Item: 12

Enterprise and Infrastructure Committee: 10 November 2026.

Performance Monitoring – Enterprise and Resources.

Report by Director of Enterprise and Resources.

---

1. Overview

1.1. This report presents performance data for Enterprise and Resources for the period 1 April to 30 September 2026, for members' information.

1.2. The Council Plan 2023-28, approved in March 2023, reflects national priorities set by both the Scottish and UK Governments and the core services which the Council provides day to day, as well as taking account of new duties arising from recent legislation.

1.3. The Delivery Plan to support the Council Plan contains a number of priority actions listed to indicate the work which will be undertaken to achieve the identified outcomes.

1.4. The Council Plan 2023-28 noted that each directorate will have a delivery plan describing the priorities that they will deliver. The Directorate Delivery Plan for Enterprise and Sustainable Regeneration was approved in March 2024.

1.5. The Council's Risk Management Policy and Strategy requires that all directorates maintain a register of risks that are inherent in their activities and the services they provide. The risk register in respect of Enterprise and Sustainable Regeneration was approved in March 2024.

1.6. In terms of the Council's Strategic Planning and Performance Management Framework, performance in respect of the Directorate Delivery Plan, performance indicators and complaints and compliments are reported to the relevant committee on a six-monthly basis, in June and November.

1.7. Annex 1 provides the six-monthly updates in respect of the Enterprise and Resources Directorate Delivery Plan.

1.8. Annex 2 provides the six-monthly updates in respect of the Enterprise and Resources cross Council performance indicators.

1.9. Annex 3 presents the risk register for Enterprise and Resources.

1.10. Section 4 below sets out detail on complaints and compliments received by the Enterprise and Resources directorate.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the performance of Enterprise and Resources for the reporting period 1 April to 30 September 2026, in respect of directorate priorities and performance indicators, as set out in Annexes 1 and 2 respectively to this report.
ii. Agree the amendments proposed to the actions referred to in section 3.2 of this report.
iii. Note the complaints and compliments made to Enterprise and Resources in the six-month period 1 April to 30 September 2026 and for the two preceding six-month periods, as set out in section 4 of this report.
iv. Approve the Risk Register, attached as Annex 3 to this report.

3. Directorate Delivery Plan Performance Monitoring

3.1. The Directorate Delivery Plan progress report, attached as Annex 1 to this report, provides the detail of the agreed Directorate priorities, as expressed in the Enterprise and Sustainable Regeneration Directorate Delivery Plan 2023 – 2028.

3.2. Set out below are those Directorate Delivery Plan actions assessed as Blue within Annex 1, namely those which have been progressed to completion and are now being recommended for removal from the Directorate Delivery Plan.

i. ESR DDP 1a Council Financial Sustainability.
ii. ESR DDP 1b Council Financial Sustainability.

4. Directorate Performance Indicators

4.1. Directorate performance indicators provide the mechanism through which the performance of aspects of the services provided year on year are monitored. The monitoring report for Enterprise and Resources is attached as Annex 2.

4.2. In February 2024, the Corporate Leadership Team agreed to start monitoring the Cross Council Generic Performance Indicators on a quarterly basis but to remain reporting to committee on a six-monthly basis.

5. Directorate Complaints and Compliments

5.1. Table 1 below sets out the complaints and compliments made to Enterprise and Resources in the six-month period 1 April to 30 September 2026 and for the two preceding six-month periods.

Table 1.	Six months ending 30 September 2025.	Six months ending 31 March 2026.	Six months ending 30 September 2026.	Totals.
Complaints.	3	3	8	14
Compliments.	7	2	5	14

5.2. When considering the raw data within Table 1 above, it should be noted that the Council has adopted a policy of encouraging staff to record all complaints against the Council through the Complaints Handling Procedure. This includes complaints that are quickly and satisfactorily resolved by the frontline service, thereby enabling the Council to identify any trends that would help to improve the service. As a result, the number of complaints captured by the procedure may increase and that does not necessarily reflect an increase in the number of people contacting the service to express dissatisfaction with the Council.

5.3. When complaints are received, they are often very complex and take time to respond to. However, the Scottish Public Services Ombudsman makes clear that it is more important to respond fully and fairly to a complaint than it is to respond within the deadline.

5.4. It is also important to note that the number of complaints received by the Council does not capture the number of first-time service requests that front-line teams handle and manage each day. A great deal of effort goes towards dealing with these service requests to find an immediate resolution for customers which helps to prevent a situation escalating to a complaint.

5.5. In relation to complaints received in the reporting period 1 April to 30 September 2026:

- Three complaints were not upheld.
- Two complaints were partially upheld.
- Three complaints were upheld.

6. Directorate Risk Register

6.1. Managers within Infrastructure and Organisational Development have recently conducted a six-monthly review of the Directorate Risk Register, along with the list of actions to mitigate these risks. The Risk Register is attached as Annex 3 to this report.

For Further Information please contact:
Gareth Waterson, Director of Enterprise and Resources, extension 2521, Email gareth.waterson@orkney.gov.uk.

Implications of Report

1. **Financial:** none arising directly from this report.
2. **Legal:** The Council's performance management systems help the Council to meet its statutory obligation to secure best value.
3. **Corporate Governance:** not applicable.
4. **Human Resources:** not applicable.
5. **Equalities:** An Equality Impact Assessment is not required for performance monitoring.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required for performance monitoring.
7. **Links to Council Plan:** the proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
   ☒Growing our economy.
   ☐Strengthening our Communities.
   ☒Developing our Infrastructure.
   ☒Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** the proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
   ☐Cost of Living.
   ☒Sustainable Development.
   ☐Local Equality.
   ☐Improving Population Health.
9. **Environmental and Climate Risk:** not applicable.
10. **Risk:** service risks are outlined in the Risk Register.
11. **Procurement:** not applicable.
12. **Health and Safety:** not applicable.
13. **Property and Assets:** not applicable.

14. **Information Technology:** not applicable.
15. **Cost of Living:** not applicable.

List of Background Papers

Council Plan 2023-28.
Council Plan Delivery Plan 2023-28.
Enterprise and Sustainable Regeneration – Directorate Delivery Plan 2023-28.
Risk Management Policy and Strategy.

Annexes

Annex 1 – Directorate Delivery Plan Actions.
Annex 2 – Performance Indicators.
Annex 3 – Risk Register.

Enterprise and Resources
Directorate Delivery Plan 2023-28

Progress against ESR Directorate Delivery Plan 2023-28 at 30 September 2026

Title	Description	Intended Outcome	BRAG		Start Date	Target Date
ESR DDP 01a Council Financial Sustainability	Continue to pursue projects which can generate income for the Council, in particular Orkney's Community Wind Farm Project and income related to Tourism	The Council is financially sustainable. We balance our income and the use of reserves to support affordable and sustainable service provision and infrastructure development	BLUE		01-Oct-2024	31-Mar-2028
Lead	**Comment**					
Erik Knight	**BRAG status at 30 September 2025: Green** The drive towards reducing costs and maximising income sources is well embedded into OIC culture. It will require support from Elected Members, direction from the Corporate Leadership Team and control by officers and budget holders. At this stage, although financial sustainability is yet to be achieved, it feels appropriate to close this action as now business as usual.					

Title	Description	Intended Outcome	BRAG		Start Date	Target Date
ESR DDP 01b Council Financial Sustainability	New income streams are secured to support Council service provision and infrastructure development.	The Council is financially sustainable. We balance our income and the use of reserves to support affordable and sustainable service provision and infrastructure development	BLUE		01-Oct-2024	31-Mar-2028
Lead	**Comment**					
Erik Knight	**BRAG status at 30 September 2025: Green** The drive towards reducing costs and maximising income sources is well embedded into OIC culture. It will require support from Elected Members, direction from the Corporate Leadership Team and control by officers and budget holders. At this stage, although financial sustainability is yet to be achieved, it feels appropriate to close this action as now business as usual.					

Title	Description	Intended Outcome	BRAG		Start Date	Target Date
ESR DDP 02a Local economy	Review of support mechanisms, action plans and marketing programme to ensure resources are best targeted.	The local economy is sustainable and prosperous.	GREEN		01-Oct-2024	31-Mar-2028
Lead	**Comment**					
Sweyn Johnston	**BRAG status at 30 September 2025: Green** Work to inform this is underway and a report expected to be taken to Committee in 2027 setting out recommendations.					

Title	Description	Intended Outcome	BRAG	Start Date	Target Date
ESR DDP 02b Local economy	Actively support and participate in development of key infrastructure, for example the transmission connection for Orkney.	The local economy is sustainable and prosperous.	GREEN	01-Oct-2024	31-Mar-2028
Lead	**Comment**				
Sweyn Johnston	**BRAG status at 30 September 2025: Green** The Council has been the key enabler in securing regulator consent for a new interconnector. Construction of the related substation in Finstown started in 2024, works are progressing, and the interconnector is due to be energised in 2028.				

Personnel key
Director of Enterprise and Resources – Gareth Waterson
Head of Enterprise and Economic Growth – Sweyn Johnston
Head of Finance – Erik Knight
Head of Marine Services and Transportation – Laura Cromarty

BRAG key

Complete: we have achieved what we set out to achieve.

Progressing well: we expect to achieve what we set out to achieve.

Progress issues: we may not achieve what we expected.

Progress at risk: we are unlikely to achieve what we expected.

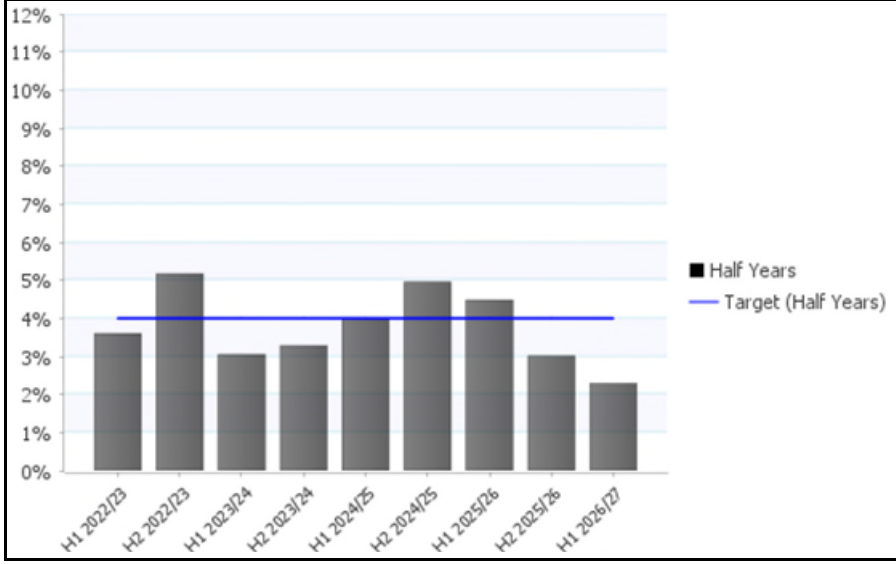
Annex 2

Enterprise and Resources
Performance Indicator Report

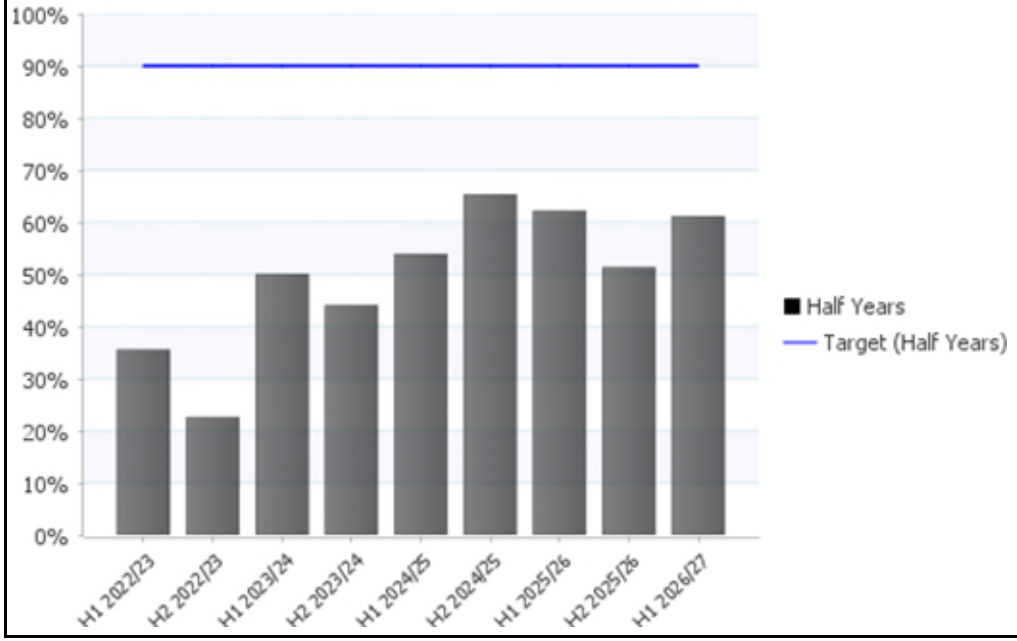
Service Performance Indicators at 30 September 2026

ORKNEY ISLANDS COUNCIL

Performance Indicator				
CCG 01 – Sickness absence – The average number of working days per employee lost through sickness absence, expressed as a percentage of the number of working days available.				
Target	**Actual**	**Intervention**	**RAG**	
4%	2.29%	6.1%	GREEN	
Comment				
The Enterprise and Resources directorate management team continues to work closely with the Human Resources team and individual managers to ensure that short and long term sickness absence is addressed as a matter of priority.				
Trend Chart				



Performance Indicator				
CCG 02 – Sickness absence – Of the staff who had frequent and/or long-term sickness absence (they activated the sickness absence triggers), the proportion of these where there was management intervention.				
Target	**Actual**	**Intervention**	**RAG**	
90%	61.11%	79%	RED	
Comment				
The Enterprise and Resources directorate management team continues to work with Human Resources and individual managers to ensure that active intervention takes place at the appropriate times. Signposting to the resources and support available as well as a reminder of the responsibility of line managers in carrying out these duties will be issued.				
Trend Chart				



Performance Indicator				
CCG 03 – Staff accidents – The number of staff accidents within the service, per 30 staff per year.				
Target	**Actual**	**Intervention**	**RAG**	
1	0.53	2.1	GREEN	

Comment

Important context for interpretation of this data from the Service Manager (Safety and Resilience):

The following data relates to adverse events recorded within Enterprise and Resources during the period October 2025 to October 2026. This reporting period is directly comparable with H2 2025/26. Data reported prior to H2 2025/26 was recorded under a different Council structure and is therefore not directly comparable.

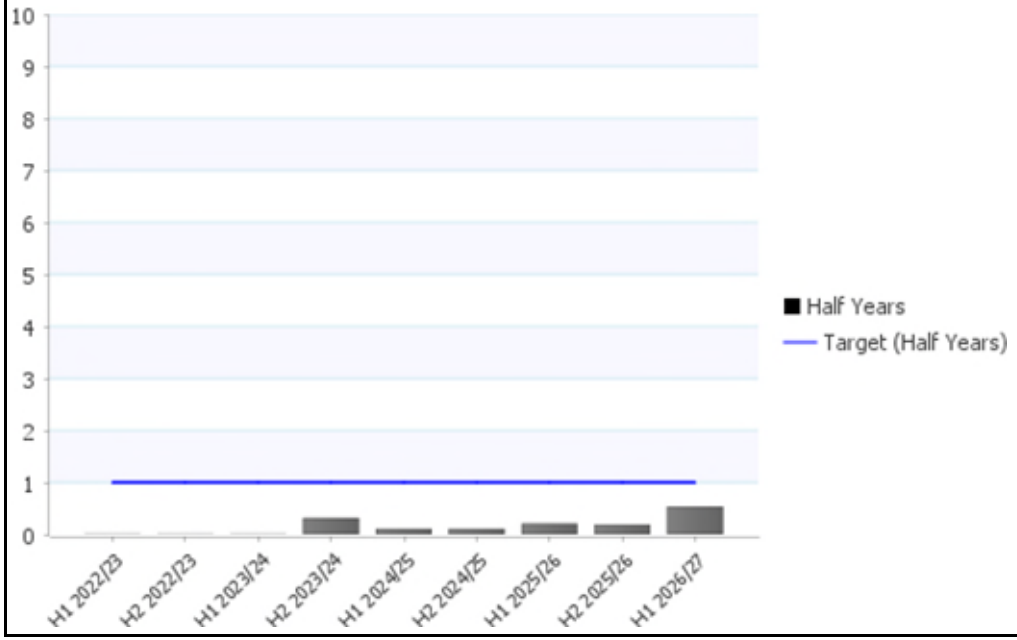
Adverse events include accidents, incidents, near misses and undesired circumstances. These are recorded and analysed using Health and Safety Executive categorisation to identify trends, support preventative action and drive continuous improvement in health and safety performance.

The staff accident rate increased from 0.18 to 0.53 accidents per 30 employees per year during the reporting period. The RIDDOR reporting rate remained at 0 per 30 employees per year, with no RIDDOR-reportable incidents recorded.

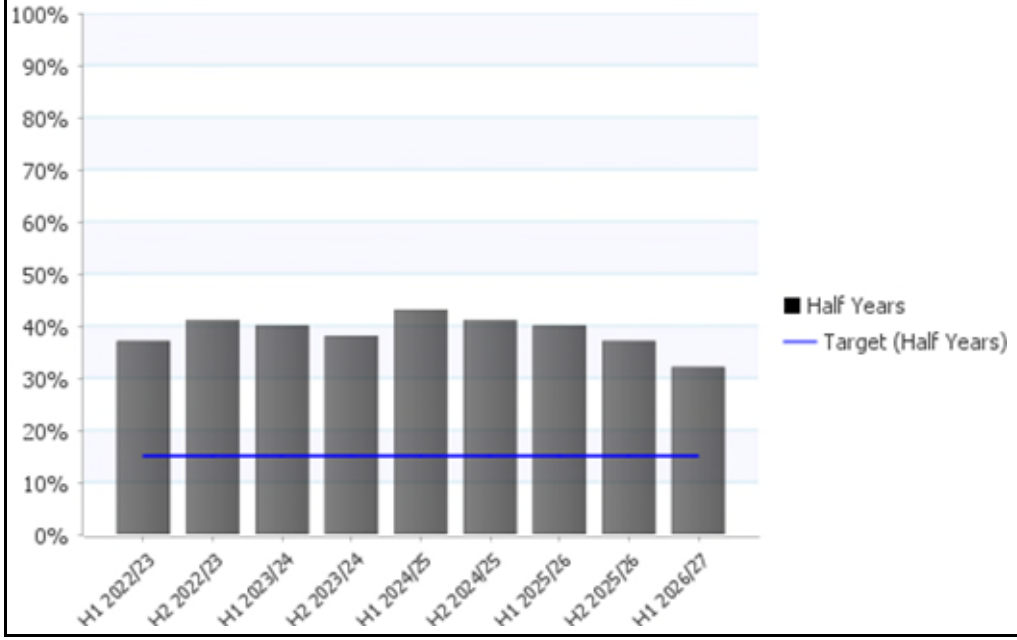
The reported adverse events were primarily associated with slips, trips and falls on the same level, with other events arising from operational activities. These findings reinforce the importance of maintaining effective safe systems of work, appropriate equipment controls and staff awareness across service areas.

While the accident rate increased during the reporting period, the continued absence of RIDDOR-reportable incidents provides assurance that more serious workplace harm remains well controlled. Ongoing monitoring and analysis of adverse event trends will help identify emerging risks, inform preventative action and support continued improvement in health and safety performance across the service.

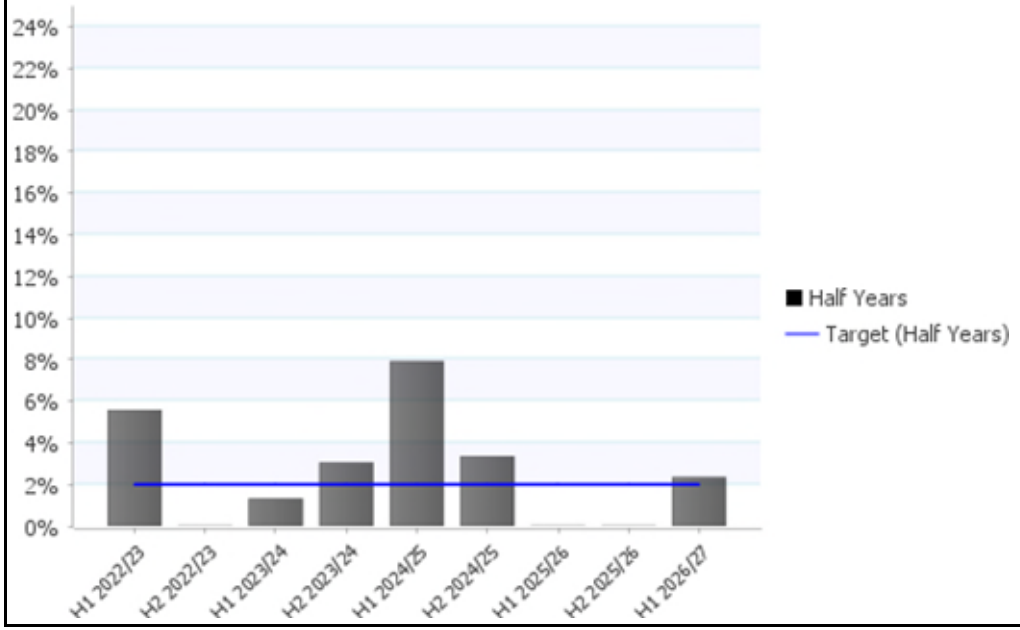
Trend Chart


10
9
8
7
6
5
4
3
2
1
0
H1 2022/23
H2 2022/23
H1 2023/24
H2 2023/24
H1 2024/25
H2 2024/25
H1 2025/26
H2 2025/26
H1 2026/27
Half Years
Target (Half Years)

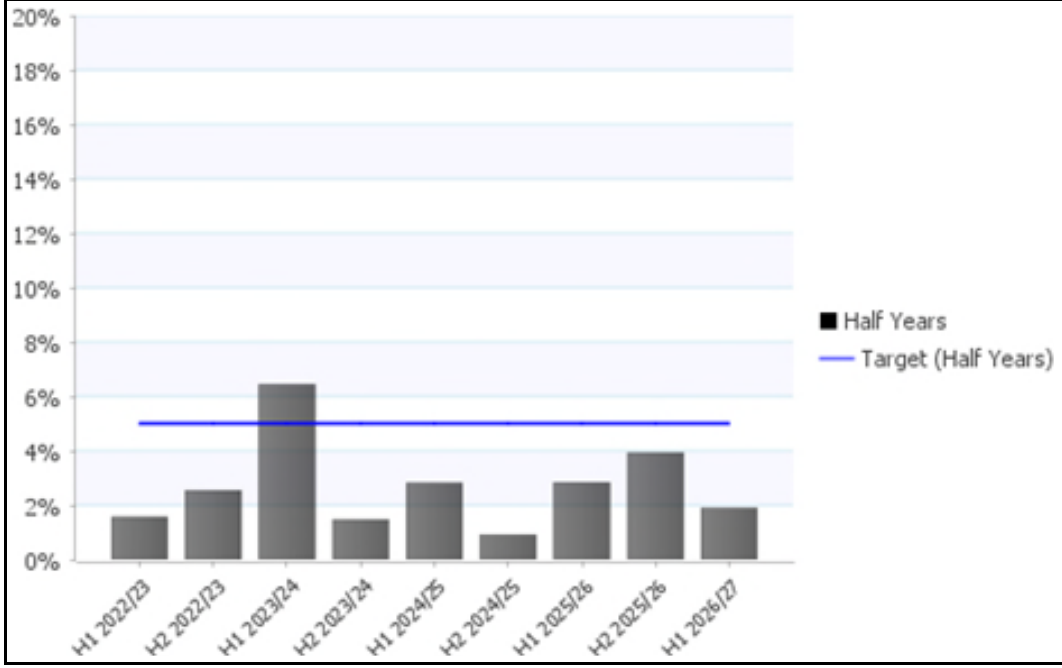
Performance Indicator				
CCG 04 – Budget control – The number of significant variances (priority actions) generated at subjective group level, as a proportion of cost centres held.				
Target	**Actual**	**Intervention**	**RAG**	
15%	32%	31%	RED	
Comment				
The Enterprise and Resources Directorate management team continues to contribute to the Revenue Expenditure Monitoring Report (REMR) process and flag up areas of concerns and difficulties. The profiling of operational budgets is challenging, given the reactive nature of the work. Therefore, whilst attempts are made to appropriately profile cost centres at the start of the year, there will be inevitable variances throughout the financial reporting period which do not, in general, represent significant budget challenges.				
Trend Chart				



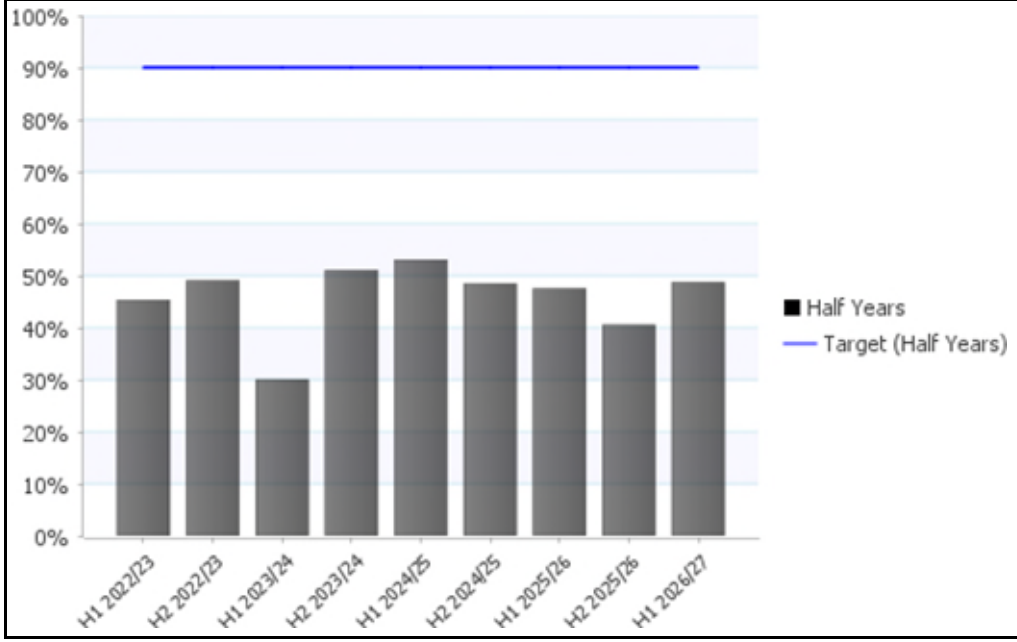
Performance Indicator				
CCG 05 – Recruitment and retention – The number of advertised service staff vacancies still vacant after six months from the time of advert, as a proportion of total staff vacancies.				
Target	**Actual**	**Intervention**	**RAG**	
2%	2.33%	4.1%	AMBER	
Comment				
In this period, only one advertised post remained unfilled after six months from the time of advertisement.				
Trend Chart				



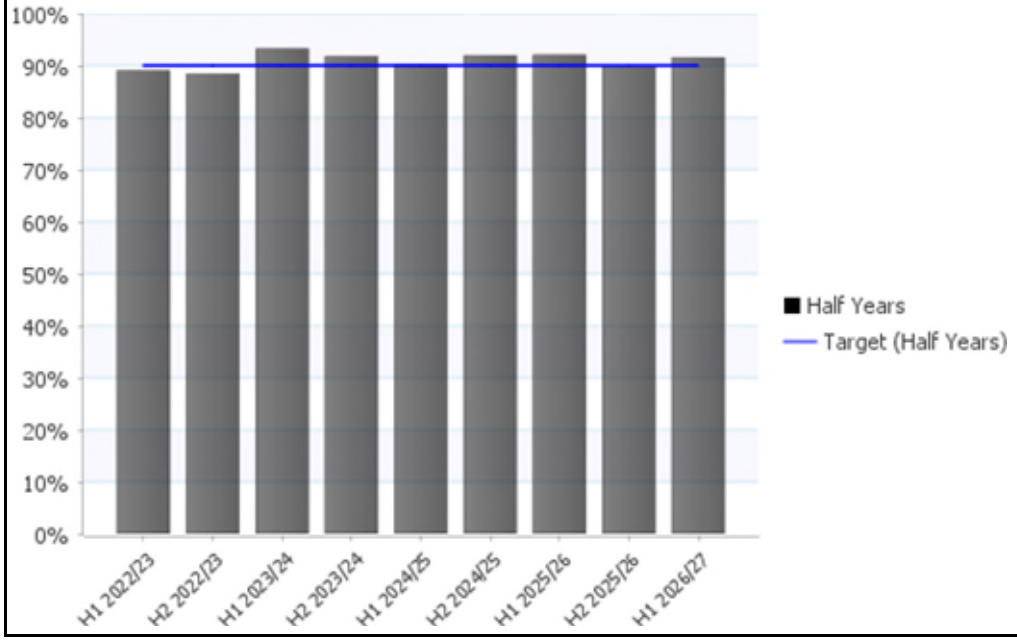
Performance Indicator				
CCG 06 – Recruitment and retention – The number of permanent service staff who leave the employment of Orkney Islands Council – but not through retirement or redundancy – as a proportion of all permanent service staff.				
Target	**Actual**	**Intervention**	**RAG**	
5%	1.88%	10.1%	GREEN	
Comment				
Turnover within the Enterprise and Resources directorate remains low.				
Trend Chart				



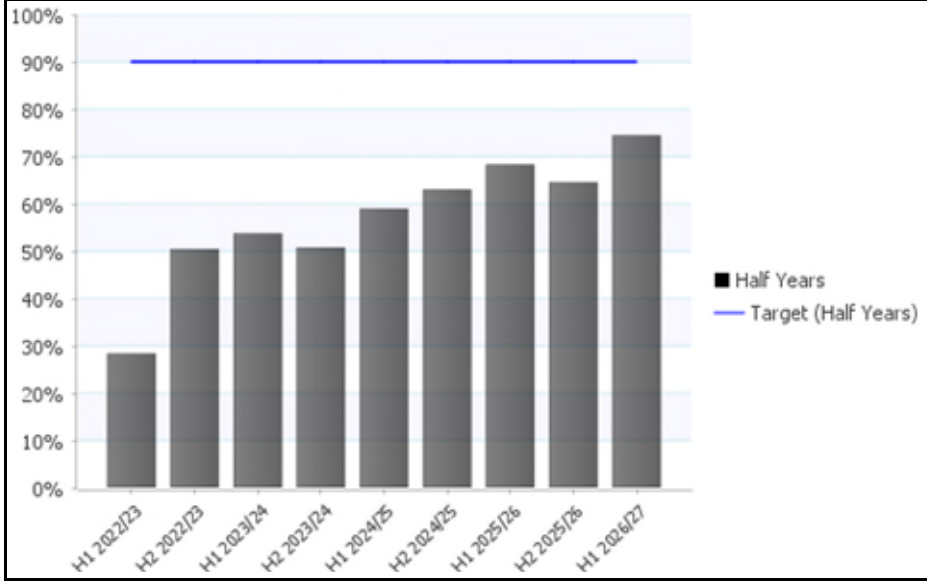
Performance Indicator				
CCG 07 – Good Conversations – The number of staff who receive (at least) an annual face-to-face Good Conversations (GC) meeting, as a proportion of the total number of staff within the service.				
Target	**Actual**	**Intervention**	**RAG**	
90%	48.66%	79%	RED	
Comment				
The Enterprise and Resources directorate management team continue to work closely with line managers to provide support and to ensure that meetings are carried out on an annual basis but recognise that there is work to do to improve performance in this area.				
Trend Chart				



Performance Indicator				
CCG 08 – Invoice payment – The number of invoices that were submitted accurately, and paid within 30 days of invoice date, as a proportion of the total number of invoices paid.				
Target	**Actual**	**Intervention**	**RAG**	
90%	91.5%	79%	GREEN	
Comment				
Staff strive to consistently process invoices without delay.				
Trend Chart				



Performance Indicator				
CCG 09 – Mandatory training – The number of staff who have completed all mandatory training courses, as a percentage of the total number of staff in the service.				
Target	**Actual**	**Intervention**	**RAG**	
90%	74.37%	79%	RED	
Comment				
Mandatory training course completion continues to be high and well over the overall figure within areas of the Directorate with office-based staff. In areas of the Directorate with front-line staff undertaking roles that require significantly less time on a computer, course completion is lower but has shown an improvement. The GDPR module on iLearn has been unavailable due to a problem with the system and has been down since a new version of the course was uploaded on 17 July 2026. Human Resources and Organisational Development have been working with the service provider to find a solution to the issue; it has been fixed to an extent but there are still some problems in accessing the course and work continues to resolve this. Based on the access issues the GDPR module statistics have been suppressed from the results for the reporting period ending 30 September 2026.				
Trend Chart				



How we demonstrate progress

We use red, amber and green status to show our assessment of the most up-to-date data we have relating to the performance measures/indicators.

 We are missing our target for this performance measure, and there is a significant risk we will not meet our target without taking further action.

 We are missing our target for this performance measure, and there is a low to moderate risk that we will not meet our target without taking further action.

 We are likely to meet or exceed our target for this performance measure.

Enterprise and Resources Risk Register – October 2026

Strategic Risks

Cluster.	**Risk Number.**	**Owner.**
Financial.	3. 5. 6. 7. 8.	Head of Finance. Director of Enterprise and Resources. Head of Marine Services and Transportation. Head of Marine Services and Transportation. Director of Enterprise and Resources.
Staffing.	1. 2.	Director of Enterprise and Resources. Director of Enterprise and Resources.
Governance.		
Legislation.		
Communication.		
Reputational.	4.	Head of Marine Services and Transportation.
Reputational / Physical.		
Legislative / Governance.		
Technological.		

Risks by rating

Risk Rating.	Risk.	Owner.	Cluster.	Risk Number.
20.	Inability to deliver core services and expand demand-led services in line with expectation.	Head of Finance.	Financial.	3.
16	Continuity of staffing and knowledge.	Director of Enterprise and Resources	Staffing.	1.
15.	Loss of service due to lack of funding for ferry and terminal replacement.	Director of Enterprise and Resources	Financial.	8.
15.	Major project delay or failure.	Director of Enterprise and Resources	Financial.	5.
15.	Risk of reduced income from Harbours business activity as the market changes.	Head of Marine Services and Transportation.	Financial.	7.
12.	Continued lack of Scottish Government support for costs of concessionary travel on ferries, air and community transport.	Head of Marine Services and Transportation.	Financial.	6.
9.	Staff training and development.	Director of Enterprise and Resources	Staffing.	2.
9.	Airfield closure or non-conformity.	Head of Marine Services and Transportation.	Reputational.	4.

Risk Matrix

			IMPACT				
			1.	2.	3.	4.	5.
			Insignificant	Minor	Moderate	Major	Severe
LIKELIHOOD	5.	Almost Certain.	Medium	Medium	High	High	Extreme
	4.	Likely.	Medium	Medium	Medium	High	Extreme
	3.	Possible.	Low	Medium	Medium	High	High
	2.	Unlikely.	Low	Low	Medium	Medium	High
	1.	Rare.	Low	Low	Low	Medium	High

Risk Title: 01 – Continuity of staffing and knowledge.

Likelihood	3	**Impact.**	4	**RAG**	High	**Current Risk Score**	12	**Target Risk Score**	8
Owner	Director of Enterprise and Resources						**Cluster.**	Staffing	

Vulnerability	**Trigger**	**Consequences**	**Options**	**Mitigating Actions**
Smaller teams are less resilient and more vulnerable. Recruitment and retention are ongoing challenges due to a challenging job market. Small teams or single key people in critical posts. Demographic of the workforce with several staff members becoming eligible for retirement.	Unplanned and planned staff absence; unexpected and unplanned events. Retirement of staff members with many years of corporate knowledge.	Impact on staff morale and ability to take leave; impact on team effectiveness; poor communication; impact on management capacity; inefficient use of staff; inability to implement planned work and deliver statutory functions.	Treat.	01.01 Undertake workforce planning and opportunities for career succession planning. 01.02 Take a flexible approach to staffing to help cover workloads. 01.03 Develop a flexible post/job description to cover more than one area in the directorate.

Risk Title: 02 – Staff training and development

Likelihood	3	**Impact**	3	**RAG**	Medium	**Current Risk Score**	9	**Target Risk Score**	4
Owner	Director of Enterprise and Resources						**Cluster**	Staffing	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
Staff may not be fully trained or experienced; staff may not be aware of or may inadvertently breach Council policy or Code of Practice; limited access to training budget. Staff may not feel valued if no investment in continuing professional development is made.	The Directorate and Council are unable to deliver functions effectively; lack of corporate consistency.	Lack of resilience; poor staff morale; legal and financial implications; reputational loss; increased rate of error; unable to meet professional development requirements.	Treat.	02.01 – Development of skills identified through staff Good Conversations. 02.02 – Promote the Council's Learning and Development programmes and resources.

Risk Title: 03 – Inability to deliver core services and expand demand-led services in line with expectation.

Likelihood	5	**Impact**	4	**RAG**	Extreme	**Current Risk Score**	20	**Target Risk Score**	9
Owner	Head of Finance						**Cluster**	Financial	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
The risk of insufficient financial resources to meet current and future demand.	The Council's inability to deliver essential services within the funding package provided by Scottish Government; expectations outstrip capacity to deliver.	Community unrest; dissatisfied service users and elected members; unmet demand; loss of credibility of the Council; failure to deliver the range of services expected.	Treat.	03.01 – Follow revenue budget monitoring process and procedures. 03.02 - Communication with Scottish and United Kingdom Governments. 03.03 – Support the Corporate Leadership Team to develop longer term strategic planning. 03.04 – Actively consider and progress new opportunities for income generation and efficiency savings.

Risk Title: 04 – Airfield closure or non-conformity

Likelihood	3	**Impact**	3	**RAG**	Medium	**Current Risk Score**	9	**Target Risk Score**	4
Owner	Head of Marine Services and Transportation						**Cluster**	Reputational	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
Insufficient plans in place to ensure delivery of training and exercises take place. The Council may not have sufficient funds to sustain assets, replace ageing assets and develop key assets. Difficulty of staff recruitment in some areas.	Failure to carry out training of staff. Insufficient resilience of staff – singleton post. Changed standards for runways, facilities and equipment. Material deterioration of runways. Shortage of staff to muster fire team for any island	Failure to provide a service to the outer islands of Orkney; airfields deteriorate; plant/vehicles deteriorate; scarce resources; reputational risk to Council; closure of islands airfields. Failure to monitor health due to lack of supplier or sufficient budget.	Treat.	04.01 – Ensure appropriate staff training in place and undertaken. 04.02 - Regular communication with customers and stakeholders to articulate and manage expectations. 04.03 - Actively seek customer/ stakeholder feedback and identify any improvements required. 04.04 - Agreed brief/terms of reference/service standards with full understanding of customer and stakeholder requirements. 04.05 - Co-ordinated public engagement across the Council and with partners/stakeholders where appropriate. 04.06 – Fill vacant posts timeously where appropriate to ensure where possible services are operating at optimum staff complement.

Risk Title: 05 – Major project delay or failure

Likelihood	5	**Impact**	3	**RAG**	High	**Current Risk Score**	15	**Target Risk Score.**	6
Owner	Director of Enterprise and Resources						**Cluster**	Financial	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
The risk of insufficient financial and/or staff resources to meet current and future demand makes it difficult for the Council to realise its priorities e.g. Scale Wind, Islands Deal, Harbours Master Plan. Failure to spend grant funding. Reputational damage.	Strategic high-level project programme slippage. Scale of project management business requirements associated with the Islands Deal.	Failure to deliver major projects.	Treat.	05.01 – Ensuring appropriate consideration of pressures during capital and revenue budget setting and most efficient use of existing resources. 05.02 – Establish additional project specific staff and budget resources to ensure new project delivery where required (property and planning resource reviews and commitment to increase resource levels). 05.03 – Implement recommendations relevant to the capital programme arising from the external review of the Planning Service. 05.04 – Seeking to conclude the planning for the next capital programme (period 2024 to 2029) and thereby adjusting resource levels to meet delivery demands. 05.05 - Review of the level of support for the next stage of Islands Deal work beyond Strategic Outline

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
				Business Case. This would be addressed via future Project Management Office committed resource across the partners.

Risk Title: 06 – Continued lack of Scottish Government support for costs of concessionary travel on ferries, air and community transport

Likelihood	4	**Impact.**	3	**RAG**	Medium	**Current Risk Score**	12	**Target Risk Score**	4
Owner	Head of Marine Services and Transportation						**Cluster**	Financial	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
The Council may not have sufficient funds for dealing with concessions on Ferries, Air and Dial-a-Bus. This vulnerability is also increasing due to the increased ageing population.	Ageing population. Reducing Scottish Government proportion of grant/Scottish Government "pot" is capped. Any change to Scottish Government policy on the provision of support to concessions.	Vulnerable people left without ability to meet basic needs, budgets inadequate due to reduction in Scottish Government support.	Treat.	06.01 – Outwith Local Authority control; reimbursement of over 60/disabled National Entitlement Card paid by the Scottish Government. 06.02 – Orkney Inter Islands Air and Ferry Study Project/Fair Funding activity. 06.03 – Contribute to the Transport Scotland Fair Fares Review.

Risk Title: 07 – Risk of reduced income from Harbours business activity as the market changes.

Likelihood	5	**Impact**	3	**RAG**	High	**Current Risk Score**	15	**Target Risk Score**	4
Owner	Head of Marine Services and Transportation						**Cluster**	Financial	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
Harbours has become increasingly reliant on the oil industry and cruise liners for generating income. Changes to these markets could have a profound effect on harbour revenues.	The Council fails to identify and exploit new markets/income streams if/when current marine activity reduces. Cruise ships reduce. Oil revenues worsen.	Failure to provide a comprehensive 24/7 marine service; reputational risk to Council; dissatisfied service users and elected members; failure to deliver the range of services expected. Enterprise and Resources self-financed budget strategy leading to overspend. Inability to provide funds to the Strategic Reserve Fund.	Treat.	07.01 – Development and marketing of infrastructure and services. 07.02 – New business e.g. Ship to Ship transfer in Scapa Flow and other oil and gas related activity. 07.03 – Identify and exploit new markets and invest in infrastructure and skilled people. 07.04 – Implementation and investment in the Harbours Master Plan. Costs associated balanced against implications for Council-wide financial planning.

Risk Title: 08 – Loss of service due to lack of funding for Ferry and Terminal replacement.

Likelihood	3	**Impact**	5	**RAG**	High	**Current Risk Score**	15	**Target Risk Score**	4
Owner	Director of Enterprise and Resources						**Cluster**	Financial	

Vulnerability.	**Trigger.**	**Consequences.**	**Options.**	**Mitigating Actions.**
The Council does not have sufficient funds for Ferry and Terminal maintenance and replacement programme. If Scottish Government funding is not forthcoming the costs of additional essential lifeline services could impact on other service priorities.	The Council cannot maintain or develop its essential assets to provide public services.	Ferries reach end of life with no replacement – rapid service deterioration. Excessive support costs as aged ferries kept running. Excessive running costs of old ferries. No opportunities to achieve expected service levels. Crisis purchase of new ferries – loss of bargaining power.	Treat.	08.01 – Maintain contact with Scottish Government through Ferry Task Force meetings. 08.02 – A revised funding mechanism for revenue and capital elements of ferry service provision has been established with the Scottish Government.