

Item: 10.

Policy and Resources Committee: 16 June 2026.

Detailed Revenue Budgets.

Report by Head of Finance.

1. Overview

- 1.1. This report presents the detailed revenue budgets for financial year 2026/27 for members' approval.
- 1.2. On 10 March 2026, when setting the budget and Council Tax levels for 2025/26, the Council delegated powers to the Head of Finance, in consultation with the Director of Enterprise and Resources and the Chief Executive, to prepare and distribute a detailed budget incorporating all the budget adjustments agreed by the Council, and any settlement updates and/or clarifications unknown at the date of the meeting.
- 1.3. Appendix 1 to this report presents the detail of the budget that was agreed on 10 March 2026, adjusted for changes and additional income that have been announced since that date. The experience of the past year would suggest that there may be further funding announcements during the year that will necessitate further changes to Council budgets.
- 1.4. The General Fund revenue budget for financial year 2026/27 has now been set at £153,762,000.
- 1.5. The contribution required from reserves is £20,000,000 for financial year 2026/27.
- 1.6. The detailed revenue budget set out in Appendix 1 increases the budget approved on 10 March 2026 from £153,346,600 to £153,762,000 for financial year 2026/27.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Approve the final detailed revenue budgets for financial year 2026/27, attached as Appendix 1 to this report.

3. Background

- 3.1. The Council’s agreed budget strategy has been applied to the detailed service budgets, attached as Appendix 1 to this report, and will form the basis of the revenue budget monitoring statements for 2026/27.
- 3.2. Appendix 2 to this report provides a high-level budget summary statement of the wide range of activities that the Council administers. The statement reflects the fact that the Council is obliged to budget and account for these main Fund activities separately from each other. The budget figures are presented on a gross basis with the main cost and income headings shown separately and before internal cross charging has been netted off.
- 3.3. The following sections detail each individual Fund final budget and highlight any significant changes from their respective reported draft budgets.

4. General Fund Services

- 4.1. The Council agreed the draft General Fund budget and set the Council Tax for 2026/27 based on the allocations in Finance Circular 1/2026 and subsequent updates. The Council’s settlement from the Scottish Government was confirmed in Finance Circular 2/2026 at £120,130,000, received on 26 February 2026.
- 4.2. The following table highlights the changes from the budget setting report considered by the Policy and Resources Committee on 3 March 2026:

	£
Policy and Resources Committee, 3 March 2026 Report	153,346,600
Alignment of Budgets	415,400
General Fund Revenue Budget 2026/27	153,762,000

- 4.3. The main element of the £415,400 increase in the budget can be attributed to changes in staffing budgets identified during the budget checking process.
- 4.4. The budgeted contribution from reserves of £20,000,000 is required to balance the budget for financial year 2026/27.

5. Housing Revenue Account

- 5.1. The Housing Revenue Account (HRA) draft budget was presented to the Education, Communities and Housing Committee on 1 April 2026. The HRA budget remains unchanged at £1,070,000, in line with the Indigo House Group commissioned review of the HRA business plan

6. Scapa Flow Oil Port

- 6.1. The Scapa Flow Oil Port (SFOP) draft budget was presented to the Harbour Authority Sub-committee on 17 March 2026 and indicated a surplus of £268,100. The final budget remains unchanged.

7. Miscellaneous Piers and Harbours

- 7.1. The Miscellaneous Piers and Harbours (MPH) draft budget was presented to the Harbour Authority Sub-committee on 17 March 2026 and indicated a surplus of £1,240,300. The final budget remains unchanged.

8. UHI Orkney

- 8.1. The draft budget for UHI Orkney, which was presented to the Education, Communities and Housing Committee on 1 April 2026, required a further advance of up to £994,500 from the loans fund to achieve a balanced position.
- 8.2. On 21 April 2026, the Policy and Resources Committee recommended that a further potential advance from the loans fund, up to a maximum of £994,500, be approved, to enable a balanced budget to be set for UHI Orkney for 2026/27, which was subsequently ratified by Council.

9. Corporate Holding Accounts

- 9.1. The Corporate Holding Accounts relate to centralised budget arrangements that have been established to ensure a consistent approach to the repair and maintenance of Council properties.
- 9.2. These budgets are fully funded by contributions received from General Fund Services, Miscellaneous Piers and Harbours and the Housing Revenue Account that require repairs, maintenance and ground maintenance works to be completed during the year.

10. Strategic Reserve Fund

- 10.1. The Strategic Reserve Fund draft budget was presented to the Policy and Resources Committee on 3 March 2026, indicating a surplus of £136,000. The final budget has been amended to show a deficit of £756,900 which is shown as follows:

	£
Policy and Resources Committee, 3 March 2026 Report	(135,600)
Scapa Flow Oil surplus decreased (Harbour Auth Sub 17/03/26)	220,800
County Fund surplus decreased (Harbour Auth Sub 17/03/26)	759,700
Additional rental income Warness Park	(88,000)
Strategic Reserve Fund	756,900

11. Orkney Islands Council Pension Fund

11.1. The Pension Fund draft budget was presented to the Pension Fund Sub-committee on 25 February 2026 showing a surplus of £35,213,700. The final budget remains unchanged.

12. Consultation

12.1. Draft budgets were circulated to all relevant budget holders. All enquiries and queries received by the due date were responded to and amendments made, where appropriate.

For Further Information please contact:

Pat Robinson, Service Manager (Accounting), extension 2621, Email pat.robinson@orkney.gov.uk

Implications of Report

1. **Financial** The financial implications are detailed throughout the report.
2. **Legal** No direct legal implications.
3. **Corporate Governance** In terms of the Scheme of Administration, the allocation of the financial resources of the Council to the various services which the Council is required or empowered to provide, including the general level of capital and revenue expenditure and the levels of expenditure for individual services, is a referred function of the Policy and Resources Committee.
4. **Human Resources** No direct HR implications.
5. **Equalities** N/A
6. **Island Communities Impact** N/A
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.

- Developing our Infrastructure.
 - Transforming our Council.
- 8. Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
- Cost of Living.
 - Sustainable Development.
 - Local Equality.
 - Improving Population Health.
- 9. Environmental and Climate Risk** N/A
- 10. Risk** N/A
- 11. Procurement** N/A
- 12. Health and Safety** N/A
- 13. Property and Assets** N/A
- 14. Information Technology** N/A
- 15. Cost of Living** N/A

List of Background Papers

Pension Fund Sub-committee, 25 February 2026, Pension Fund Draft Budget 2026-27.
Policy and Resources Committee, 3 March 2026, Strategic Reserve Fund Budget Review and Forecast.
Policy and Resources Committee, 3 March 2026, Council Tax and Budget Setting for 2026-27.
Harbour Authority Sub-committee, 17 March 2026, Draft Revenue Budget 2026-27.
Education, Communities and Housing Committee, 1 April 2026, HRA Draft Budget 2026-27.

Appendices

Appendix 1: Orkney Islands Council Revenue Budgets 2026/27.
Appendix 2: Council Funds Budget Summary Statement by cost heading.

Orkney Islands Council

Revenue Budgets 2026/27



REVENUE ESTIMATES

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GENERAL FUND

**STRATEGY
AND
ASSUMPTIONS**

STRATEGY AND ASSUMPTIONS

1 THE BUDGET STRATEGY

1.1 The Council agreed and set the Council Tax for 2026/27 based on the allocations in Finance Circular 1/2026 and subsequent updates. The Council's settlement from the Scottish Government was confirmed in Finance Circular No 2/2026 at £120.130m as set out in the table below.

	P&R Report	Finance Circular	Difference
	Mar-26	2/2026	
	£m	£m	£m
Ring-Fenced Grants	0.490	0.490	0.000
Non-Domestic Rates	14.090	14.090	0.000
General Revenue Funding	105.550	105.550	0.000
Total General Revenue Funding	120.130	120.130	0.000

1.2 Accordingly, the General Fund revenue budget for financial year 2026/27 has been set at £153.762m, an increase of £0.415m from that reported in March 2026. The changes are as follows:-

	£m
P&R 03 March 2026 Report	153.347
Staffing Budgets and Alignment of Budgets	0.415
General Fund Revenue Budget 2026/27	153.762

1.3 Budget uprating assumptions, detailed below, were agreed during the 2026/27 budget setting process.

Budget Element	%
Staff Costs Non-Teaching	3.50%
Pension Costs Non-Teaching	0.00%
Staff Costs Teaching 01/04/26	0.25%
Staff Costs Teaching 01/08/26	3.25%
Pension Costs Teaching	0.00%
Property Costs (specifically energy costs)	2.00%
Supplies and Services	2.00%
Transport Costs	2.00%
Administration Costs	2.00%
Third Party Payments	2.00%
Transfer Payments	2.00%
Third Sector	2.00%
Other Costs	2.00%
Trading Organisations and Orkney Ferries	2.00%
Internal Transport	2.00%
Sales	3.80%
Fees and Charges	3.80%
Other Income	3.80%

STRATEGY AND ASSUMPTIONS

2 HEADLINE GRANT SETTLEMENT FIGURES

2.1 At Council level, the settlement has delivered an increase in the revenue grant that will be received of £13.021m, as illustrated below:

	£m
2026/27 (FC 2/2026)	120.130
2025/26 (FC 1/2025)	107.109
Estimated Grant Increase	<u>13.021</u>

Represented by:-

GAE	(4.199)
SINA	0.037
2008-25 Change	5.024
Loans and leasing charges	(0.434)
Total Former Ring-Fenced Grants	(20.564)
Baselined Redeterminations and in Year Funding	30.791
The Floor	(1.462)
New Money*	1.497
Non Domestic Rates	2.331
	<u>13.021</u>

*New Money

Early Learning and Childcare	0.043
Local Authority Pay	0.604
Children's Services	0.105
Health & Social Care Uplift	0.714
Scottish Assessors	0.017
Discretionary Housing Payments	0.014
	<u>1.497</u>

3 PROJECTED SPENDING PRESSURES

3.1 As part of the budget process for 2026/27 service pressure bids were invited for "known unavoidable service pressures". These fall into three general groupings:

- Contractual obligations, where, for example, contracts include terms which apply inflationary increases.
- Historical funding deficiencies, in recent years this has included funding nursery provision, Children's Residential and Out of Orkney Placements.
- Budgets becoming detached from actual performance, i.e. contracts/ Service Level Agreements higher than budget allocated.

3.2 The approved spending pressures, totalling £2.510m, can be found on page 5.

4 RESERVES AND BALANCES

4.1 The General Fund Reserves Strategy report presented to the Policy and Resources Committee at its meeting of 3 March 2026 stated that it was anticipated that there will be no excess General Fund reserves to contribute to the 2026/27 budget setting.

4.2 The General Fund Reserves Strategy report recommended that General Fund non-earmarked balances for 2026/27 be set at at least 3% of the net revenue budget for 2026/27, with a minimum balance of approximately £4,600,000 as a contingency for in-year pressures.

4.3 In setting the revenue budget for 2026/27, a contribution of up to £20.0m from the Strategic Reserve Fund be budgeted as a means of cushioning efficiency targets/requirements, and maintain and protect spending and services which might otherwise have been reduced or removed when setting the budget.

STRATEGY AND ASSUMPTIONS

5 COUNCIL TAX

- 5.1 The budget announcement by the Deputy First Minister on 13 January 2026, confirmed that the Scottish Government would not seek to impose a freeze to Council Tax for 2026/27.
- 5.2 The budget report to Policy and Resources Committee on 03 March 2026 recommended a 6% increase which was ratified at the General Meeting on 10 March 2026, increasing Band D liability to £1,669.07.

6 EFFICIENCY SAVINGS FOR 2026/27

- 6.1 As part of the budget setting process for 2026/27, Services were asked to present proposals for increasing charges, implementing efficiencies or for service redesign. This resulted in only £0.247m of efficiency savings being identified that can be applied to the 2026/27 budget.
- 6.2 The full list of savings is included on page 7.

7 TARGET SAVINGS AND FUTURE SAVINGS PROPOSALS

- 7.1 The current level of budgeted expenditure is more than can be sustained through the ongoing support from Scottish Government and locally raised revenue from Council Tax and fees and charges. There is also a high level of risk inherent in propping up the budget through contributions from reserves.
- 7.2 The overall pressures on the Council's finances have not diminished, and the requirement to seek further efficiencies, maximise revenues, minimise costs and welcome the transformation agenda remains acute. Directorates must act corporately, remove protectionism, and grasp collaboration. Likewise, Members will be asked to make tough decisions in order to get the Council on a more secure financial footing. The challenge is real, as for many of the services the Council provides there is no alternative available to the community either through the third sector or through the private sector – so removing Council provision means removing services for the whole community.
- 7.3 Going forward, the Corporate Leadership Team need to make recommendations to identify savings proposals in future budget cycles.

8 CHARGING FOR SERVICES

- 8.1 The February budget report recommended, subject to usual exceptions, that Corporate Directors should look to review and increase existing charges by a minimum of 3.8% as proposed by the Corporate Charging Working group meeting of 15 September 2025.

9 REVENUE BUDGET SUMMARY

- 9.1 A summary of the net budget movement between 2025/26 and 2026/27 is set out below.

	2026/27
Overall Budget Increase	£m
Movement 2025/26 to 2026/27	<u>35.557</u>
Represented By:	
Movement in Gross Revenue Grant	31.539
Non-Domestic Rates	2.331
Council Tax	0.605
Increase draw on Strategic Reserve Fund	1.082
	<u>35.557</u>

APPROVED BUDGET CALCULATION 2026/27

	£000
Approved Budget 2025/26	118,205.0
Add: Baseline Movement	(2,205.2)
Add: Inflation	1,108.9
Add: One-Off Service Pressures	0.0
Add: Baseline Service Pressures	7,638.6
Less: Savings	(238.3)
Add: Settlement Adjustment	29,416.7
Less: Final Adjustment	(163.7)
Approved Budget 2026/27	<u>153,762.0</u>

COUNCIL TAX CALCULATION 2026/27

	£000
Approved Budget 2026/27	153,762.0
Less: Movement in Reserves	(20,000.0)
	<u>133,762.0</u>
Finance Settlement	(120,130.0)
Redeterminations after settlement	(285.0)
Ring Fenced Grants	490.0
	<u>13,837.0</u>
Expenditure to be met by Council Tax	13,837.0
No. of Band D Properties Forecast	8,591
Assumed Collection rate	96.5%
No. of Band D Equivalent Tax Payers	8,290
Band D Council Tax 2026/27	<u>£ 1,669.07</u>

Band	Property Value (£)	Proportion	Tax (£)
A	up to 27,000	240/360	1,112.71
B	over 27,000-35,000	280/360	1,298.17
C	over 35,000-45,000	320/360	1,483.62
D	over 45,000-58,000	360/360	1,669.07
E	over 58,000-80,000	473/360	2,192.97
F	over 80,000-106,000	585/360	2,712.24
G	over 106,000-212,000	705/360	3,268.60
H	above 212,000	882/360	4,089.22

SUMMARY OF APPROVED SERVICE PRESSURES 2026/27

SUMMARY BY SERVICE AREA	Service Area Code	Approved Service Pressure £000
Education	ED	1,517.5
Leisure Services	LS	0.0
Orkney Health and Care	SC	878.6
Law & Order	LO	0.0
Roads	RD	0.0
Transportation	TR	0.0
Operational Environmental Services	OE	0.0
Environmental Health & Trading Standards	EH	0.0
Other Housing	OH	0.0
Economic Development	DV	0.0
Planning	PL	0.0
Other Services	OS	113.9
Totals		2,510.0

SUMMARY BY ITEM	Service Area Code	Approved Service Pressure £000
Budget Increase		
License Costs	OS	113.9
Nursery Provision	ED	300.0
Support For Learning	ED	376.0
Outwith Orkney Placements	SC	878.6
Outwith Orkney Placements	ED	841.5
Totals		2,510.0

SUMMARY OF SETTLEMENT ADJUSTMENTS 2026/27

SUMMARY BY SERVICE AREA	Service Area Code	Settlement Adjustment £000
Education	ED	(6.2)
Leisure Services	LS	0.0
Orkney Health and Care	SC	834.0
Law & Order	LO	0.0
Roads	RD	0.0
Transportation	TR	28,588.9
Operational Environmental Services	OE	0.0
Environmental Health & Trading Standards	EH	0.0
Other Housing	OH	0.0
Economic Development	DV	0.0
Planning	PL	0.0
Other Services	OS	0.0
Totals		29,416.7

SUMMARY BY ITEM	Service Area Code	Settlement Adjustment £000
Budget Increase/Decrease		
Pupil Equity Fund	ED	(6.2)
Children's Services	SC	120.0
Health & Social Care Uplift	SC	714.0
Inter-Island Connectivity	TR	28,588.9
Totals		29,416.7

SUMMARY OF EFFICIENCY SAVINGS 2026/27

SUMMARY BY SERVICE AREA	Service Area Code	Efficiency Savings £000
Education	ED	58.8
Leisure Services	LS	96.3
Orkney Health and Care	SC	0.0
Law, Order and Protective Services	LO	0.0
Roads	RD	0.0
Transportation	TR	0.0
Operational Environmental Services	OE	0.0
Environmental Health	EH	1.2
Other Housing	OH	0.0
Economic Development	DV	68.0
Planning	PL	13.0
Other Services	OS	1.0
Asset Management	AM	8.7
Total		247.0

Reduction in Staffing	ED	5.8
Reduction in SLA	ED	20.0
Reduction in Management SLA	LS	37.1
Staffing Reduction	ED	33.0
Reduction in Enterprise and Economic Development	DV	68.0
Sale of Stromness Community Centre	LS	59.2
Increase in Fees	EH	1.2
Increase in Fees	PL	13.0
Printing and Copying Provision	AM	8.7
Isles Home Based Registrars	OS	1.0
Total		247.0

SERVICE COMMITTEE BUDGETS

**SERVICE COMMITTEE
SUMMARY**

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
By Committee (General Fund)							
Enterprise and Infrastructure	17,638.8	267.7	595.3	550.5	(82.2)	28,347.6	47,317.7
Education, Communities & Housing	56,602.3	(1,134.5)	279.8	3,510.6	(155.1)	584.1	59,687.2
Policy and Resources	43,963.9	(1,338.4)	233.8	3,577.5	(1.0)	321.3	46,757.1
Totals	118,205.0	(2,205.2)	1,108.9	7,638.6	(238.3)	29,253.0	153,762.0
By Committee (Non-General Fund)							
Harbour Authority Sub-committee	(2,568.7)	(1,515.2)	(376.2)	668.2	0.0	2,283.5	(1,508.4)
Education, Communities & Housing	(920.0)	0.0	(214.2)	1,361.3	0.0	(1,297.1)	(1,070.0)
Asset Management Sub-committee	0.0	0.0	0.0	0.0	(8.7)	8.7	0.0
Investment Sub-committee	(1,322.3)	208.4	23.1	43.1	0.0	1,804.6	756.9
Pension Fund	(28,605.8)	0.0	285.9	(306.7)	0.0	(6,587.1)	(35,213.7)
Totals	(33,416.8)	(1,306.8)	(281.4)	1,765.9	(8.7)	(3,787.4)	(37,035.2)

NOTES:

For the purposes of the Service Committee Summary, the column headings have been simplified from the information shown within the detailed Service Area Summaries as follows:-

2025/26 Budget	Approved Budget 2025/26
2025/26 Change	Return One-Off Budget 2025/26 + Baseline Other
2026/27 Inflation	Inflation 2026/27
2026/27 Service Pressures	One-Off + Baseline 2026/27
2026/27 Efficiency Savings	Efficiency Savings 2026/27
2026/27 Change	Finance Settlement + Final Adjustments 2026/27
2026/27 Budget	Approved Budget 2026/27

**ENTERPRISE AND
INFRASTRUCTURE**

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
General Fund Services							
Roads	4,132.8	29.6	85.3	200.3	0.0	(16.6)	4,431.4
Transportation	4,383.6	0.0	456.4	129.7	0.0	28,600.1	33,569.8
Operational Environmental Services	3,331.1	0.0	29.5	111.8	0.0	14.0	3,486.4
E/Health and Trading Standards	1,230.1	0.0	2.1	64.5	(1.2)	15.1	1,310.6
Economic Development	2,994.4	235.5	18.5	(110.3)	(68.0)	(240.9)	2,829.2
Planning	1,566.8	2.6	3.5	154.5	(13.0)	(24.1)	1,690.3
	17,638.8	267.7	595.3	550.5	(82.2)	28,347.6	47,317.7
Roads							
Winter Maintenance and Response	1,206.0	0.0	24.1	0.0	0.0	48.5	1,278.6
Street Lighting	247.6	0.0	5.0	0.0	0.0	7.7	260.3
Car Parks	(47.3)	0.0	2.3	4.6	0.0	1.1	(39.3)
Other Works	129.6	0.0	2.9	0.0	0.0	2.5	135.0
Traffic Management	280.7	29.6	3.0	(2.0)	0.0	10.2	321.5
Structural Maintenance	1,636.4	0.0	32.7	0.0	0.0	67.5	1,736.6
Routine Maintenance	963.1	0.0	19.1	0.0	0.0	32.8	1,015.0
Quarries Holding Account	(500.0)	0.0	0.0	25.7	0.0	(25.7)	(500.0)
Roads Holding Account	0.0	0.0	0.0	159.5	0.0	(159.5)	0.0
Garage Holding Account	0.0	0.0	(6.5)	12.5	0.0	(6.0)	0.0
Miscellaneous	126.9	0.0	0.9	0.0	0.0	4.3	132.1
Movement In Reserves	89.8	0.0	1.8	0.0	0.0	0.0	91.6
Net Expenditure	4,132.8	29.6	85.3	200.3	0.0	(16.6)	4,431.4
Transportation							
Administration	280.8	0.0	0.0	12.4	0.0	3.8	297.0
Co-ordination	84.2	0.0	1.2	0.0	0.0	1.2	86.6
Concessionary Fares	130.9	0.0	2.6	0.0	0.0	187.0	320.5
Support for Operators - Bus	1,470.5	0.0	29.4	0.0	0.0	0.2	1,500.1
Support for Operators - Air	1,738.0	0.0	34.8	0.0	0.0	0.0	1,772.8
Support for Operators - Ferries	3.3	0.0	0.1	0.0	0.0	0.0	3.4
Airfields	675.9	0.0	3.0	31.2	0.0	2.3	712.4
Orkney Ferries	0.0	0.0	385.3	86.1	0.0	28,405.6	28,877.0
Movement in Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Expenditure	4,383.6	0.0	456.4	129.7	0.0	28,600.1	33,569.8
Operational Environmental Services							
Burial Grounds	94.7	0.0	(2.9)	0.2	0.0	12.4	104.4
Refuse Collection	654.8	(60.0)	(7.0)	0.0	0.0	51.9	639.7
Waste Disposal	1,452.5	60.0	18.5	0.0	0.0	18.5	1,549.5
Recycling	638.2	0.0	10.9	0.0	0.0	26.2	675.3
Environmental Cleansing	490.9	0.0	10.0	0.0	0.0	16.6	517.5
Environmental Holding Account	0.0	0.0	0.0	111.6	0.0	(111.6)	0.0
Net Expenditure	3,331.1	0.0	29.5	111.8	0.0	14.0	3,486.4
E/Health and Trading Standards							
Administration	781.7	0.0	(0.2)	50.8	(1.2)	8.2	839.3
Trading Standards	325.7	0.0	(0.1)	13.7	0.0	2.5	341.8
Public Toilets	122.7	0.0	2.4	0.0	0.0	4.4	129.5
Net Expenditure	1,230.1	0.0	2.1	64.5	(1.2)	15.1	1,310.6

**ENTERPRISE AND
INFRASTRUCTURE (CONTINUED)**

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Economic Development							
Administration	1,052.2	40.2	0.9	(37.2)	(10.0)	(32.3)	1,013.8
Business Gateway	176.7	0.0	1.2	5.3	0.0	(0.1)	183.1
EEC Expenditure	55.2	55.2	0.0	6.3	0.0	(116.7)	0.0
LEADER Programme	75.6	0.0	0.0	5.1	0.0	(0.1)	80.6
Regeneration	0.0	78.3	0.0	(26.4)	0.0	(51.9)	0.0
Tourism	115.9	(115.9)	0.0	0.0	0.0	0.0	0.0
Economic Development Grants	306.4	0.0	6.2	0.0	(30.0)	0.0	282.6
Other Economic Dev. Grants	123.6	115.9	4.8	0.0	(28.0)	0.0	216.3
Heritage	365.4	31.9	4.3	(26.3)	0.0	(183.6)	191.7
Museums	422.0	29.9	(2.0)	(35.7)	0.0	89.0	503.2
St Magnus Cathedral	301.4	0.0	3.1	(1.4)	0.0	54.8	357.9
Net Expenditure	2,994.4	235.5	18.5	(110.3)	(68.0)	(240.9)	2,829.2
Planning							
Administration	434.1	0.0	0.1	8.6	0.0	15.0	457.8
Development Management	351.2	0.0	2.1	37.2	(10.0)	0.8	381.3
Development Planning	561.4	2.6	1.0	49.1	0.0	(8.2)	605.9
Building Standards	158.6	0.0	0.3	56.9	(3.0)	(31.7)	181.1
Archaeology	61.5	0.0	0.0	2.7	0.0	0.0	64.2
Net Expenditure	1,566.8	2.6	3.5	154.5	(13.0)	(24.1)	1,690.3

EDUCATION, COMMUNITIES AND HOUSING

	2025/26		2026/27				Budget £000
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	
General Fund Services							
Education	50,230.6	(1,313.4)	235.8	3,278.1	(58.8)	723.3	53,095.6
Leisure Services	4,156.5	57.1	19.1	218.3	(96.3)	(15.0)	4,339.7
Other Housing	2,215.2	121.8	24.9	14.2	0.0	(124.2)	2,251.9
	56,602.3	(1,134.5)	279.8	3,510.6	(155.1)	584.1	59,687.2
Non-General Fund Services							
Housing Revenue Account	(920.0)	0.0	(126.4)	48.2	0.0	(71.8)	(1,070.0)
Orkney College	0.0	0.0	(87.8)	1,313.1	0.0	(1,225.3)	0.0
	(920.0)	0.0	(214.2)	1,361.3	0.0	(1,297.1)	(1,070.0)
Education							
Senior Secondary Schools	13,190.3	170.8	54.0	488.3	(5.8)	31.8	13,929.4
Junior Secondary Schools	3,643.3	0.0	15.5	152.8	0.0	5.4	3,817.0
Primary Schools	13,049.5	0.0	50.7	563.9	0.0	25.6	13,689.7
Early Learning and Childcare	5,211.6	(698.4)	(14.0)	583.5	(53.0)	536.2	5,565.9
Additional Support Needs	4,133.9	(655.8)	7.6	1,341.1	0.0	(1.2)	4,825.6
Papdale Halls of Residence	1,022.7	0.0	3.8	29.0	0.0	0.7	1,056.2
Quality Development	75.9	0.0	2.7	5.9	0.0	(1.4)	83.1
Administration	2,253.0	(130.0)	4.7	49.2	0.0	78.1	2,255.0
Assistance For Students	235.5	0.0	4.7	1.3	0.0	0.0	241.5
Community Learning and Development	706.4	0.0	(1.9)	(18.7)	0.0	48.5	734.3
School Meals	2,215.6	0.0	19.6	79.3	0.0	(0.4)	2,314.1
School Transport	4,409.4	0.0	88.2	0.0	0.0	0.1	4,497.7
School Crossing Patrol	72.7	0.0	0.0	2.5	0.0	(0.1)	75.1
Parent Councils	10.8	0.0	0.2	0.0	0.0	0.0	11.0
Net Expenditure	50,230.6	(1,313.4)	235.8	3,278.1	(58.8)	723.3	53,095.6
Leisure Services							
Administration	451.9	0.0	0.2	142.5	0.0	6.7	601.3
Parks and Play Areas	458.8	0.0	8.0	2.1	0.0	0.5	469.4
Healthy Living Centres	90.2	0.0	(1.4)	7.7	0.0	0.1	96.6
Tourism - Caravan Sites	(12.2)	0.0	(2.1)	2.3	0.0	0.3	(11.7)
Tourism - Hostels	4.4	0.0	(1.8)	1.0	0.0	0.1	3.7
Sports Development	109.1	57.1	(0.5)	(14.0)	0.0	(37.9)	113.8
Sports Facilities	1,080.6	0.0	14.9	7.0	(37.1)	1.8	1,067.2
Swimming Pools	364.0	0.0	(1.4)	17.3	0.0	(0.9)	379.0
Active Schools	61.6	0.0	(0.1)	8.0	0.0	0.6	70.1
Community Facilities	414.4	0.0	(3.1)	14.3	(59.2)	3.7	370.1
Libraries	1,133.7	0.0	6.4	30.1	0.0	10.0	1,180.2
Net Expenditure	4,156.5	57.1	19.1	218.3	(96.3)	(15.0)	4,339.7

EDUCATION, COMMUNITIES AND HOUSING (CONTINUED)

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Other Housing							
Housing support	83.2	0.0	0.0	5.0	0.0	0.0	88.2
Homelessness	1,149.4	0.0	18.9	(5.7)	0.0	1.3	1,163.9
Housing Loans	12.9	0.0	(0.1)	0.0	0.0	0.8	13.6
Energy Initiatives	46.7	0.0	0.0	2.1	0.0	0.0	48.8
Garages	(115.2)	0.0	(4.8)	0.0	0.0	0.0	(120.0)
Miscellaneous	276.0	0.0	1.2	2.1	0.0	9.2	288.5
Housing Benefit	224.3	121.8	3.7	0.0	0.0	(135.5)	214.3
Landlord Registration	(29.0)	0.0	(1.1)	0.0	0.0	0.1	(30.0)
Care & Repair	402.9	0.0	8.0	0.0	0.0	0.0	410.9
Sheltered Housing	190.7	0.0	0.3	10.7	0.0	(0.1)	201.6
Student Accommodation	(26.7)	0.0	(1.2)	0.0	0.0	0.0	(27.9)
Net Expenditure	2,215.2	121.8	24.9	14.2	0.0	(124.2)	2,251.9
Housing Revenue Account							
Administration	1,293.4	0.0	10.0	46.9	0.0	(80.7)	1,269.6
Tenant Participation	30.1	0.0	0.1	1.3	0.0	0.0	31.5
Property Costs	2,167.5	0.0	42.1	0.0	0.0	(12.8)	2,196.8
Finance Charges	635.0	0.0	12.7	0.0	0.0	110.8	758.5
Rent Income	(4,781.0)	0.0	(191.3)	0.0	0.0	(39.1)	(5,011.4)
Other Income	(23.0)	0.0	0.0	0.0	0.0	(50.0)	(73.0)
Movement in Reserves	(242.0)	0.0	0.0	0.0	0.0	0.0	(242.0)
Net Expenditure	(920.0)	0.0	(126.4)	48.2	0.0	(71.8)	(1,070.0)
UHI Orkney							
Business Support	947.6	462.8	13.3	82.6	0.0	210.6	1,716.9
Further and Higher Education	(1,323.3)	(425.1)	(68.0)	784.1	0.0	(961.8)	(1,994.1)
Agronomy Institute	(10.0)	10.0	(1.5)	4.3	0.0	(2.8)	0.0
Orkney Research Centre	317.1	(100.1)	(28.3)	455.5	0.0	(563.0)	81.2
Centre for Nordic Studies	68.6	52.4	(3.3)	(13.4)	0.0	91.7	196.0
Net Expenditure	0.0	0.0	(87.8)	1,313.1	0.0	(1,225.3)	0.0

POLICY AND RESOURCES							
	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
General Fund Services							
Central Administration	473.5	(9.2)	(2.3)	695.4	0.0	(1,144.2)	13.2
Law, Order & Protective Services	183.1	(29.6)	0.1	15.1	0.0	2.3	171.0
Orkney Health and Care	31,414.3	(1,156.2)	139.1	2,576.0	0.0	786.6	33,759.8
Other Services	11,893.0	(143.4)	96.9	291.0	(1.0)	676.6	12,813.1
	43,963.9	(1,338.4)	233.8	3,577.5	(1.0)	321.3	46,757.1
Sources of Funding	(118,205.0)	12,568.0	0.0	0.0	0.0	(48,125.0)	(153,762.0)
Central Administration							
Chief Executive's	0.0	0.0	0.0	19.6	0.0	(19.6)	0.0
Corporate Services	0.0	0.0	0.0	43.8	0.0	(43.8)	(0.0)
Finance	0.0	(9.2)	9.2	142.5	0.0	(142.5)	0.0
Enterprise & Infrastructure	0.0	0.0	0.0	155.3	0.0	(155.3)	0.0
Human Resources	460.3	0.0	1.7	49.6	0.0	(511.6)	0.0
I.T and Facilities	0.0	0.0	(13.2)	91.8	0.0	(78.6)	0.0
Legal Services	0.0	0.0	0.0	38.6	0.0	(38.6)	0.0
Apportionment Control Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cleaning Holding Account	0.0	0.0	0.0	154.2	0.0	(154.2)	0.0
Movement In Reserves	13.2	0.0	0.0	0.0	0.0	0.0	13.2
Net Expenditure	473.5	(9.2)	(2.3)	695.4	0.0	(1,144.2)	13.2
Law, Order and Protective Services							
Civil Contingencies	183.1	(29.6)	0.1	15.1	0.0	2.3	171.0
Net Expenditure	183.1	(29.6)	0.1	15.1	0.0	2.3	171.0
Orkney Health and Care							
Administration	2,664.6	40.0	16.3	35.0	0.0	73.5	2,829.4
Childcare	5,524.5	(922.0)	37.1	1,116.0	0.0	(188.6)	5,567.0
Elderly - Residential	7,175.4	0.0	(59.2)	596.8	0.0	353.9	8,066.9
Elderly - Independent Sector	702.9	(246.0)	9.7	0.0	0.0	819.1	1,285.7
Elderly - Day Centres	258.6	25.0	1.1	30.4	0.0	(26.6)	288.5
Disability	5,884.6	144.9	82.0	262.8	0.0	(727.8)	5,646.5
Mental Health	389.2	0.0	2.0	17.4	0.0	5.9	414.5
Other Community Care	1,630.8	(20.0)	(2.7)	131.2	0.0	139.9	1,879.2
Occupational Therapy	562.8	0.0	5.1	35.9	0.0	(40.4)	563.4
Home Care	5,564.7	(178.1)	29.4	284.1	0.0	(261.5)	5,438.6
Criminal Justice	244.1	0.0	3.0	65.0	0.0	(59.9)	252.2
Integrated Joint Boards	812.1	0.0	15.3	1.4	0.0	699.1	1,527.9
Net Expenditure	31,414.3	(1,156.2)	139.1	2,576.0	0.0	786.6	33,759.8

**POLICY AND
RESOURCES (CONTINUED)**

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Other Services							
Corporate Management	4,735.4	0.0	6.3	242.5	0.0	903.3	5,887.5
Corporate Priorities	714.4	94.8	10.1	45.8	0.0	(157.8)	707.3
Area Support Team (CP)	20.7	0.0	0.0	0.9	0.0	0.0	21.6
Registration	63.8	0.0	(1.1)	3.3	(1.0)	1.3	66.3
Miscellaneous Property	247.6	0.0	(3.3)	0.0	0.0	14.5	258.8
Payments to Joint Boards	575.5	0.0	11.5	0.0	0.0	16.1	603.1
Elections	43.7	0.0	0.2	0.0	0.0	1.8	45.7
Licensing	5.7	0.0	(5.8)	8.5	0.0	(2.2)	6.2
Payments to Third Sector	205.3	0.0	3.8	0.0	0.0	(20.0)	189.1
Publicity	21.4	0.0	0.4	8.2	0.0	(30.0)	0.0
Twinning	0.0	0.0	0.3	0.0	0.0	(0.3)	0.0
Community Councils	523.3	0.0	3.9	(18.2)	0.0	8.5	517.5
Interest on Loans and Balances	(500.0)	0.0	0.0	0.0	0.0	0.0	(500.0)
Miscellaneous	336.9	(238.2)	1.9	0.0	0.0	(0.8)	99.8
Cost of Collection	635.9	0.0	2.7	0.0	0.0	21.7	660.3
Finance Charges	3,500.0	0.0	66.0	0.0	0.0	(66.0)	3,500.0
Movement In Reserves	763.4	0.0	0.0	0.0	0.0	(13.5)	749.9
	11,893.0	(143.4)	96.9	291.0	(1.0)	676.6	12,813.1
Sources of Funding							
Non Domestic Rates	(11,759.0)	0.0	0.0	0.0	0.0	(2,331.0)	(14,090.0)
Council Tax	(13,674.0)	0.0	0.0	0.0	0.0	(605.0)	(14,279.0)
Revenue Support Grant	(74,296.0)	0.0	0.0	0.0	0.0	(31,539.0)	(105,835.0)
Movement in Reserves	(18,476.0)	12,568.0	0.0	0.0	0.0	(13,650.0)	(19,558.0)
Total Income	(118,205.0)	12,568.0	0.0	0.0	0.0	(48,125.0)	(153,762.0)

**HARBOUR AUTHORITY
SUB-COMMITTEE**

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Non-General Fund Services							
Scapa Flow Oil Port	(353.9)	(242.7)	(137.5)	283.1	0.0	182.9	(268.1)
Miscellaneous Piers and Harbours	(2,214.8)	(1,272.5)	(238.7)	385.1	0.0	2,100.6	(1,240.3)
	(2,568.7)	(1,515.2)	(376.2)	668.2	0.0	2,283.5	(1,508.4)
Scapa Flow Oil Port							
Administration	1,022.3	34.9	12.3	148.3	0.0	15.2	1,233.0
Scapa Flow Development	253.9	0.0	4.7	1.6	0.0	0.0	260.2
Oil Pollution	153.0	0.0	(0.6)	2.9	0.0	0.1	155.4
Environmental Unit	163.5	0.0	0.1	(5.3)	0.0	(292.5)	(134.2)
Marine Officers & Pilots	781.9	0.0	(1.3)	27.1	0.0	1.2	808.9
Navigational Aids	103.8	0.0	2.0	0.0	0.0	0.0	105.8
Weather Forecasts	7.9	0.0	0.2	0.0	0.0	0.0	8.1
Harbour Launches	698.5	0.0	2.3	25.2	0.0	(0.8)	725.2
Towage Services	3,472.3	(500.0)	22.5	83.3	0.0	57.2	3,135.3
Harbour Dues	(8,707.0)	0.0	(218.1)	0.0	0.0	(117.7)	(9,042.8)
Finance Charges	1,696.0	222.4	38.4	0.0	0.0	520.2	2,477.0
Net Expenditure	(353.9)	(242.7)	(137.5)	283.1	0.0	182.9	(268.1)
Miscellaneous Piers and Harbours							
Miscellaneous Piers	(4,212.5)	(2,738.6)	(255.6)	72.9	0.0	2,370.5	(4,763.3)
Administration	600.0	0.0	2.2	152.4	0.0	8.8	763.4
Miscellaneous Piers Development	302.2	0.0	4.8	6.4	0.0	0.0	313.4
Environmental Unit	50.8	7.8	(1.2)	(0.6)	0.0	(152.0)	(95.2)
Marine Officers & Pilots	705.9	0.0	(3.9)	120.2	0.0	(0.2)	822.0
Navigational Aids	37.6	0.0	0.6	0.0	0.0	0.0	38.2
Weather Forecasts	7.8	0.0	0.2	0.0	0.0	0.0	8.0
Harbour Launches	936.9	0.0	4.5	31.3	0.0	0.0	972.7
Oil Pollution	123.6	0.0	0.0	2.5	0.0	0.0	126.1
Pilotage Income	(825.0)	0.0	(20.6)	0.0	0.0	20.6	(825.0)
Movement in Reserves	(2,738.6)	2,738.6	0.0	0.0	0.0	(2,855.6)	(2,855.6)
Finance Charges	2,796.5	(1,280.3)	30.3	0.0	0.0	2,708.5	4,255.0
Net Expenditure	(2,214.8)	(1,272.5)	(238.7)	385.1	0.0	2,100.6	(1,240.3)

**ASSET MANAGEMENT
SUB-COMMITTEE**

	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Non-General Fund Services							
Corporate Holding Accounts	0.0	0.0	0.0	0.0	(8.7)	8.7	0.0
	0.0	0.0	0.0	0.0	(8.7)	8.7	0.0
Corporate Holding Accounts							
Repairs & Maintenance GF	1,866.5	0.0	28.2	0.0	0.0	23.7	1,918.4
Repairs & Maintenance HRA	2,014.8	0.0	35.1	0.0	0.0	5.2	2,055.1
Repairs & Maintenance Piers ALWC	2,738.6	(2,738.6)	0.0	0.0	0.0	2,855.6	2,855.6
Repairs & Maintenance Contributions	(7,128.9)	2,738.6	(72.3)	0.0	0.0	(2,887.6)	(7,350.2)
Ground Maintenance	509.0	0.0	9.0	0.0	0.0	3.1	521.1
Utilities Holding Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance Holding Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Telephones Holding Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Photocopiers Holding Account	0.0	0.0	0.0	0.0	(8.7)	8.7	0.0
Postages Holding Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Expenditure	0.0	0.0	0.0	0.0	(8.7)	8.7	0.0

INVESTMENT SUB-COMMITTEE							
	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Non-General Fund Services							
Strategic Reserve Fund	(1,322.3)	208.4	23.1	43.1	0.0	1,804.6	756.9
	(1,322.3)	208.4	23.1	43.1	0.0	1,804.6	756.9
Strategic Reserve Fund							
Investment Activities	(19,144.0)	0.0	0.0	0.0	0.0	(578.0)	(19,722.0)
Investment Properties	(933.6)	0.0	4.8	0.0	0.0	37.8	(891.0)
Development Grants W/O	(60.0)	208.4	(1.2)	43.1	0.0	136.2	326.5
County Fund	(2,000.0)	2,000.0	0.0	0.0	0.0	0.0	0.0
Conservation Fund	0.2	0.0	0.1	0.0	0.0	(0.3)	0.0
Travel Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Talented Performers Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Flotta Decommissioning Fund	953.0	0.0	19.1	0.0	0.0	299.9	1,272.0
Talented Young Persons Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Orkney Memorial Fund	0.0	0.0	0.3	0.0	0.0	0.0	0.3
Renewable Energy Investment Fund	(138.0)	0.0	0.0	0.0	0.0	(137.0)	(275.0)
Movement In Reserves	19,933.1	(2,000.0)	0.0	0.0	0.0	2,061.0	19,994.1
Finance Charges	67.0	0.0	0.0	0.0	0.0	(15.0)	52.0
Net Expenditure	(1,322.3)	208.4	23.1	43.1	0.0	1,804.6	756.9
PENSION FUND							
	2025/26		2026/27				
	Budget £000	Change £000	Inflation £000	Pressure £000	Savings £000	Change £000	Budget £000
Non-General Fund Services							
Pension Fund	(28,605.8)	0.0	285.9	(306.7)	0.0	(6,587.1)	(35,213.7)
	(28,605.8)	0.0	285.9	(306.7)	0.0	(6,587.1)	(35,213.7)
Pension Fund							
PF Operations	(1,316.1)	0.0	217.8	(242.2)	0.0	891.2	(449.3)
PF Admitted Bodies	(635.7)	0.0	11.9	(97.0)	0.0	(16.2)	(737.0)
PF Administration	457.4	0.0	3.2	32.5	0.0	33.3	526.4
PF Investments	(27,111.4)	0.0	53.0	0.0	0.0	(7,495.4)	(34,553.8)
Net Expenditure	(28,605.8)	0.0	285.9	(306.7)	0.0	(6,587.1)	(35,213.7)

GLOSSARY OF TERMS

Approved Growth	Additional funding allocated to a service.
Band D Properties	No. of properties within Orkney which are charged Council Tax at the Band D level. Used as the basis for calculating all other Council Tax bands.
Budget	Statement of planned financial resources available to meet organisational objectives.
Council Tax	Established basis of local taxation. Eight separate charging bands, from A to H. All Councils determine their Council Tax level based on the number of Band D Properties.
Discretionary Service	A service which the Council is not legally obliged to carry out.
Efficiency Savings	Cut in spending, usually linked to service reduction.
Financial Ledger	Financial System for recording financial information.
Finance Settlement	The level of revenue and capital funding received from the Scottish Government to deliver local services.
General Fund	Collective terms given to the service activities for which all local authorities are responsible for.
Grant Aided Expenditure (GAE)	A systematic means of allocating grant funding totals amongst local authorities.
Grant Settlement	See Finance Settlement above.
Harbour Accounts	Collective term given to the financial statements of Scapa Flow Oil Port and Miscellaneous Piers and Harbours.
Housing Revenue Account	Ring-fenced financial statement relating to the management and maintenance of the Council housing stock.
Inflation	Term given to the general increase in prices.
Miscellaneous Piers and Harbours	Financial statement which provides details of services which relate to the Council's piers and harbours.
Movement in Reserves	Term given to the Strategic Reserve Fund contribution.
Non-Domestic Rates	Established basis of local taxation for businesses.

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Non-General Fund	Collective term given to Council activities which do not fall within the General Fund and not funded by the government's financial settlement.
UHI Orkney	Financial statement which provides details of services which relate to the activities of UHI Orkney.
Revenue Expenditure	Day to day recurring costs of providing services.
Revenue Support Grant	The largest element of the Total Revenue Support and consists of a block grant paid weekly to finance the cost of all General Fund activities.
Ring-Fenced Grant	Grant awarded for a particular purpose. Within the context of this document, refers to the replacement term for <i>Specific Grants</i> .
Scapa Flow Oil Port	Financial statements which provide details of the activities surrounding the Scapa Flow Port operation.
Corporate Leadership Team	Executive Management team consisting of Chief Executive, Executive Directors, Head of Legal and Governance and Head of HR and Organisational Development
Single Outcome Agreement	Provides the framework through which the Scottish Government and Orkney Islands Council can achieve a set of mutually agreed high level national and local outcomes.
Spending Pressures	Term given to additional costs being incurred within a particular service area which were not budgeted for.
Spend to Save	Investment in service or project which will deliver permanent revenue savings year on year.
Statutory Service	A service which the Council is legally obliged to carry out.
Strategic Reserve Fund	Fund established through the income generated from the activities of the Scapa Flow Oil Port.
Total Government Funding	Term given to total revenue funding received from the Scottish Government through the finance settlement. Consists of 3 elements:- Ring-fenced grants, General Revenue Grant and Non Domestic Rates.
Up-rating Assumptions	Alternative term for inflationary assumptions.

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Approved Budget 2025/26	Approved budget to 31 March 2025. As approved by Council, 11 March 2025.
Baseline Movement 2025/26	Budget movements made in respect of permanent virements and return of one-off budgets 2025/26 to the Revised Budget in light of agreed service changes.
Revised Baseline 2025/26	Approved budget 2025/26 + Baseline movement 2025/26.
Inflation 2026/27	Increases at agreed rate of uplift following the application of the approved budget uplifts.
One-off Adjustments 2026/27	Changes made primarily to time-limited funding arrangements, therefore not part of the Baseline.
Service Pressures 2026/27	New and additional service spending pressures as proposed collectively by the Corporate Leadership Team and approved by Council.
Efficiency Savings 2026/27	Savings and efficiencies as proposed collectively by the Corporate Leadership Team and approved by Council.
Finance Settlement 2026/27	Additional funding from the Scottish Government through the finance settlement.
Final Adjustment 2026/27	Final budget changes have been made primarily in relation to known funding levels.
Approved Budget 2026/27	Approved budget to 31 March 2027. As approved by Council, 10 March 2026.

The following terms are used throughout the estimates with the undernoted definitions:

Service Area	Specific area within a Service Committee e.g. Social Care, Transportation, etc.
Service Function	Specific function within a Service Area e.g. Childcare, Elderly Residential, etc.
Subjective Group	Expenditure & Income Grouping e.g. Staff, Property, Fees & Charges etc.

More detailed descriptions of each element within each of the Subjective Groups now follow:

Subjective Group (Expenditure)

Staff Costs	Salaries, Wages, Pension Contributions, National Insurance.
Property Costs	Rent, Rates, Insurance, Heat, Light and Power, Repairs and Maintenance, Cleaning.
Supplies and Services	Purchases of Supplies, Materials, Equipment, Contract Services, Consultants, IT costs.
Transport Costs	Vehicle and Plant Costs, Transport, Fares, Staff

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	Mileage.
Administration Costs	Office Stationery, Photocopying, Telephones, Postage, Printing, Subsistence, Training, non-Property Insurance.
Apportioned Costs	The cost of Central Support Services (Chief Executive, Administration, Legal, Finance & Technical Services) recharged to Service Areas.
Third Party Payments	Payments for the provision of services on an Agency basis, such as Other Local Authorities, Voluntary Organisations, and Private Contractors.
Transfer Payments	Payments to individuals for which no goods or services are received, such as Student Bursaries, Housing Benefits and other Grant Payments.
Loan Charges	Financing of the Capital Programme.
Miscellaneous Expenditure	Other Expenditure
Subjective Group (Income)	
Government Grants	Scottish Government Grants.
Other Grants & Reimbursements	Health Authority, Other Agencies and Voluntary Organisations.
Rents & Lettings	Hire of Equipment, Lettings and Rents.
Sales	Sale of equipment and materials, Canteen, Refectory and School Meals.
Interest & Loans	Interest on Revenue Balances and Loans.
Fees & Charges	Licenses, Admission Charges, Harbour Dues and Care Charges.
Apportioned Income	The recharge of Central Support Services (Chief Executive, Administration, Legal, Finance & D&I Support) recharged from Service Areas.
Miscellaneous Income	Other Income.

All area budget summary, by cost heading

	General Fund	Scapa Flow Oil Port	Miscellaneous Piers & Harbours	Strategic Reserve Fund	Housing Revenue Account	Orkney College	Pension Fund	Total
Expenditure:	£	£	£	£	£	£	£	£
Staff Costs	99,878,300	3,863,000	3,939,700	251,500	568,500	5,653,700	12,320,100	126,474,800
Property Costs	12,119,200	674,100	4,282,400	239,300	2,146,300	590,000	0	20,051,300
Supplies & Services	8,939,100	376,800	256,100	1,170,900	302,700	751,000	2,703,600	14,500,200
Transport Costs	8,729,600	1,190,300	974,600	0	20,400	115,000	1,500	11,031,400
Administration Costs	1,760,600	123,300	160,400	0	86,600	119,000	3,400	2,253,300
Apportioned Costs	10,340,300	216,700	235,300	309,300	363,100	147,300	156,600	11,768,600
Third Party Payments	41,739,000	608,000	1,151,900	200	20,900	30,400	300	43,550,700
Transfer Payments	7,278,900	4,900	0	22,300	8,900	185,000	1,900,900	9,400,900
Loan Charges	3,300,000	2,477,000	4,255,000	1,619,000	758,500	145,200	(29,100)	12,525,600
Miscellaneous Costs	10,490,600	1,300	51,500	24,177,200	100	22,500	872,900	35,616,100
Total Expenditure	204,575,600	9,535,400	15,306,900	27,789,700	4,276,000	7,759,100	17,930,200	287,172,900
Income:								
Government Grants	(4,305,000)	0	(2,855,600)	0	0	(2,710,600)	0	(9,871,200)
Other Grants, Reimbursements	(21,189,600)	0	(2,876,600)	(1,508,400)	(242,000)	(1,938,800)	0	(27,755,400)
Rent & Lettings	(805,700)	0	(9,500)	(1,281,700)	(5,013,000)	(6,000)	0	(7,115,900)
Sales	(1,392,900)	0	(52,700)	(3,000)	0	(165,000)	0	(1,613,600)
Interest & Loans	(500,000)	0	(10,736,700)	(24,197,600)	(50,000)	0	(37,508,700)	(72,993,000)
Fees & Charges	(9,068,100)	(9,701,200)	(16,100)	(42,100)	(41,000)	(1,944,200)	0	(20,812,700)
Superannuation & Pensions	0	0	0	0	0	0	(15,583,300)	(15,583,300)
Salaries & Wages Suspense	0	0	0	0	0	0	(51,900)	(51,900)
Apportioned Costs Income	(13,364,900)	0	0	0	0	0	0	(13,364,900)
Miscellaneous Income	(187,400)	(102,300)	0	0	0	(994,500)	0	(1,284,200)
Total Income	(50,813,600)	(9,803,500)	(16,547,200)	(27,032,800)	(5,346,000)	(7,759,100)	(53,143,900)	(170,446,100)
Net Expenditure	153,762,000	(268,100)	(1,240,300)	756,900	(1,070,000)	0	(35,213,700)	116,726,800
Add back Sources of Funding:								
General Revenue Grant	(105,835,000)							(105,835,000)
NDR1	(14,090,000)							(14,090,000)
Council Tax	(13,837,000)							(13,837,000)
Use of Reserves	(20,000,000)							(20,000,000)
	(153,762,000)	0	0	0	0	0	0	(153,762,000)
Surplus on Year	0	(268,100)	(1,240,300)	756,900	(1,070,000)	0	(35,213,700)	(37,035,200)

