08.

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. However, the cost per visit is lower than in other remote and rural areas such as Shetland and the Western Isles.



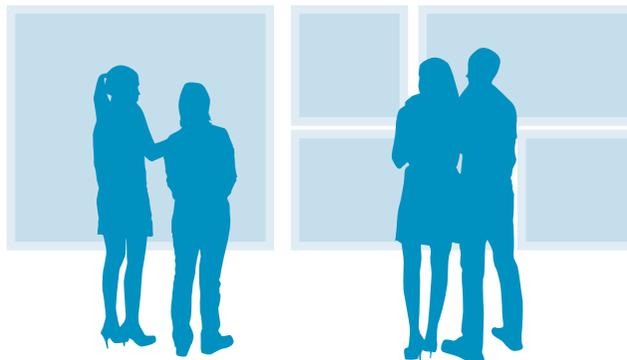
Satisfaction with libraries in Orkney



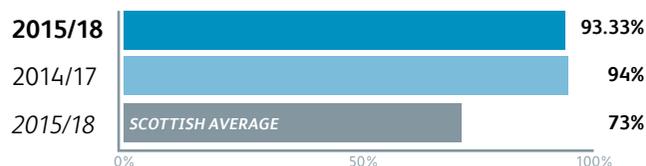
Museums

In 2017/18, the cost of museums per visit in Orkney was £4.82, which is the same as the 2016/17 figure, but more than the 2017/18 Scottish average of £3.49.

Our higher costs are due in part to Orkney's museums, with our small resident population, providing similar levels of service to some larger Scottish Mainland sites. Orkney's museums have seen visitor numbers at key sites increasing significantly as a result of volume tourism, which contributes towards reducing the cost per museum visit.



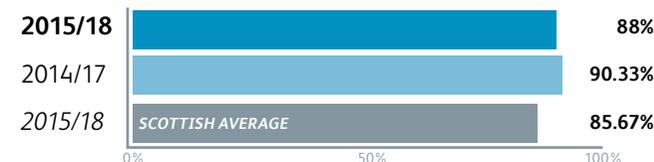
Satisfaction with museums in Orkney



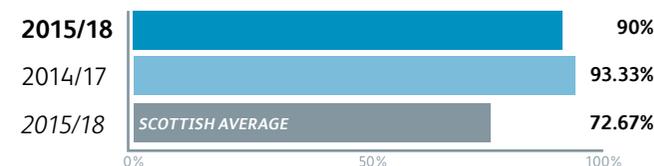
Parks and open spaces

In 2017/18, the cost of parks and open spaces per 1,000 population in Orkney was £16,409, which is less than the 2016/17 figure of £16,835, and the 2017/18 Scottish average of £19,814.

Satisfaction with parks and open spaces



Satisfaction with leisure facilities in Orkney



Economic development

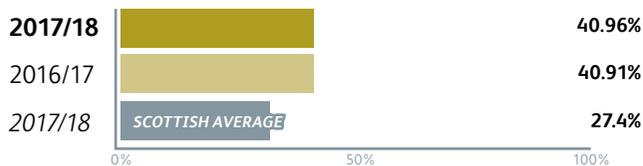
The percentage of unemployed people assisted into work from Council operated/funded Employability Programmes

In 2017/18, 4% of unemployed people were assisted into work from council operated/funded employability programmes, which is more than the 2016/17 figure of 2%, but less than the 2017/18 Scottish average of 14.4%.



This is due in part to Orkney's 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 2017/18, the cost per planning application in Orkney was £4,268, which is more than the 2016/17 figure of £3,284, but less than the 2017/18 Scottish average of £4,819.

There was a minor reduction in the number of recorded applications, combined with an increase in the number of non-fee payable submissions, and advice in relation to strategic development which is also non-fee payable.

Average time per commercial planning application

In 2017/18, the average time per business and industry planning application in Orkney was 8.92 weeks, which is more than the 2016/17 figure of 7.97 weeks, but less than the 2017/18 Scottish average of 9.43 weeks.

Given the relatively small number of cases dealt with in Orkney, one or two individual complex applications, which result in additional time required for determination, can affect the overall average figure.



Business gateway start-ups

In 2017/18, the number of business gateway start-ups in Orkney per 10,000 population was 21.82, which is less than the 2016/17 figure of 22.44, but more than the 2017/18 Scottish average of 16.83.

Proportion of properties receiving superfast broadband

In 2017/18, 66.34% of properties in Orkney were receiving superfast broadband, which is better than the 2016/17 figure of 63%, but not as good as the Scottish average of 91.13%.

Environmental services

Refuse collection

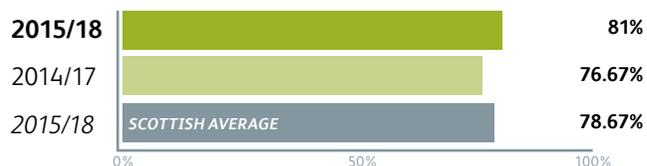
In 2017/18, the **net cost** of waste collection per premise in Orkney was £48.00, which is more than the 2016/17 figure of £46.03, but less than the 2017/18 Scottish average of £65.98.

Changes to services, the Introduction of Alternate weekly collections (AWC), were completed in March/April 2018, the final phase being improvements to recycling points to complement the AWC service provision. While 2017/18 figures increased on the previous year the increase represents a rise of just 4.4%, an increase in line with standard inflationary increases.

In 2015/18, 81% of adults in Orkney were satisfied with refuse collection, which is better than the 2014/17 figure of 76.67%, and the 2015/18 Scottish average of 78.67%.



Satisfaction with refuse collection in Orkney



Refuse disposal

In 2017/18, the **net cost** of waste disposal per premise in Orkney was £141.43, which more than the 2016/17 figure of £131.26, and the 2017/18 Scottish average of £98.42.

Unlike collection services, provided via in-house services, the disposal of Orkney’s waste requires shipping to Shetland for incineration. Increasing costs for disposal to Shetland are driven by operational and legislative changes beyond our control and have potential to increase above inflation in the future. Alternate disposal or treatment options are being assessed to try and stabilise or reverse costs for the future disposal of waste – for example, potential options for treatment, processing and/or further diversion.

Waste recycling

In 2017/18, 18.33% of household waste in Orkney was recycled, which is less than the 2016/17 figure of 19.39%, and the 2017/18 Scottish average of 45.6%.

There was a significant drop in Orkney’s recycling rate between 2013/14 and 2014/15 which was a direct result of changes to the reporting of recycled materials. This 12% drop reflected that composted waste could no longer count towards recycling rates.

Street cleaning

In 2017/18, the **net cost** of street cleaning per 1,000 population in Orkney was £13,636, which is less than the 2016/17 figure of £16,975, and the 2017/18 Scottish average of £15,551.

Our street cleaning costs result from our flexible approach to available staff capacity, since our drivers cover Roads, Waste and Cleansing operations. So, there are times when Roads and Waste collection requirements are the priority, and cleansing operations are as a result delayed, meaning that the plant/vehicles are not running as efficiently per kilometre of swept road length, leading to higher average costs.

In 2015/18, 78.67% of adults in Orkney were satisfied with street cleaning, which is not as good as the 2014/17 figure of 80.33%, but better than the 2015/18 Scottish average of 69.67%.

Environmental cleanliness

A council area’s cleanliness score is a measure of the quality of the street cleansing services provided by councils. In 2017/18, the street cleanliness score in Orkney was 98.21%, which is not as good as the 2016/17 figure of 99.38%, but better than the 2017/18 Scottish average of 92.2%.

Environmental services continued...

Environmental health

In 2017/18, the cost of environmental health per 1,000 population in Orkney was £25,636, which is more than the 2016/17 figure of £23,131, and the 2017/18 Scottish average of £15,496.

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. Central establishment charges to the Environmental Health Service also increased from £61,000 in 2016/17 to £128,000 in 2017/18.



Trading standards

In 2017/18, the cost of trading standards, money advice and citizen advice per 1,000 population in Orkney was £8,727, which is more than the 2016/17 figure of £7,503, and the 2017/18 Scottish average of £5,890.

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. In April 2017 the animal welfare post transferred to Trading Standards which also contributed to the increased cost.

Orkney's Roads

In 2017/18, the cost of maintenance per kilometre of roads in Orkney was £6,681, which is less than the 2016/17 figure of £6,945, and the 2017/18 Scottish average of £10,547.

The volume of work carried out on Orkney's roads in 2017/18 was reduced due to the decrease in revenue surface treatment budget.

In 2016/18, 22.39% of class A roads in Orkney needed to be considered for maintenance treatment, which is more than the 2015/17 figure of 22.07%, but less than the 2016/18 Scottish average of 30.16%.

In 2016/18, 20.92% of class B roads in Orkney needed to be considered for maintenance treatment, which is more than the 2015/17 figure of 17.96%, but less than the 2016/18 Scottish average of 35.9%.

In 2016/18, 16.24% of class C roads in Orkney needed to be considered for maintenance treatment, which is more than the 2015/17 figure of 15.49%, but less than the 2016/18 Scottish average of 36.16%.

The figures for class A, B and C roads show marginal increases in cost. This is as a result of a reduced budget and an increase in material costs, while resources have been more focussed on Class A roads. However, it must be stressed that we are still well below the Scottish average across all three categories.

In 2014/18, 19.61% of unclassified roads in Orkney needed to be considered for maintenance treatment, which is less than the 2013/17 figure of 24.34%, and the 2014/18 Scottish average of 38.99%.

Council management

Central support services

In 2017/18, 5.15% of the council's total gross expenditure was spent on support services, which is less than the 2016/17 figure of 5.55%, and more than the 2017/18 Scottish average of 4.45%.

The percentage of total Council spend directed towards Support Services has dropped this year supporting the Council's desire to prioritise funding for frontline services wherever possible.

Council staff

In 2017/18, an average of 8.98 days per council employee were lost due to sickness absence, which is less than the 2016/17 figure of 9.49 days, and the 2017/18 Scottish average of 11.41 days.

In 2017/18 an average of 8.66 days per teacher were lost due to sickness absence in Orkney, which is more than the 2016/17 figure of 6.2 days, and the 2017/18 Scottish average of 5.93 days.

Reducing the rate of sickness absence among our teaching staff is a priority for the Education Service, and the senior management together with Human Resources are leading a review of the reasons behind the higher rates reported and putting in place management actions to address this.

In 2017/18, 37.61% of the highest paid 5% council employees were women, which is slightly more than the 2016/17 figure of 37.17%, but less than the 2017/18 Scottish average of 54.6%.

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 2017/18, the council's gender pay gap was 10.88%, which is about the same as the 2016/17 figure of 10.76%, but more than the 2017/18 Scottish average of 3.93%.

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. This is 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 2017/18, 97.92% of income due from council tax in Orkney was successfully collected, which is about the same as the 2016/17 figure of 97.95%, and higher than the 2017/18 Scottish average of 96%.

In 2017/18, the cost per dwelling of collecting council tax in Orkney was £16.93, which is more than the 2016/17 figure of £16.03, and the 2017/8 Scottish average of £7.35.

Orkney's council tax collection costs have decreased year-on-year since 2013/14, and although there was a slight rise in 2017/18 the figure is still considerably less than it was in 2012/13.

Invoice payments

In 2017/18, 81.1% of invoices to the council were paid within 30 days, which is higher than the 2016/17 figure of 79.99%, but less than the 2017/18 Scottish average of 93.19%.

Invoice payment within 30 days will be improved by the introduction of electronic purchase ordering which is scheduled to be rolled out in 2019.

Council housing

Rent loss

In 2017/18, the level of council house rent arrears was 8.38%, which is more than the 2016/17 figure of 7.99%, and the 2017/18 Scottish average of 6.75%.

The figure includes both current and former tenant arrears both of which continue to be actively pursued. The Council continues to operate a prudent approach to writing off Council house tenant arrears making a commitment to collecting the debt rather than writing off debt.

In 2017/18, 1.78% of council house rent due was lost due to properties being unoccupied, which is less than the 2016/17 figure of 2.06%, but more than the 2017/18 Scottish average of 0.89%.

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. In order to reduce the level of rent loss due to properties being unoccupied, we are currently introducing new procedures.

Housing quality

In 2017/18, 91.75% of council housing in Orkney met the Scottish Housing Quality Standard, which is better than the 2016/17 figure of 89.51%, but not as good as the 2017/18 Scottish average of 93.89%.

There has been an improvement in Scottish Housing Quality Standard passes in 2017/18. We will continue to undertake works to properties that are exempt or in abeyance when the opportunity arises.

In 2017/18, 94.15% of council houses in Orkney were energy efficient – this being one aspect of the Scottish Housing Quality Standard – which is better than the 2016/17 figure of 91.98%, but not as good as the 2017/18 Scottish average of 97.15%.

While progress is being made 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.



Repair times

In 2017/18, it took an average of 10.94 days to complete non-emergency repairs to council housing in Orkney, which is better than the 2016/17 figure of 11.67 days, but not as good as the 2017/18 Scottish average of 7.5 days.

The contractor is to provide a more efficient system. While this will take a period to become fully established, in the longer term will provide a better service for our tenants.



Council buildings

Council building suitability

In 2017/18, 86.77% of council buildings in Orkney were found to be suitable for their current use, which is better than the 2016/17 figure of 84.57%, and the 2017/18 Scottish average of 80.96%.

Council building condition

In 2017/18, 96.2% of the internal floor area of the council's operational buildings was in satisfactory condition, which is about the same as the 2016/17 figure of 96.04%, and better than the 2017/18 Scottish average of 86.31%.

