Item: 2

Enterprise and Infrastructure Committee: 8 September 2026.

KIMO.

Report by Deputising Chief Executive.

1. Overview

1.1. This report seeks appointments to KIMO, for members' consideration.

1.2. The Council has appointed elected members to KIMO since 2019. Representation comprises one member of the Harbour Authority Sub-committee, together with a substitute.

1.3. Following the resignation of Councillor Kristopher Leask as Chair of the Enterprise and Infrastructure Committee with effect from 15 May 2026, this created a vacancy in the Council's representatives to KIMO.

1.4. Existing constitutional arrangements regarding the Council's representation on KIMO are set out in section 4.

1.5. Proposals in respect of appointments to the vacancies are outlined in section 5.

2. Recommendation

2.1. It is recommended that members of the Committee:

i. Nominate two substitute Members to represent the Council at KIMO, bearing in mind the existing constitutional arrangements and the proposals set out in section 5 of this report.

3. KIMO

3.1. KIMO is a local authority international environmental organisation designed to give municipalities a political voice at regional, national and international level, with a clear mission statement and is committed to the development of coastal communities.

3.2. There are over 70 members in Belgium, Denmark, the Faroe Islands, Germany, the Netherlands, Sweden and the United Kingdom. KIMO International was formed in

1990, quickly followed by national organisations with KIMO UK being formed in 1991.

3.3. The stated mission of KIMO International is a commitment to the development of sustainable coastal communities by:

- Preventing pollution of the seas and coastal waters of North West Europe and preserving, improving and enhancing them for future generations.
- Protecting coastal communities from the impacts of marine pollution and climate change.
- Representing its member local authorities and associated members at an international and national level.

4. Constitutional Arrangements

4.1. The Council has previously agreed that it should be represented at KIMO by a member, with a substitute member also appointed. Both appointees are members of the Harbour Authority Sub-committee.

4.2. Current appointments are Councillor Heather Woodbridge as the substantive appointee, with Councillor Kristopher Leask as the substitute.

4.3. As Councillor Leask was a member of the Harbour Authority Sub-committee by virtue of being Chair of the Enterprise and Infrastructure committee, following his resignation from that post, with effect from 15 May 2026, he is de facto no longer a member of the Harbour Authority Sub-committee.

4.4. On 30 June 2026, the Council elected Councillor Mellissa-Louise Thomson as Chair of the Enterprise and Infrastructure Committee, having previously served as Vice Chair.

4.5. The Vice Chair of the Enterprise and Infrastructure Committee will be appointed at this meeting.

4.6. Existing membership of the Harbour Authority Sub-committee is as follows:

- Chair, Enterprise and Infrastructure Committee – Councillor Mellissa-Louise Thomson.
- Vice Chair, Enterprise and Infrastructure Committee – to be appointed at this meeting.
- Three other Members of the Enterprise and Infrastructure Committee:
  - Councillor P Lindsay Hall.
  - Councillor Duncan A Tullock.

- Councillor Heather N Woodbridge.

- Two other Members of the Council:
  - Councillor Graham A Bevan (also a member of the Enterprise and Infrastructure Committee).
  - Councillor Ivan A Taylor.

5. Vacancies

5.1. With Councillor Leask's resignation as Chair of the Enterprise and Infrastructure Committee, there is now a vacancy in the Council's representation on KIMO.

5.2. The Committee is requested to appoint a member of the Harbour Authority Sub-committee as a substitute representative to KIMO.

5.3. The Committee is also asked to consider the appointment of a second substitute to provide more resilience.

5.4. It is open to the Committee to revisit the constitutional arrangements as set out in section 4 above, namely whether the appointments should be restricted to members of the Harbour Authority Sub-committee, the wider Enterprise and Infrastructure Committee or indeed from across all 21 Elected Members.

For Further Information please contact:
Hazel Flett, Service Manager (Governance), extension 2208, Email hazel.flett@orkney.gov.uk

Implications of Report

1. **Financial:** none arising directly from the recommendations of this report.
2. **Legal:** none arising directly from the recommendations of this report.
3. **Corporate Governance:** Council policy relating to the appointment of elected members to external bodies has ceased with the exception of the following:
   - Organisations which are wholly owned by the Council.
   - Organisations in which the Council has a majority financial interest.
   - Statutory organisations or other bodies to which a Council appointment would be prudent.
4. **Human Resources:** none.
5. **Equalities:** not applicable.
6. **Island Communities Impact:** not applicable.
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:** not applicable.
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

Development and Infrastructure Committee, 12 November 2019: Item 11 – KIMO.
Development and Infrastructure Committee, 7 June 2022: Item 5 – Appointments to Sub-committees, Group and Other Bodies.
Development and Infrastructure Committee, 4 June 2024: Item 4 – Appointments to Sub-committees, Group and Other Bodies.

Item: 6

Enterprise and Infrastructure Committee: 8 September 2026.

Review of Criteria for Haulier Rates.

Report by Director of Enterprise and Resources.

1. Overview

1.1. This report considers a revision of the criteria for discounted haulier rates currently in place at Orkney Ferries Ltd, which are outdated.

1.2. The proposed criteria, as set out in section 3 of this report, will ensure that the discounted haulier rates are fair and applicable to all hauliers delivering to the Islands.

2. Recommendation

2.1. It is recommended that members of the Committee:

i. Agree that, subject to confirmation of the Subsidy Control position to the satisfaction of the Director of Enterprise and Resources and in accordance with the Service Level Agreement between Orkney Islands Council and Orkney Ferries Ltd, the following criteria be adopted in order for hauliers to be eligible for 50% discount on tariffs levied by Orkney Ferries Ltd :

- The Haulier does not require to be resident on the island.
- The Haulier must hold an Operator's Licence noting that the operator's licence can be based anywhere.
- The Haulier must set up a direct debit account with the company.

ii. Agree that the 25% haulier discount be removed from the tariffs levied by Orkney Ferries Ltd.

3. Background

3.1. During 2007 the freight rates charged to hauliers by Orkney Ferries Ltd were revised and the following criteria was agreed to offer a 50% haulier discount:

- The haulier must be resident on the island.

- Hold an Operator's Licence enabling the carriage of goods for hire and reward (restricted operator's licences – own goods only, do not qualify).
- Sign a direct debit in favour of Orkney Ferries to enable the company to claim settlement by mid-month following.
- Prove that a minimum of 50 journeys will be made each year.

3.1.1. In addition, if the haulier was to travel outwith the island of residence, a 25% discount would be given.

3.2. To ensure that the discount rates are fair and applicable to all Hauliers delivering to the Islands, the following criteria are proposed:

- The Haulier does not require to be resident on the island.
- The Haulier must hold an Operator's Licence and the operator licence can be based anywhere.
- The Haulier must set up a direct debit account.

3.3. It is also proposed that the 25% haulier discount be removed.

3.4. The proposed change in criteria will give customers a wider choice of operator and provide additional resilience should any individual operator cease trading.

3.5. The removal of the requirements for the haulier to be resident on the island, as well as proving a minimum requirement of 50 journeys per year, helps ensure equality of access for new entrants to the haulier market.

4. Haulier Discount Summary

4.1. The total estimated revenue loss resulting from the review of the haulier discount is calculated at £91K, with a detailed breakdown provided below:

Haulier Discount Summary		
Period analysed: 01/04/25 - 31/03/26		
Metric	**Value**	**Notes**
Total active bookings	4,650	Across HAUL50, HAUL25, and no-discount/SPV groups
Overall current charges excl. VAT	£206,475	For 25% discount and no-discount groups where charge data is available
Estimated total lost revenue	£91,250	Incremental lost revenue if 25% and no-discount groups moved to 50% discount
Lost revenue from no-discount group	£55,282	60.6% of total estimated lost revenue
Lost revenue from 25% discount group	£35,967	39.4% of total estimated lost revenue

4.2. It is also recognised that Orkney Ferries Ltd has a complex commercial fare structure and the freight pricing needs to be reviewed going forward. This will be progressed throughout 2026/27.

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:** The financial implications are contained within the body of this report at Section 4.
2. **Legal:** Approving the recommendations in this report will help ensure equality of access for new entrants to the haulier market.
   Orkney Ferries Ltd is 100% owned by Orkney Islands Council, is deficit funded by public resources and its Board of Directors are made up entirely of elected members of Orkney Islands Council. Any financial assistance provided by Orkney Ferries Ltd will need to be assessed against the Subsidy Control Act 2022 (the Act) to determine if a subsidy is present. If it is determined that a subsidy is present, then the financial assistance must be provided in a manner compliant with the Act.
   The preliminary view is that the financial assistance detailed in this report will meet the definition of a subsidy under section 2 of the Act. It is anticipated that Orkney Ferries Ltd will provide this subsidy to recipients by way of the Minimal Financial Assistance (MFA) option under section 36 of the Act. This will be dependent on how much MFA the recipient has received over the applicable period (a threshold of £315,000 over this Financial Year and the previous two).
3. **Corporate Governance:** This supports consistent decision-making, reduces the risk of unequal treatment and improves the auditability of the scheme.
4. **Human Resources:** There are not expected to be any human resources implications arising.
5. **Equalities**: The proposed revision of the criteria for the discounted haulier rates is expected to have a neutral equality impact but will improve fairness and accessibility by extending eligibility to a wider range of operators.
6. **Island Communities Impact**: The proposal extends eligibility for discounted haulier rates to all operators holding a valid operator licence, irrespective of where the licence is based. This will provide a positive impact through increased competition, greater choice of freight providers and a more transparent approach to eligibility.
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:** By applying the same criteria to all hauliers, the proposal improves fairness and strengthens the transparency and defensibility of the scheme.
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 expected to have a direct impact on the cost of living.

List of Background Papers

None

Item: 7

Enterprise and Infrastructure Committee: 8 September 2026.

Column Mounted Decoration Policy.

Report by Director of Infrastructure and Organisational Development.

1. Overview

1.1. This report presents a review of the Column Mounted Decoration Policy for members' consideration.

1.2. Orkney Islands Council receives occasional requests from Community Councils, community organisations, event organisers and election candidates to install festive decorations, banners, bunting and campaign material, over or adjacent to the public road network.

1.3. Given Orkney's classification as an extra heavy wind zone, strict windage limits apply to Council infrastructure. The limited size of signage that can be safely installed on lighting columns, particularly older columns, makes it essential that such installations are effectively controlled and managed.

1.4. The policy establishes requirements and responsibilities relating to the installation, maintenance, inspection and removal of column mounted decorations and similar features within the roads boundary. It also sets out technical requirements, insurance obligations and application procedures.

1.5. Following a review of the existing policy, and to formalise the management of similar requests, the policy has been revised to cover all column-mounted decorations rather than solely festive decorations. While the specification itself has changed little, the revised policy now encompasses a broader range of decorations.

2. Recommendation

2.1. It is recommended that members of the Committee:

i. Approve the Column Mounted Decoration Policy, attached as Appendix 1 to this report.

3. Background

3.1. The Council currently provides and maintains festoon-style festive decorations within Kirkwall, Stromness and St Margaret's Hope. These displays contribute to the festive appearance of the towns and are installed on approved infrastructure in accordance with relevant safety requirements.

3.2. Community Councils and local community groups may also provide decorations within their own areas, subject to obtaining the necessary permissions and complying with the technical, electrical and safety requirements set out within the Policy.

3.3. Community Councils or other community group acting as applicant are required to cover the cost of the purchase and installation of any additional decorations. The Council will continue to cover electricity costs.

For Further Information please contact:
Matthew Wylie, Service Manager (Roads and Grounds), extension 2318, Email matthew.wylie@orkney.gov.uk

Implications of Report

1. **Financial –**The applicant is responsible for on-going costs associated with erection, maintenance, repair and storage of decorations. The Council continues to meet the cost of electrical supply. This cost is considered to be minimal, approximately £350-£400, and met from existing approved budget for Street Lighting.
2. **Legal –** Approving the Policy will support the Council in complying with section 90 of the Roads (Scotland) Act 1984 and establishes conditions under which consent may be granted for installations within or adjacent to the public road network.
3. **Corporate Governance -** Although section 2.9.2 of the Scheme of Delegation to Officers refers to the operational management of street lighting, Christmas trees and other decorative features, approval via Committee of any new or revised Policy establishes the governance framework and principles that will apply to those activities.
4. **Human Resources –** No adverse impacts envisaged.
5. **Equalities –** An Equality Impact Assessment has been undertaken and is attached as Appendix 2 to this report.
6. **Island Communities Impact –** An Island Communities Impact Assessment has been undertaken and is attached as Appendix 3 to this report.

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 –** All lighting provided and installed must be energy-efficient, low-wattage LED lighting. The use of LED technology helps minimise electricity consumption, reduces environmental impact, and supports the Council's climate change and sustainability objectives.

10. **Risk –** Signage or decorations installed on Council infrastructure that exceed the technical specifications set out in the Policy may place undue loading on the asset and increase the risk of structural failure.

11. **Procurement –** No adverse impacts envisaged.

12. **Health and Safety –** The Policy helps to protect public safety by ensuring that all decorations, banners and other attachments to Council infrastructure are installed, maintained and removed in accordance with recognised technical and safety standards. The requirements relating to structural loading, electrical safety, inspection, maintenance, insurance and safe working practices reduce the risk of injury to members of the public, road users and operatives, while also ensuring that installations do not compromise the safe operation of the road network.

13. **Property and Assets –** No adverse impacts envisaged.

14. **Information Technology-** No adverse impacts envisaged.

15. **Cost of Living -** No adverse impacts envisaged.

List of Background Papers

Column Mounted Festive Decoration Policy 2021 – 2026, Approved by Environmental, Property and IT Services on 7 September 2021.

https://www.orkney.gov.uk/media/yualz2ll/column-mounted-festive-decoration-policy-2021-2026.pdf

Appendices

Appendix 1 – Column Mounted Decoration Policy.

Appendix 2 – Equality Impact Assessment.

Appendix 3 – Island Communities Impact Assessment.

Appendix 1

ORKNEY
ISLANDS COUNCIL

Column Mounted Decoration Policy 2026-2031

www.orkney.gov.uk

Contents

Document Control and Council Approval

Version Number/Date.	V2/August 2026.
Approved by Council	(E&I Meeting) XX XXXXX 2026 (Date of approval).
Next Update Due.	August 2031.

1. Policy

1.1. Introduction

Section 90 of the Roads (Scotland) Act 1984 requires that anyone who wishes to affix overhead apparatus over, along or across a road (including associated footways and verges) must first obtain consent from the Roads Authority. This Policy sets out how consent can be obtained, the standards that must be met and the general conditions that will apply for anyone looking to install festive decorations, banners, bunting, election posters or any attachments to street lighting columns in Orkney.

Orkney Islands Council may remove, if appropriate without notice, any installation which has been installed without consent or which does not fully comply with the conditions of its consent. We will seek to recover from the responsible body the costs for removal along with the costs of making good any damage caused to public assets.

1.2. Attachments To Street-Lighting Columns

Attachments to columns may be made subject to consent being granted from the Council and compliance with any conditions imposed.

For many types of apparatus, a professional assessment of the security, suitability and location of the apparatus and fixings will be necessary. Such installations covered in this Policy includes:

- Festive Decorations (see section 2).
- Banners (see section 5).
- Bunting (see section 6).
- Display of Election Posters and Campaign Material on lighting columns (see section 7).

Where permission is granted to fix an attachment to a lighting column, this must be fixed to the shaft of the column only and not to the lantern or any bracket. Attachments must not be fixed to wall-mounted lights, traffic signs, control pillars, or any other street-furniture. All attachments, and their contents if applicable, are to be maintained to an acceptable standard during the lifetime of the consent.

1.3. Fixings

Fixings shall be of a corrosion-resistant material and of sufficient strength to withstand the design wind loading. All attachments shall be fitted with a 5mm neoprene (or other approved insert) to prevent damage to the column surface or any protective treatment. Metal to metal contact shall be avoided.

2. Festive Decoration Specification

Orkney Islands Council no longer provides additional festive decorations, it is the responsibility of the community council or community association to purchase, erect, maintain, and store their own. All decorations erected on the streetlight columns must be approved by the Council's Roads Services. The only cost to the Council is for the electricity supply.

2.1. Policy

Community councils and community groups, hereafter referred to as 'the applicant', will be responsible for all future maintenance, erection, and storage of the decorations and associated electrical fittings.

2.2. Permission

The applicant will be required to request permission from the Council to erect decorations on street light columns. The following must be supplied to the Council for approval.

1. Number of decorations.

2. Location of decorations.

3. Specification of decorations including but not limited to size, windage, wattage, and material.

4. Details of how they will be erected, removed, and maintained.

5. Details of public liability insurance.

The Council reserves the right to reject or remove any installation on the network on the grounds of safety.

2.3. Siting On Column

No decorations shall be sited on columns which already support lit road signage or warning sign.

No decoration shall interfere with or obstruct access for structural or cyclic maintenance to any part of the column or lantern.

Decorations must be located at least 1m below the road lantern.

There is no maximum size of decoration however they must be erected at least 500mm from the road edge and be fitted 2.5m above the footway. Decorations should be fitted to the roadside of the column (front). Where this is not possible the decoration may be fitted to the rear of the column.

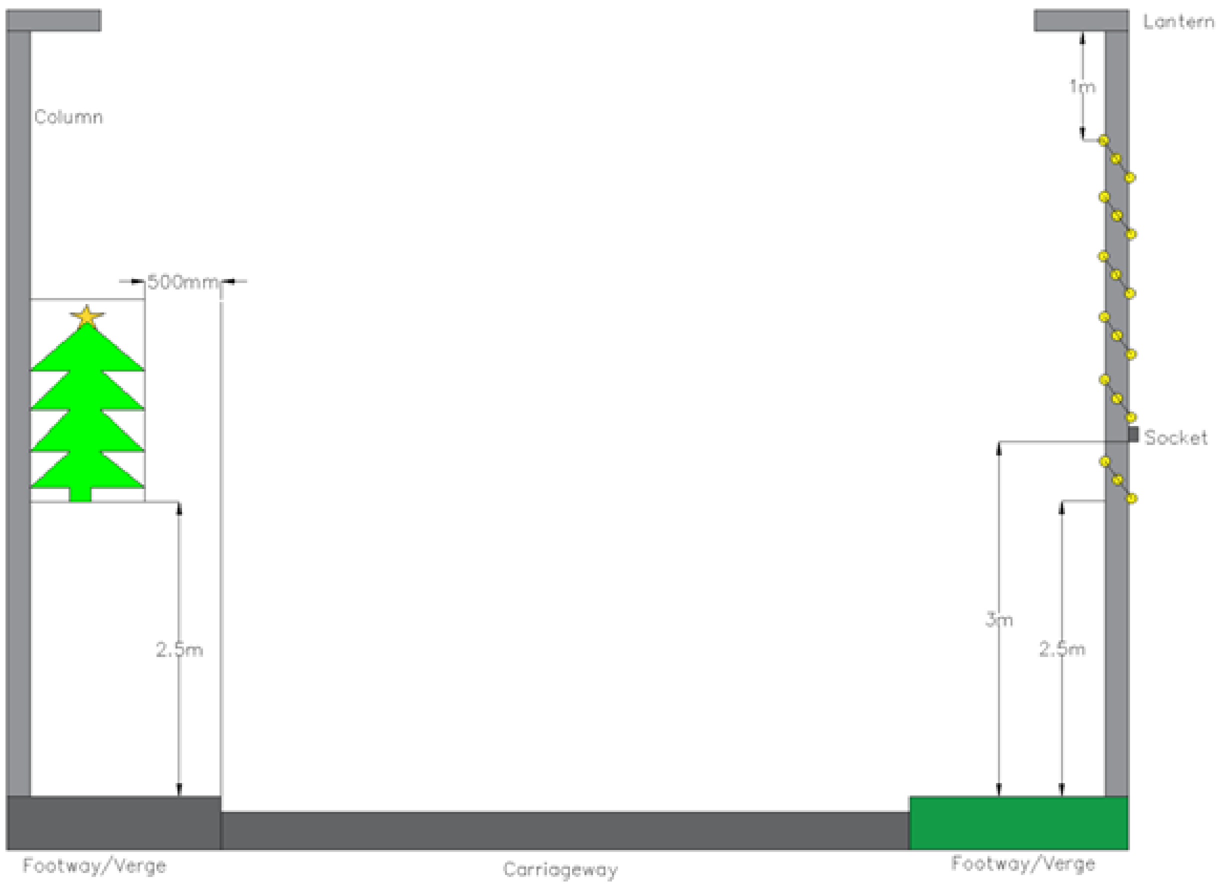

Figure 1 - Festive light siting requirements

2.4. Windage

Maximum windages for a 6m column is $0.35m^2$ and for 8m column is $0.25m^2$.

2.5. Weight

Decorations must not weigh more than 10kg.

2.6. Material

All decorations must be aluminium or galvanised.

3. Electrical

3.1. Electrical Supply

All electrical supplies must comply with the requirements of the current version of the IET Wiring Regulations.

Protective earthing must be maintained and a 30mA RCD shall be installed at the point of origin.

All external electrical sockets must be sited at least 3m above the footway/verge.

All parts of the electrical installation must be at least IP66 rated and ensure that no water can ingress into the Streetlight Column.

3.2. Wattage

Maximum 55W, however this should be reduced where possible.

Rope lights should be LED Platinum, specifically for use on outdoor features with 30 LED per metre, 12mm diameter and 4W/m. Various other accessories are required include end caps, glue etc and must be compatible with the LED rope light. The rope light should be one continuous length with as few joints as possible.

3.3. Payment Of Electricity

The Council will pay for all ongoing cost for the electricity supply.

4. Maintenance and Testing

4.1. Maintenance

The applicant will be responsible for on-going costs associated with maintenance of decorations and brackets, repairs to rope light and storage of materials when not in use. They will also be responsible for the replacement of any damaged decoration.

The Council will remove any decorations that are dangerous and recover all reasonable costs associated with removal or repair from the applicant.

Where streetlight columns are replaced, the Council will undertake all works necessary to relocate the decoration and fitting onto the new column at no cost to the applicant.

All works undertaken on the public road must comply with Safety at Street and Road Works: A code of practice 2013.

4.2. Testing and Inspection

All installations must be inspected and tested prior to commissioning in accordance with the IET's Guidance Note 3: Inspection and Testing.

Any rope lights left in place over the summer months must be fully inspected prior to the start of the festive period.

All inspection, testing and maintenance must be undertaken by a competent person.

A certificate for the installation must be submitted to the Council prior to fully energizing the decorations.

The Council reserves the right to disconnect and/or remove any decoration which may be deemed a hazard to the public or OIC staff.

4.3. Supplier

There is no preferred supplier provided the specification set in this Policy is met.

4.4. Months Of Use

Festive Decorations may be in place from 1 November and must be removed as soon as is practicable following the festive period, however no later than 31 January. Works to install lighting may begin before November but they must not be connected until 1 November.

Column wraps are excluded from this provided planning permission has been granted for these to remain in place all year round.

4.5. Storage

The applicant is responsible for the storage of all decorations.

4.6. Insurance

The applicant must ensure that the installation is covered by public liability insurance to a value of £5,000,000 at all times.

5. Banners

5.1. General

Organisations wishing to erect a banner over or across a road or footway must obtain consent from the Roads Authority before doing so. Applications should be sent to RoadsSupport@orkney.gov.uk

Banners shall only be permitted in association with sporting, cultural or community events or public service campaigns. Advertising shall not be permitted and banners featuring the name of commercial organisations shall only be considered where the business name is an integral part of the event name. Banners associated with an event must not be erected more than 14 days in advance of the event and must be removed no later than 7 days after the event. The organisation erecting the banner must indemnify Orkney Islands Council against any claims that arise because of the installation and be covered by public liability insurance to a value of at least £5,000,000.

5.2. Column-Mounted Banners

Column-mounted banners must be supported with EN40 compliant Euro Chieftain fixings and banner size must comply with windage requirements of $0.35m^2$ for a 6m column and $0.25m^2$ for an 8m column.

Banners will not be permitted on columns with existing signage or apparatus installed.

Permission will not normally be granted for banners stretching across the carriageway.

5.3. Siting and Mounting Heights

All banners must comply with the specifications detailed in Section 2.3 of this Policy.

5.4. Application Process

Applications must be made in writing or by email to the Roads Support Team with all the details specified below:

1. Name and contact details of applicant;
2. Details of banner (size, type, materials, and fixings);
3. Reason for wishing to erect banner;
4. Dates the banner will go up and come down;
5. Details of location and fixing points;
6. Evidence of insurance;
7. Details of the proposed method of working (see Section 8: safe working practices for erecting and removing features); and
8. confirmation that the applicant has read this Policy, and that the requirements contained within this Policy will be fully met.

6. Bunting

6.1. General

Organisations wishing to erect bunting along or across a road or footway must obtain consent from the Roads Authority before doing so. Applications should be sent to RoadsSupport@orkney.gov.uk

Bunting associated with an event must not be erected more than 14 days in advance of the event and must be removed no later than 7 days after the event. The organisation erecting the bunting must indemnify Orkney Islands Council against any claims that arise because of the installation and be covered by public liability insurance to a value of at least £5,000,000.

Bunting must be fixed to ensure that it cannot be pulled at any point to encroach into the pedestrian clearance zone (2.5m ground clearance) nor the vehicle clearance zone (5.8m ground clearance). The height of the pedestrian clearance zone should be increased to 3.4m where horse riders may be expected.

Permission will normally only be granted for fixing bunting along or over streets with a speed limit of 30mph or less.

All bunting and its associated fixings must be constructed from a material that would snap under excessive loading. The use of polypropylene rope, twine or other materials to reinforce or support the bunting is not permitted.

Bunting should be arranged with short distances between fixings and no catenary span should exceed 20 metres. Long continuous lengths of bunting should be avoided. It should be fixed in sections so that a problem in one location does not affect other locations.

6.2. Bunting Along the Street

Where bunting is:

1. Fixed entirely over footways, verges, or other areas where vehicles are excluded;
2. Attached only to private buildings, lighting columns or trees; **and**
3. Complies fully with the requirements of section 6.1.

Then applicants should apply to the Roads Support team in writing or email and supply the following details:

1. Name and contact details of applicant;
2. Details of bunting (size, type, materials, and fixings);
3. Reason for wishing to erect bunting;
4. Dates the bunting will go up and come down and dates of the associated event;
5. Exact details of location bunting spans and fixing points including maximum span length;
6. Evidence of insurance;
7. Details of the proposed method of working (see Section 8: safe working practices for erecting and removing features); and
8. confirmation that the applicant has read this Policy, and that the requirements contained within this Policy will be fully met.

6.3. Bunting Across the Street

When bunting crosses a street, it must be fixed to secure mounting points on buildings or other structures. It must **not** be fixed to streetlighting columns.

Permission will not normally be granted for bunting across a freight route such as within Hatston Industrial Estate. Where permission is granted the height of the vehicle clearance zone shall be 7.5m.

Applications must be made in writing or by email with all the details specified in section 6.2.

7. Display of Election Posters and Campaign Materials

The Council will permit the display of election posters on lighting columns within the Council area in connection with any election but only if they comply with the conditions stipulated herein.

Prior to any posters being displayed, an email must be sent to RoadsSupport@Orkney.gov.uk, for the attention of the Team Manager (Roads Support) to:

- Seek permission to display campaign election posters.
- Agrees to indemnify the Council against any damages as a result of the display of such election posters.
- Agrees that Roads Services, where material is displayed in breach of this Policy shall remove it as soon as practicable and then recharge the election agent or independent candidate to recover the costs in doing so.
- Agrees that posters, mounts, string and cable ties are removed within the 7 days following the election.

The following conditions must be met:

- Campaign posters must not be displayed prior to the date of announcement of an election.
- In any circumstances must not be located upon control boxes or upon roundabouts.
- Be located not to interfere with the visibility required for persons emerging from side roads or private accesses.
- Must be so mounted that the poster and mount will not afford any resistance or damage to a vehicle coming into contact with them.
- Posters attached to lighting columns must be first fixed to card of adequate stiffness which in turn must be tied with string or cable ties to the road lighting column. The mounting height of the card must not be less than 2100 mm (7 ft) above the height of the adjoining footway.
- The area of any poster must not exceed 0.2 sq. m, and the maximum overall vertical or horizontal dimension must not exceed 500 mm.

8. Safe Working Practices for Erecting and Removing Features

The installation, maintenance and removal of decorative features within public areas can expose both the person carrying out the operation and members of the general public to various hazards. For this reason, it is essential that any person carrying out this work is competent and qualified to do so.

All operations within the road boundary shall comply with Safety at Street and Road Works: a code of practice 2013. (Reference / link to this https://www.gov.uk/government/publications/safety-at-street-works-and-road-works)

Risk assessment and method statements should be in place prior to commencing any works.

Ladders must not be placed against lighting column shafts.

Self-supporting ladders, free-standing platforms or mobile elevated work platforms should be utilised as appropriate.

Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a proposal or changes by anticipating the consequences and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

Should you have any questions or wish for your draft EqIA to be reviewed by our Equality, Diversity and Inclusion Adviser, please contact OD@orkney.gov.uk.

1. Identification of the Proposal or Change	
Name of proposal or change being assessed.	Column Mounted Decoration Policy.
Responsible Service and Directorate.	Infrastructure Services, Infrastructure and Organisational Development.
Date of assessment.	4 August 2026.
Is the proposal or change existing? (Please indicate if the service is to be deleted, reduced or changed significantly).	Review of existing policy.

2. Primary Information	
What are the intended outcomes of the proposal or change?	To provide clear specification to the local community on what is permissible to attach to OIC Roads infrastructure, either permanently, or on a seasonal basis.
Is the proposal or change strategically important?	Strategic plans include major investment plans, new strategic frameworks or plans such as annual budgets, locality plans or corporate plans. Where a proposal is identified as strategic, evidence relating to socio-economic impacts and inequalities will be required in the relevant section No.

State who is or may be affected by this proposal or change, and how?	Community Councils and any community organisation looking to affix decorations or advertisements on OIC Roads assets, primarily street light columns.
How have stakeholders been involved in the development of this proposal or change?	As this Policy is concerned with maintaining the safe loading limits of Council infrastructure, it is not subject to consultation. Consequently, no consultation has been undertaken.
Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking.	No.
Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Guidance for Public Bodies for further information.	No.
Could the proposal or change have a differential impact on any of the following equality areas?	Please provide any evidence – positive impacts / benefits, negative impacts and reasons:
1. Race: this includes ethnic or national groups, colour and nationality.	No differential impact.
2. Sex: a man or a woman.	No differential impact.

3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	No differential impact.
4. Gender Reassignment: the process of transitioning from one gender to another.	No differential impact.
5. Pregnancy and maternity.	No differential impact.
6. Age: people of different ages.	No differential impact.
7. Religion or beliefs or none (atheists).	No differential impact.
8. Disability: people with disabilities (whether registered or not).	No differential impact.
9. Marriage and Civil Partnerships.	No differential impact.
10. Caring responsibilities	No differential impact.
11. Socio-economic disadvantage.	No differential impact.
12. Care experienced	No differential impact.

3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No
Does the analysis above identify any potential negative impacts?	No
Do you have enough information to make a judgement? If no, what information do you require?	Yes

4. Equality Impact Assessment Action Plan

Please complete the following action plan where you have identified any differential impacts or potential negative impacts in Section 3 of the Equality Impact Assessment.				
Impact Identified	**Action to be taken**	**Owner**	**How will it be monitored**	**Date Action to be completed**

5. Sign and Date	
Signature:	[redacted]
Name:	Matthew Wylie
Date:	4 August 2026

Island Communities Impact Assessment

Column Mounted Decoration Policy

Preliminary Considerations	Response
Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.	To review and implement new 5-year Column Mounted Decoration Policy.
Step 1 – Develop a clear understanding of your objectives	Response
What are the objectives of the policy, strategy or service?	To provide clear specification to the local community on what is permissible to attach to OIC Roads infrastructure, either permanently, or on a seasonal basis.
Do you need to consult?	No.
How are islands identified for the purpose of the policy, strategy or service?	Islands are defined as any inhabited island within Orkney.
What are the intended impacts/outcomes and how do these potentially differ in the islands?	To provide clear specification to the local community on what is permissible to attach to OIC Roads infrastructure, either permanently, or on a seasonal basis.
Is the policy, strategy or service new?	No – Review of existing with minor changes only such as the inclusion of all decorations rather than just festive decorations.
Step 2 – Gather your data and identify your stakeholders	Response
What data is available about the current situation in the islands?	N/A
Do you need to consult?	No
How does any existing data differ between islands?	N/A
Are there any existing design features or mitigations in place?	N/A
Step 3 – Consultation	Response

Who do you need to consult with?	As this Policy is concerned with maintaining the safe loading limits of Council infrastructure, it is not subject to consultation. Consequently, no consultation has been undertaken.
How will you carry out your consultation and in what timescales?	N/A
What questions will you ask when considering how to address island realities?	N/A
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	N/A
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	N/A
Step 4 – Assessment	Response
Does your assessment identify any unique impacts on island communities?	No
Does your assessment identify any potential barriers or wider impacts?	No
How will you address these?	N/A

You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).

If your answer is **No** to the above question, a full ICIA will NOT be required and **you can proceed to Step 6**.
If the answer is **Yes**, an ICIA must be prepared and y**ou should proceed to Step 5**.

To form your opinion, the following questions should be considered:

• Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)? • Are these different effects likely? • Are these effects significantly different? • Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups?

Step 5 – Preparing your ICIA	Response
In Step 5, you should describe the likely significantly different effect of the policy, strategy or service:	
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	
Consider alternative delivery mechanisms and whether further consultation is required.	
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	
Identify resources required to improve or mitigate outcomes for island communities.	
Stage 6 – Making adjustments to your work	Response
Should delivery mechanisms/mitigations vary in different communities?	N/A
Do you need to consult with island communities in respect of mechanisms or mitigations?	N/A
Have island circumstances been factored into the evaluation process?	N/A

Have any island-specific indicators/targets been identified that require monitoring?	N/A
How will outcomes be measured on the islands?	N/A
How has the policy, strategy or service affected island communities?	N/A
How will lessons learned in this ICIA inform future policy making and service delivery?	N/A
Step 7 – Publishing your ICIA	Response
Have you presented your ICIA in an Easy Read format?	Yes
Does it need to be presented in Gaelic or any other language?	No
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Published on Council's website as part of the Committee report agenda.
Who will sign off your final ICIA and why?	Lorna Richardson, Director of Infrastructure and Organisational Development, in accordance with Council policy.

ICIA completed by:	Matthew Wylie
Position:	Service Manager (Roads and Grounds)
Signature:	[redacted]
Date complete:	3 August 2026

ICIA approved by:	Lorna Richardson
Position:	Director of Infrastructure and Organisational Development.

Signature:	[redacted]
Date complete:	5 August 2026

Item: 8

Enterprise and Infrastructure Committee: 8 September 2026.

Review of Speed Limits.

Report by Director of Infrastructure and Organisational Development.

1. Overview

1.1. This report sets out proposals to extend/introduce 30mph speed limits at various locations throughout Orkney.

1.2. A review of a number of locations has identified circumstances where the existing speed limit no longer adequately reflects the nature of the road environment.

1.3. The proposed amendments are intended to improve road safety for all road users by providing a more appropriate transition between rural and urban road environments and encouraging lower vehicle speeds in areas of increased pedestrian activity.

1.4. The proposals have been developed following requests from local communities, both informally, and as part of the consultation process for the recent 20mph project.

1.5. The proposed 30mph areas are:

i. B9069, Lady Village, Sanday.
ii. A961, St Margaret’s Hope, South Ronaldsay.
iii. A965, Stenness Village, Stenness.
iv. A966, Evie School, Evie.

1.6. The Council has a duty under the Road Traffic Regulation Act 1984 to promote road safety and may make Traffic Regulation Orders where considered necessary for avoiding danger to persons or traffic, preventing the likelihood of such danger arising, or improving the amenity of an area.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Delegate authority to the Director of Infrastructure and Organisational Development to draft a Traffic Regulation Order and commence statutory and public consultation on the introduction of 30mph speed limits at the locations attached to this report as Appendix 1.

ii. Delegate authority to the Director of Infrastructure and Organisational Development to make and implement the Order should no objections be received during the statutory consultation period.

3. Consultation

3.1. Statutory and public consultations will be undertaken prior to implementation of the new Traffic Regulation Order.

4. Next Steps

4.1. Following approval by the Committee, the Order will be drafted, advertised and issued for consultation.

4.2. Any representations received will be considered by Officers.

4.3. Should objections be received which cannot be resolved, a further report will be presented to the Committee for consideration prior to the Order being made.

For Further Information please contact:
Matthew Wylie, Service Manager (Roads and Grounds), extension 2318, Email matthew.wylie@orkney.gov.uk

Implications of Report

1. **Financial –** As much of the infrastructure required to enforce this order is already in place for the existing speed limits, works are expected to be limited to under £5k. The Council has been allocated approximately £53k from Transport Scotland's Road Safety Improvement Fund for road safety improvement measures in 2026/27. It is anticipated that all costs incurred will be contained within this funding.
2. **Legal -** The Road Traffic Regulation Act 1984 empowers the Council to manage vehicle speeds through use of Traffic Regulation Orders. Approving the recommendations in this report will enable the Council to commence the statutory procedure.

3. **Corporate Governance –** Item 2.9.17 in the Scheme of Delegation to Officers states that "Following approval by Council of the principle of restrictions and/or prohibitions for the use of roads, to make new traffic orders, whether permanent or experimental, including statutory consultation procedures, where no objection has been raised."
4. **Human Resources –** No adverse impacts envisaged.
5. **Equalities –** An Equality Impact Assessment has been undertaken and is attached as Appendix 2 to this report.
6. **Island Communities Impact –** An Island Communities Impact Assessment has been undertaken and is attached as Appendix 3 to this report.
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 –** No adverse impacts envisaged.
10. **Risk –** Failure to progress the proposed Traffic Regulation Order may result in speed limits remaining inconsistent with current road environments and development patterns, potentially increasing road safety risks.
11. **Procurement –** No adverse impacts envisaged.
12. **Health and Safety –** The proposals seek to improve road safety for motorists, pedestrians and other road users.
13. **Property and Assets –** No adverse impacts envisaged.
14. **Information Technology-** No adverse impacts envisaged.
15. **Cost of Living -** No adverse impacts envisaged.

List of Background Papers

None.

Appendices

Appendix 1 – Proposed 30mph areas.

Appendix 2 – Equality Impact Assessment.

Appendix 3 – Island Communities Impact Assessment.

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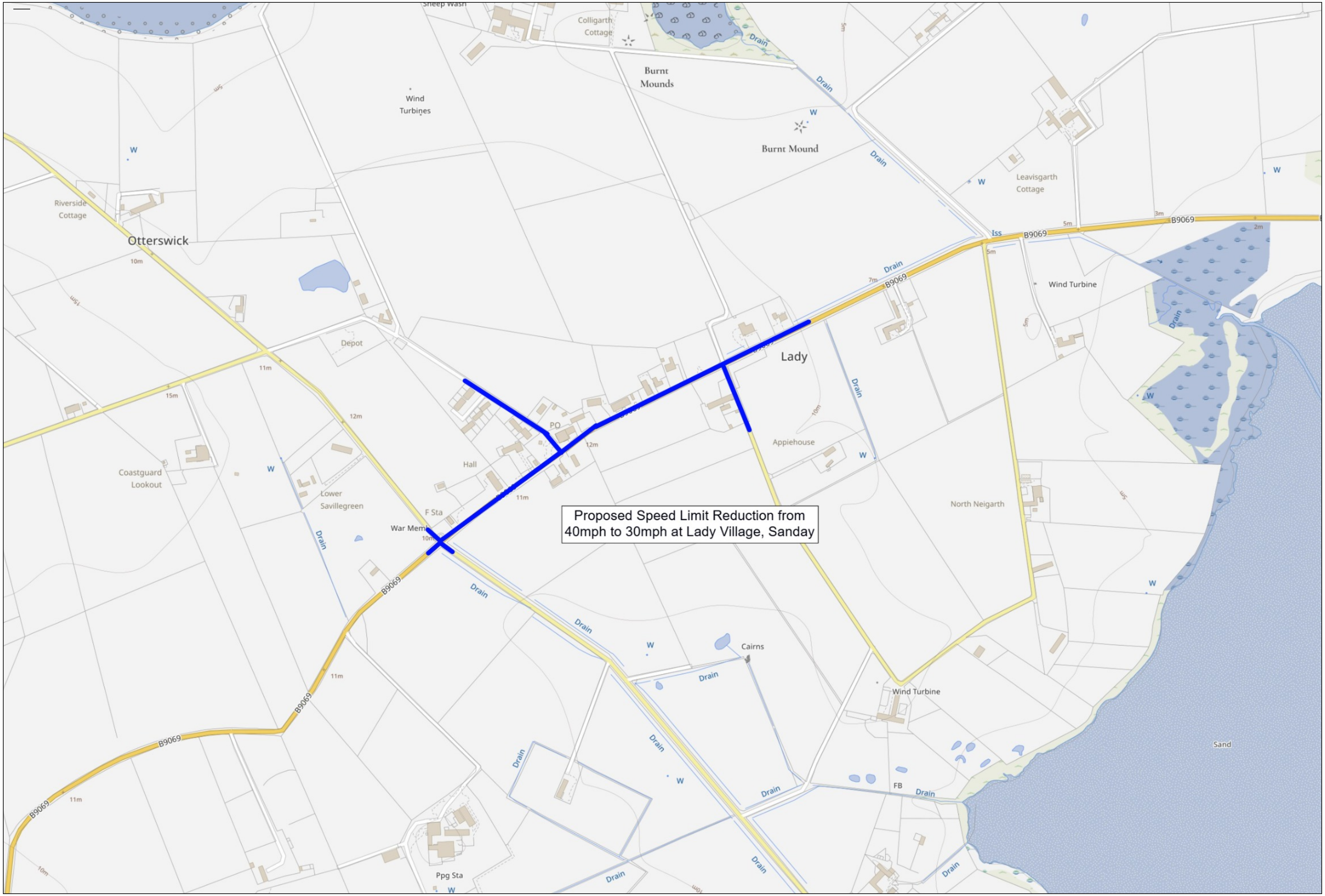
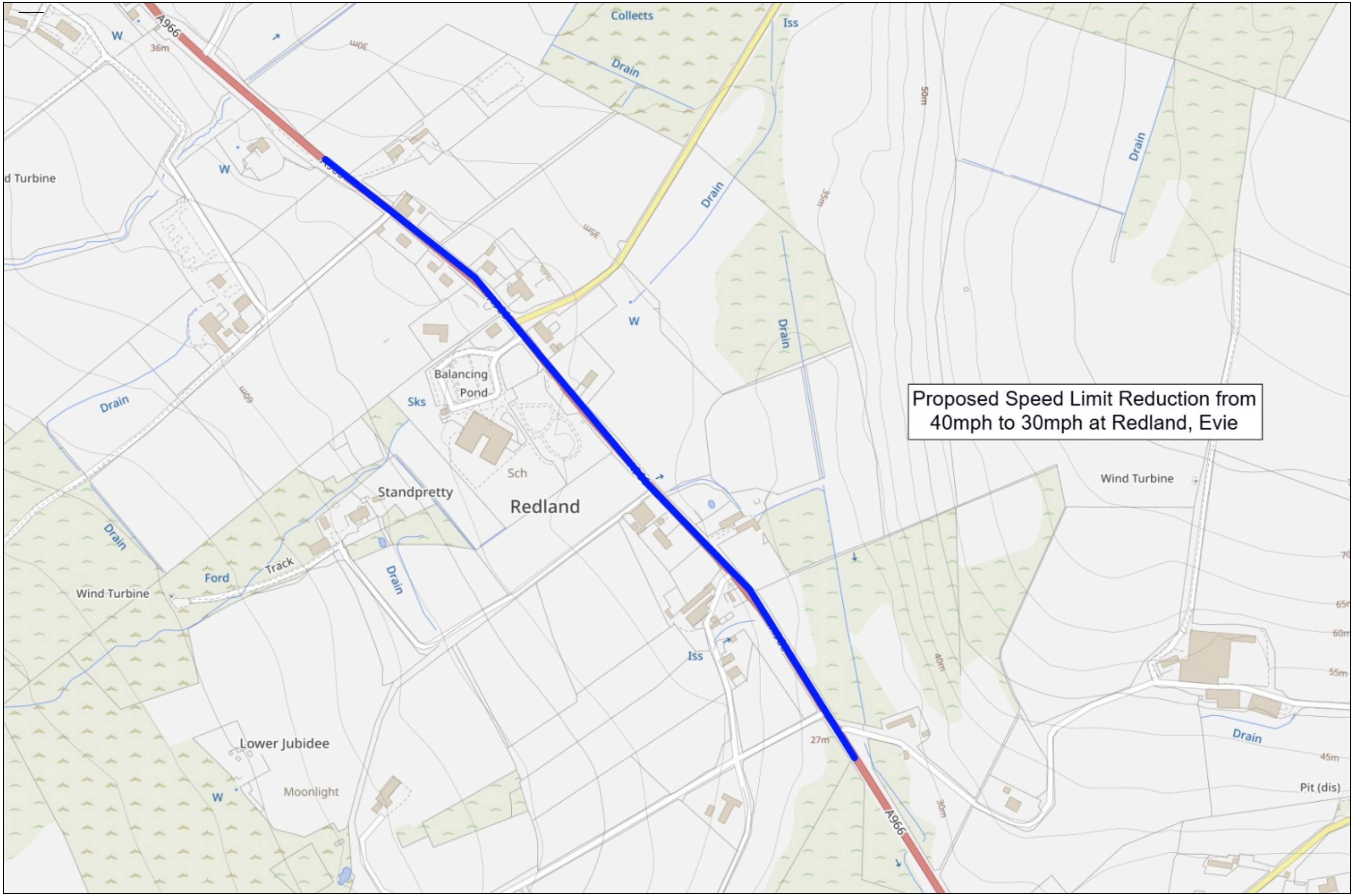
Appendix 1

Lady Village, Sanday



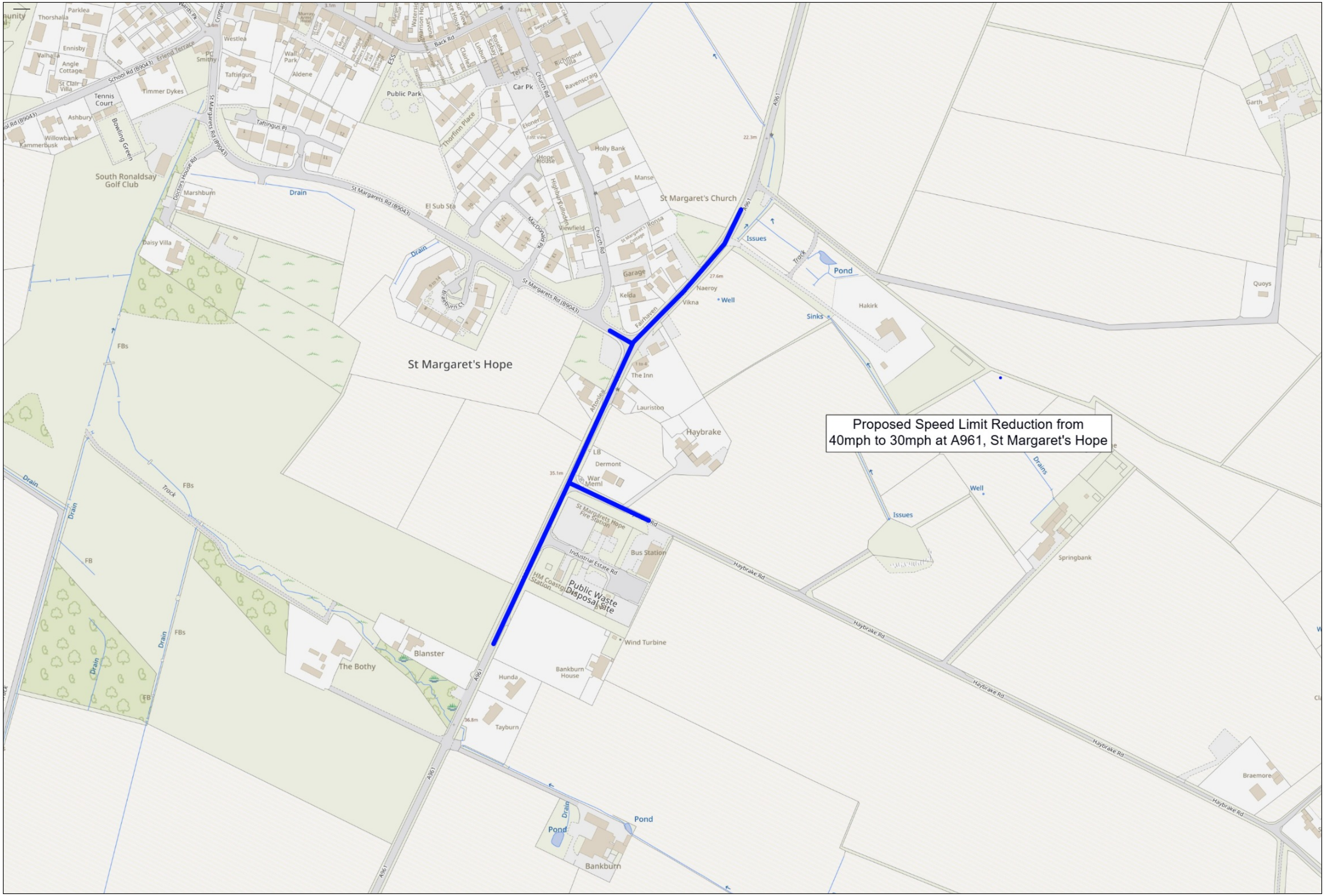
Print on: 05 August 2026 at 10:53 AM

Redland, Evie

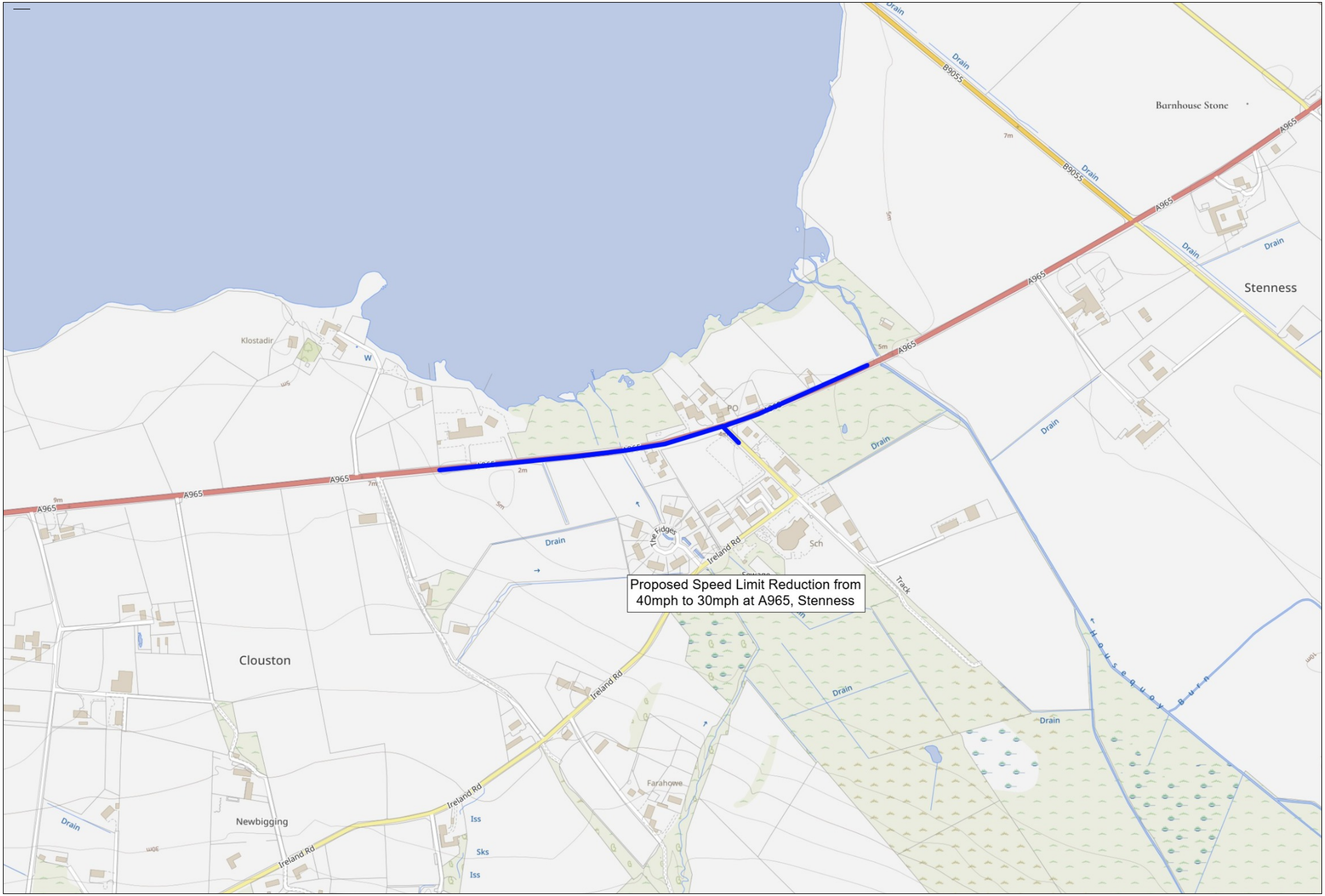


Print on: 05 August 2026 at 11:37 AM

A961, St Margaret's Hope



Stenness Village



Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a proposal or changes by anticipating the consequences and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

Should you have any questions or wish for your draft EqIA to be reviewed by our Equality, Diversity and Inclusion Adviser, please contact OD@orkney.gov.uk.

1. Identification of the Proposal or Change	
Name of proposal or change being assessed.	30mph Amendment Order
Responsible Service and Directorate.	Infrastructure Services, Infrastructure and Organisational Development
Date of assessment.	3 August 2026
Is the proposal or change existing? (Please indicate if the service is to be deleted, reduced or changed significantly).	Reduction in speed limits.

2. Primary Information	
What are the intended outcomes of the proposal or change?	To improve road safety.
Is the proposal or change strategically important?	No
State who is or may be affected by this proposal or change, and how?	All road users.

How have stakeholders been involved in the development of this proposal or change?	The proposed areas have been developed following community requests. Further statutory and public consultation will take place prior to implementation of the final Traffic Regulation Order.
Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking.	N/A
Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Guidance for Public Bodies for further information.	N/A
Could the proposal or change have a differential impact on any of the following equality areas?	Please provide any evidence – positive impacts / benefits, negative impacts and reasons:
1. Race: this includes ethnic or national groups, colour and nationality.	No differential impact.
2. Sex: a man or a woman.	No differential impact.
3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	No differential impact.
4. Gender Reassignment: the process of transitioning from one gender to another.	No differential impact.

5. Pregnancy and maternity.	Positive - Reduced vehicle speeds may provide a positive benefit by improving safety and accessibility for pregnant people and those travelling with young children.
6. Age: people of different ages.	Positive - The proposed reduction in vehicle speeds is expected to improve road safety for people of all ages, particularly children, young people and older residents who may be more vulnerable when walking or crossing roads. This is particularly beneficial in locations where there are limited or no footway facilities.
7. Religion or beliefs or none (atheists).	No differential impact.
8. Disability: people with disabilities (whether registered or not).	Positive - Reduced vehicle speeds are expected to improve safety and accessibility for disabled people, including those with mobility, sensory or cognitive impairments. Lower traffic speeds may make roads easier and safer to navigate, particularly in areas where pedestrians share road space or where footways are limited.
9. Marriage and Civil Partnerships.	No differential impact.
10. Caring responsibilities	Positive - Improved road safety may benefit carers who regularly travel with children, older people or individuals with disabilities by creating a safer environment for journeys and access to local services.
11. Socio-economic disadvantage.	No differential impact.
12. Care experienced	No differential impact.

3. Impact Assessment	
Does the analysis above identify any differential impacts which need to be addressed?	No.
Does the analysis above identify any potential negative impacts?	No.
Do you have enough information to make a judgement? If no, what information do you require?	Yes

4. Equality Impact Assessment Action Plan

Please complete the following action plan where you have identified any differential impacts or potential negative impacts in Section 3 of the Equality Impact Assessment.

Impact Identified	Action to be taken	Owner	How will it be monitored	Date Action to be completed

5. Sign and Date

Signature:	[redacted]
Name:	Matthew Wylie
Date:	3 August 2026

Island Communities Impact Assessment

30mph Amendment Order

Preliminary Considerations	Response
Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.	Review of existing speed limits at various locations following receipt of community requests.
Step 1 – Develop a clear understanding of your objectives	Response
What are the objectives of the policy, strategy or service?	To improve road safety.
Do you need to consult?	Yes
How are islands identified for the purpose of the policy, strategy or service?	Islands are defined as any inhabited island within Orkney.
What are the intended impacts/outcomes and how do these potentially differ in the islands?	To improve road safety. Will apply to all locations equally.
Is the policy, strategy or service new?	New traffic orders
Step 2 – Gather your data and identify your stakeholders	Response
What data is available about the current situation in the islands?	Road safety concerns are not unique to the Islands and are routinely raised by residents across Orkney. The most recent counts undertaken are as follows: Lady Village in February 2020 indicated average speeds of approx. 26.5mph and an 85%ile of approx. 33mph. A960, St Margarets Hope in February 2025 indicated average speeds of approx. 38mph and an 85%ile of approx. 44mph. A965, Stenness in October 2024 indicated average speeds of approx. 42mph and an 85%ile of approx. 48mph. A966, Evie in August 2019 indicated average speeds of approx. 37mph and an 85%ile of approx. 44mph.

Do you need to consult?	Yes
How does any existing data differ between islands?	N/A
Are there any existing design features or mitigations in place?	Various speed limits already exist on the islands but road safety concerns persist.
Step 3 – Consultation	Response
Who do you need to consult with?	Statutory and public consultations must be undertaken for Traffic Regulation Orders.
How will you carry out your consultation and in what timescales?	Will be advertised in local media, on site, and through Council's social media channels.
What questions will you ask when considering how to address island realities?	N/A
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	Requests have been raised during previous consultations on 20mph speed limits for some sections of 40mph to be lowered to 30mph.
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	Yes
Step 4 – Assessment	Response
Does your assessment identify any unique impacts on island communities?	The proposal applies to all of Orkney equally. Therefore, Isles are not anticipated to be disproportionately affected.
Does your assessment identify any potential barriers or wider impacts?	No
How will you address these?	N/A
You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).	

If your answer is **No** to the above question, a full ICIA will NOT be required and **you can proceed to Step 6**.

If the answer is **Yes**, an ICIA must be prepared and y**ou should proceed to Step 5**.

To form your opinion, the following questions should be considered:

- Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)?
- Are these different effects likely?
- Are these effects significantly different?
- Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups?

Step 5 – Preparing your ICIA	Response
In Step 5, you should describe the likely significantly different effect of the policy, strategy or service:	
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	
Consider alternative delivery mechanisms and whether further consultation is required.	
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	
Identify resources required to improve or mitigate outcomes for island communities.	
Stage 6 – Making adjustments to your work	**Response**
Should delivery mechanisms/mitigations vary in different communities?	No.

Do you need to consult with island communities in respect of mechanisms or mitigations?	No.
Have island circumstances been factored into the evaluation process?	No.
Have any island-specific indicators/targets been identified that require monitoring?	No.
How will outcomes be measured on the islands?	N/A
How has the policy, strategy or service affected island communities?	N/A
How will lessons learned in this ICIA inform future policy making and service delivery?	No change.
Step 7 – Publishing your ICIA	Response
Have you presented your ICIA in an Easy Read format?	Yes
Does it need to be presented in Gaelic or any other language?	No
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Published on Council's website as part of the Committee report agenda.
Who will signoff your final ICIA and why?	Lorna Richardson, Director of Infrastructure and Organisational Development, in accordance with Council policy.

ICIA completed by:	Matthew Wylie
Position:	Service Manager (Roads and Grounds)
Signature:	[redacted]
Date complete:	3 August 2026

ICIA approved by:	Lorna Richardson
Position:	Director of Infrastructure and Organisational Development.
Signature:	[redacted]
Date complete:	5 August 2026

Item: 9

Enterprise and Infrastructure Committee: 8 September 2026.

Revenue Expenditure Outturn.

Report by Head of Finance.

1. Overview

1.1. This report presents the revenue financial outturn position as at 31 March 2026 in respect of service areas for which the Enterprise and Infrastructure Committee is responsible.

1.2. On 4 March 2025, the Council set its overall revenue budget for financial year 2025/26. On 17 June 2025, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2025/26, which form the basis of the individual revenue expenditure monitoring reports.

1.3. Individual revenue expenditure monitoring reports are circulated every month to inform elected members of the up-to-date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees.

1.4. In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.

1.5. Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:

- Variance of £10,000 and more than 110% or less than 90% of anticipated position (1B).
- Not more than 110% or less than 90% of anticipated position but variance greater than £50,000 (1C).

1.6. Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.

1.7. The details have been provided following consultation with the relevant Directors and their staff.

1.8. The figures quoted within the Budget Action Plan by way of the underspend (-) and overspend position will always relate to the position within the current month.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the revenue financial summary statement in respect of service areas for which the Enterprise and Infrastructure Committee is responsible, for the period 1 April 2025 to 31 March 2026, attached as Annex 1 to this report, indicating a budget overspend position of £791,400.

ii. Note the revenue financial detail by Service Area statement in respect of service areas for which the Enterprise and Infrastructure Committee is responsible, for the period 1 April 2025 to 31 March 2026, attached as Annex 2 to this report.

iii. Note the explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to this report.

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 Regulations state that Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
2. **Legal** Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of revenue expenditure incurred against approved budgets, in respect of each of the service areas for which the Committee is responsible is referred to the Enterprise and Infrastructure Committee.
4. **Human Resources** N/A.
5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial 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** 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

Policy and Resources Committee, 25 February 2025, Budget and Council Tax Level for 2024/25.
Policy and Resources Committee, 17 June 2025, Detailed Revenue Budgets.

Annexes

Annex 1: Financial Summary.
Annex 2: Financial Detail by Service Area.
Annex 3: Budget Action Plan.

Annex 1: Financial Summary **March 2026**

The table below provides a summary of the position across all Service Areas.

General Fund Service Area	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Roads	5,218.9	4,270.0	948.9	122.2	4,270.0
Transportation	33,446.9	33,405.9	41.0	100.1	33,405.9
Operational Environmental Services	3,480.0	3,321.7	158.3	104.8	3,321.7
Environmental Health & Trading Standards	1,172.6	1,232.5	(59.9)	95.1	1,232.5
Development	2,901.0	3,103.8	(202.8)	93.5	3,103.8
Planning	1,427.0	1,521.1	(94.1)	93.8	1,521.1
	47,646.4	**46,855.0**	**791.4**	**101.7**	**46,855.0**
Service Totals	**47,646.4**	**46,855.0**	**791.4**	**101.7**	**46,855.0**

Annex 2: Financial Detail by Service Area **March 2026**

The following tables show the spending position by service function

General Fund

Roads	**PA**	**Spend £000**	**Budget £000**	**Over/(Under) £000**	**Spend %**	**Annual Budget £000**
Winter Maintenance and Response	**1B**	1,391.1	1,254.5	136.6	110.9	1,254.5
Street Lighting	**1B**	404.9	287.6	117.3	140.8	287.6
Car Parks	**1B**	(18.0)	(54.1)	36.1	33.3	(54.1)
Other Works	**1B**	91.4	121.0	(29.6)	75.5	121.0
Traffic Management	**1B**	275.2	314.0	(38.8)	87.6	314.0
Structural Maintenance	**1B**	2,191.1	1,689.7	501.4	129.7	1,689.7
Routine Maintenance	**1B**	1,283.7	1,093.1	190.6	117.4	1,093.1
Quarries Holding Account		(494.4)	(494.4)	0.0	100.0	(494.4)
Roads Holding Account		43.4	43.4	0.0	100.0	43.4
Fleet Holding Account		7.1	7.1	0.0	100.0	7.1
Movement in Reserves	**1B**	(186.4)	(259.1)	72.7	71.9	(259.1)
Miscellaneous - RD	**1B**	229.8	267.2	(37.4)	86.0	267.2
Service Total		**5,218.9**	**4,270.0**	**948.9**	**122.2**	**4,270.0**

Changes in original budget position:

Original Net Budget	4,132.8
Road Safety Education Budget Creation	29.6
Apportionment Realignment	107.6
	4,270.0

Transportation	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Administration - TR		337.2	320.4	16.8	105.2	320.4
Co-ordination		82.3	78.6	3.7	104.7	78.6
Concessionary Fares	**1B**	241.8	317.9	(76.1)	76.1	317.9
Support for Operators - Buses	**1C**	1,428.8	1,495.2	(66.4)	95.6	1,495.2
Support for Operators - Air	**1C**	1,683.5	1,738.0	(54.5)	96.9	1,738.0
Support for Operators - Ferries		368.5	368.6	(0.1)	100.0	368.6
Airfields Operations	**1B**	917.2	699.5	217.7	131.1	699.5
Orkney Ferries	**1C**	19,967.9	20,667.9	(700.0)	96.6	20,667.9
Movement in Reserves	**1C**	8,419.7	7,719.8	700.0	109.1	7,719.8
Service Total		**33,446.9**	**33,405.9**	**41.0**	**100.1**	**33,405.9**

Changes in original budget position:

Original Net Budget	4,383.6
Inter-Island Ferry Travel Additional Funding	187.0
Ferry Replacement Programme	400.0
Inter-Island Connectivity	28,404.0
Apportionment Realignment	38.3
Movement in Reserves	(7.0)
	33,405.9

Operational Environmental Services	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Burial Grounds	**1B**	126.9	90.1	36.8	140.8	90.1
Refuse Collection	**1C**	671.3	734.0	(62.7)	91.5	734.0
Waste Disposal	**1B**	(101.5)	(201.8)	100.3	50.3	(201.8)
Recycling	**1B**	796.8	647.9	148.9	123.0	647.9
Environmental Cleansing	**1B**	426.5	491.5	(65.0)	86.8	491.5
OES Holding Account		(96.7)	(96.7)	0.0	100.0	(96.7)
Movement in Reserves		1,656.6	1,656.7	(0.1)	74.0	1,656.7
Service Total		**3,479.9**	**3,321.7**	**158.2**	**104.8**	**3,321.7**

Changes in original budget position:

Original Net Budget	3,331.1
Apportionment Realignment	(9.4)
	3,321.7

Environmental Health & Trading Standards £000		Spend PA	Budget £000	Over/(Under) £000	Spend £000	Annual Budget %
Administration - ES	**1C**	733.7	798.2	(64.5)	91.9	798.2
Trading Standards		311.8	323.0	(11.2)	96.5	323.0
Public Toilets	**1B**	138.5	122.7	15.8	112.9	122.7
Movement in Reserves		(11.4)	(11.4)	0.0	100.0	(11.4)
Service Total		**1,172.6**	**1,232.5**	**(59.9)**	**95.1**	**1,232.5**

Changes in original budget position:

Original Net Budget	1,230.1
Apportionment Realignment	2.4
	1,232.5

Development	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Heritage Development		359.0	363.0	(4.0)	98.9	363.0
Museums		435.2	425.8	9.4	102.2	425.8
St Magnus Cathedral	**1B**	258.2	301.6	(43.4)	85.6	301.6
Administration - DV	**1C**	1,145.6	1,225.4	(79.8)	93.5	1,225.4
Business Gateway		174.5	176.6	(2.1)	98.8	176.6
Community Led Local Development (CLLD)		476.6	510.3	(33.7)	93.4	510.3
Regeneration		(187.7)	(189.9)	2.2	98.8	(189.9)
Economic Development Grants		415.9	415.9	0.0	100.0	415.9
Other Economic Development Grants	**1C**	468.9	520.3	(51.4)	90.1	520.3
Movement in Reserves		(645.2)	(645.2)	0.0	100.0	(645.2)
Service Total		**2,901.0**	**3,103.8**	**(202.8)**	**93.5**	**3,103.8**

Changes in original budget position:

Original Net Budget	2,994.4
Islands Deal Adjustment	(55.2)
Apportionment Realignment	165.4
Occupational Health Recharges	(0.8)
	3,103.8

Planning	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Administration - PL		346.9	369.1	(22.2)	94.0	369.1
Development Management		345.4	353.7	(8.3)	97.7	353.7
Development Planning		657.9	685.7	(27.8)	95.9	685.7
Building Standards	**1B**	62.8	96.9	(34.1)	64.8	96.9
Archaeology		59.6	61.5	(1.9)	96.9	61.5
North Isles Landscape Partnership Scheme		27.0	26.8	0.2	100.7	26.8
Movement in Reserves	**1B**	(72.6)	(72.6)	(0.0)	100.0	(72.6)
Service Total		**1,427.0**	**1,521.1**	**(94.1)**	**93.8**	**1,521.1**

Changes in original budget position:

Original Net Budget	1,566.8
Nature Restoration Fund	49.0
Apportionment Realignment	(94.7)
	1,521.1

Roads

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R26A	**Winter Maintenance and Response** More than anticipated expenditure by £136.6K	Lorna Richardson	Costs of winter maintenance are higher than the budget that is provided. This was a relatively mild winter compared to previous and so the overspend is less than in previous years, but the budget provided does not match the agreed level of service.	Members reviewed the Winter Service Policy in 2026 and agreed to maintain the current levels of service, due to safety concerns and the protection of the public, therefore the overspend will continue.
R26C	**Street Lighting** More than anticipated expenditure by £117.3K	Lorna Richardson	Total cost of electricity equalled £207K against a budget of £93K.	In order to balance the available budget, the amount of work carried out needs to decrease in order to make more money available for electricity. This risks the service being unable to fulfil statutory functions and could pose significant hazards to road users if lighting is not managed and maintained in accordance with requirements. The removal of lights, or reduction in the hours at which they are lit, can be considered but would have significant associated safety issues.
R26D	**Car Parks** Less than anticipated income by £36.1K	Lorna Richardson	Car parking charges are not sufficient to meet the budgeted income target. A review of charges for 2025/26 has resulted in increased income but still not sufficient to meet the budget.	Any further increase in charges is likely to lead to reduced income as people will avoid using the car parks. Charges are regularly reviewed to ensure that they are set at a level that enables car park usage and maximises the realistic income that can be realised.

Roads

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R26E	**Other Works** Less than anticipated expenditure by £29.6K	Lorna Richardson	Less than anticipated work required for maintenance of core paths.	This area of work is generally reactive, as issues arise and are identified, and so total spend is difficult to predict. Therefore, no action anticipated at this time.
R26F	**Traffic Management** Less than anticipated expenditure by £38.8K	Lorna Richardson	Income varies depending on external activities and so is difficult to predict.	Historical workload to be reviewed and budgets re-baselined, if need be, with funding reallocated to other cost centres.

Roads

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R26J	**Structural Maintenance** More than anticipated expenditure by £501.4K	Lorna Richardson	The £500k Quarries Holding Account surplus is dependent on internal and external building and construction projects. Any shortfall against this target is then distributed across other areas within Roads. This year Quarry income increased by ~50% on prior year, despite this the level of adjustment required to achieve the Quarries surplus was £692.4K, which was mainly recharged against the Structural Maintenance and Routine Maintenance budgets. This adjustment was due in part to £383.7K stock reduction at the Quarry. Also, Quarry Transport Vessel and Plant costs have increased on prior year which reflects increase in maintenance costs including replacement engines for the Crusher and the CAT.	To avoid unpredicted year end variances, unit costs from all former Direct Service Operations should be reviewed for accuracy. Continue to review pricing for competitiveness in the marketplace. Refurbish/Replace plant on back of capital funding allocation in 2026/27.

Roads

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R26K	**Routine Maintenance** More than anticipated expenditure by £190.6K	Lorna Richardson	Refer to comments against R26J.	To avoid unpredicted year end variances, unit costs from all former Direct Service Operations should be reviewed for accuracy. Continue to review pricing for competitiveness in the marketplace. Refurbish/Replace plant on back of capital funding allocation in 2026/27.
R26U	**Movement in Reserves** More than anticipated expenditure by £72.7K	Erik Knight	Loan charges in relation to Cursiter Quarry extension of £162.5K exceed the £89.8K budget in this cost centre.	Ensure known cost for loan repayment is reflected in the budget.
R26Z	**Miscellaneous** Less than anticipated expenditure by £37.4K	Lorna Richardson	Costs charged to this service function area are driven by external events and incidents and so difficult to predict.	This function area is used for costs associated with police incidents and so cannot be accurately predicted therefore no action is anticipated.

Transportation

Service Function	**Service Description**	**Responsible Officer**	**Variance Reason**	**Action Notes**
R27C	**Concessionary Fares** Less than anticipated expenditure by £76.1K	Gareth Waterson	New funding received this financial year for the Under 22 scheme. Underspend reflective of implementation part way through the year.	Under 22 scheme is to be reflected in the 2026/27 financial year budget.
R27G	**Support for Operators – Buses** Less than anticipated expenditure by £66.4K	Gareth Waterson	The Enhanced Demand Responsive Transport Initiative (EDRTI) cost centre shows an overspend of ~ £16K indicating that grants awarded exceed budget, however, this is offset by an underspend of £82K on the Public Bus Service operations.	Consider a base budget review of this service area and reallocation of budget, through virement to over-spending areas within Transportation.

Transportation

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R27I	**Support for Operators – Air** Less than anticipated expenditure by £54.5K	Gareth Waterson	Service pressure bids of £470k in last 2 years have been augmented by budget inflationary uplifts of ~£69k.	Consider base budget review of this service area and reallocation of budget, through virement to over-spending areas within Transportation.
R27K	**Airfields Operations** More than anticipated expenditure by £217.7K	Gareth Waterson	Additional costs continued to be incurred in respect of Civil Aviation Authority works required at the airfields. Airfields are a highly regulated service area which requires significant expenditure to remain compliant.	Although there was a contribution of £209.7K received from the Sustainable and Green Transport Fund at the year end to subsidise the budget it continues to have a large overspend which will be highlighted to the Directorate.
R27L	**Orkney Ferries** More than anticipated income by £700.0K	Gareth Waterson	During the current year Orkney Ferries Ltd repaid the Council £836K, being the balance of grant due from 2019/20 which had been carried forward in the Statutory Accounts for a number of years.	No action required.

Transportation

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R27U	**Movement in Reserves** More than anticipated expenditure by £700.0K	Erik Knight	This reflects the above repayment which has been set aside for Ferries Replacement Programme.	No action required.

Operational Environmental Services

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R28B	**Burial Grounds** More than anticipated expenditure by £36.8K	Lorna Richardson	The cost of providing grass cutting services and other routine maintenance far outstrips the available budget.	Efforts have been made to reduce service levels where appropriate, but no further reductions are possible without widespread community discontent.
R28C	**Refuse Collection** Less than anticipated expenditure by £62.7K	Lorna Richardson	Income from trade waste collection was higher than anticipated.	Trade waste income is dependent on business activity and therefore difficult to profile or predict.
R28E	**Waste Disposal** Less than anticipated income by £100.3K	Lorna Richardson	Unexpected repairs to a critical piece of equipment (baler, without which no material can be processed for transport) together with the need to replace a building destroyed in a storm.	These costs were impossible to predict.
R28F	**Recycling** More than anticipated expenditure by £148.9K	Lorna Richardson	The costs of providing this service are outstripping the available budget.	There is very little to be done other than reducing service levels considerably either here or elsewhere in the service. These can be considered as part of the budget setting process for 2027/28.

Operational Environmental Services

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R28G	**Environmental Cleansing** Less than anticipated expenditure by £65.0K	Lorna Richardson	Less work than anticipated due to workforce required on other tasks.	This is a recurring pattern therefore thought will be given to moving budget from this area to one under pressure such as R28F, as this better reflects the reality of where the workforce is deployed.

Environmental Health & Trading Standards

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R29A	**Administration - ES** Less than anticipated expenditure by £64.5K	Gavin Barr	This variance is largely attributed to vacancies within the Environmental Health team, to which it has not been possible to recruit.	Director and CLT are aware of the recruitment challenges and the impacts arising from inadequate numbers of staff in post.
R29D	**Public Toilets** More than anticipated expenditure by £15.8K	Kenny MacPherson	There were additional costs in respect of repairs and maintenance.	Further analysis will be undertaken in 2026/27 in respect of costs incurred across the services.

Development

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R17U	**St Magnus Cathedral** Less than anticipated expenditure by £43.4K	Sweyn Johnston	Income received from tours and donations are higher than budgeted for.	The base budget will be reconsidered as part of a wider review of donations at the cathedral.
R33A	**Administration - DV** Less than anticipated expenditure by £79.8K	Sweyn Johnston	Underspend relates to staff vacancies and temporary changes throughout the financial year.	Vacancies continue to be actively recruited as they occur with variances reported via budget monitoring.
R33K	**Other Economic Development** Less than anticipated expenditure by £51.4K	Sweyn Johnston	Mainly relates to the underspend in the Strategies and Studies budget.	This budget has been removed from the 2026/27 budget as part of Service savings.

Planning

Service Function	**Service Description**	**Responsible Officer**	**Variance Reason**	**Action Notes**
R34E	**Building Standards** More than anticipated income by £34.1K	Gavin Barr	It is not possible to accurately estimate or profile fee income across the financial year as this depends on third party applications being received. The service has been engaging with Finance to monitor fee income profiles.	Engagement between the Service and Finance colleagues to monitor profile of income will continue in the new financial year.

Item: 10

Enterprise and Infrastructure Committee: 8 September 2026.

Revenue Expenditure Monitoring.

Report by Head of Finance.

1. Overview

1.1. This report presents the revenue financial summary position of expenditure incurred, as at 30 June 2026, in respect of service areas for which the Enterprise and Infrastructure Committee is responsible.

1.2. On 3 March 2026, the Council set its overall revenue budget for financial year 2026/27. On 16 June 2026, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2026/27, which form the basis of the individual revenue expenditure monitoring reports.

1.3. Individual revenue expenditure monitoring reports are circulated every month to inform elected members of the up-to-date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees.

1.4. In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.

1.5. Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:

- Variance of £10,000 and more than 110% or less than 90% of anticipated position (1B).
- Not more than 110% or less than 90% of anticipated position but variance greater than £50,000 (1C).

1.6. Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.

1.7. The details have been provided following consultation with the relevant Directors and their staff.

1.8. The figures quoted within the Budget Action Plan by way of the underspend (-) and overspend position will always relate to the position within the current month.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the revenue financial summary statement in respect of service areas for which the Enterprise and Infrastructure Committee is responsible, for the period 1 April to 30 June 2026, attached as Annex 1 to this report, indicating a budget underspend position of £571,300.
ii. Note the revenue financial service area statement in respect of service areas for which the Enterprise and Infrastructure Committee is responsible, for the period 1 April to 30 June 2026, attached as Annex 2 to this report.
iii. Note the explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to this report.

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 Regulations state that Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
2. **Legal** Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring the levels of revenue expenditure incurred against approved budgets, in respect of each of the service areas for which the Committee is responsible, is referred to the Enterprise and Infrastructure Committee.
4. **Human Resources** N/A.
5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial 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** 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

Policy and Resources Committee, 3 March 2026, Budget and Council Tax Level for 2026/27.
Policy and Resources Committee, 16 June 2026, Detailed Revenue Budgets.

Annexes

Annex 1: Financial Summary.
Annex 2: Financial Detail by Service Area.
Annex 3: Budget Action Plan.

Annex 1: Financial Summary **June 2026**

The table below provides a summary of the position across all Service Areas.

General Fund Service Area	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Roads	1,337.4	1,926.8	(589.4)	69.4	4,431.4
Transportation	6,752.0	6,506.4	245.6	103.8	33,569.8
Operational Environmental Services	122.1	211.4	(89.3)	57.8	3,486.4
Environmental Health & Trading Standards	226.9	237.6	(10.7)	95.5	1,310.6
Development	283.7	346.0	(62.3)	82.0	2,829.2
Planning	213.0	278.2	(65.2)	76.6	1,690.5
	8,935.1	**9,506.4**	**(571.3)**	**94.0**	**47,317.9**
Service Totals	**8,935.1**	**9,506.4**	**(571.3)**	**94.0**	**47,317.9**

Compared to last month, the total number of PAs has changed as follows:

Service Area	No. of PAs P02	P03	Service Functions	PAs/ Function
Roads	9	8	12	67%
Transportation	2	5	8	63%
Operational Environmental Services	6	4	6	67%
Environmental Health & Trading Standards	1	0	3	0%
Development	7	3	11	27%
Planning	3	2	6	33%
Totals	28	22	46	48%

The following tables show the spending position by service function

General Fund

Roads	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Winter Maintenance and Response	**1B**	25.3	312.0	(286.7)	8.1	1,278.6
Street Lighting	**1B**	25.8	58.6	(32.8)	44.0	260.3
Car Parks	**1B**	114.8	8.8	106.0	1,304.5	(39.3)
Other Works		33.4	26.9	6.5	124.2	135.0
Traffic Management	**1B**	(53.2)	205.1	(258.3)	N/A	321.5
Structural Maintenance	**1B**	359.5	604.5	(245.0)	59.5	1,736.6
Routine Maintenance	**1B**	266.4	224.7	41.7	118.6	1,015.0
Quarries Holding Account	**1B**	81.4	32.5	48.9	250.5	(500.0)
Roads Holding Account		497.1	483.5	13.6	102.8	0.0
Fleet Holding Account	**1B**	(14.2)	(36.1)	21.9	39.3	0.0
Movement in Reserves		0.0	0.0	0.0	0.0	91.6
Miscellaneous - RD		1.1	6.3	(5.2)	17.5	132.1
Service Total		**1,337.4**	**1,926.8**	**(589.4)**	**69.4**	**4,431.4**

Transportation	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Administration - TR		42.9	46.7	(3.8)	91.9	297.0
Co-ordination		21.5	14.0	7.5	153.6	86.6
Concessionary Fares	**1B**	74.5	56.1	18.4	132.8	320.5
Support for Operators - Buses	**1B**	83.2	216.1	(132.9)	38.5	1,500.1
Support for Operators - Air		294.1	295.5	(1.4)	99.5	1,772.8
Support for Operators - Ferries	**1B**	52.1	0.6	51.5	8,683.3	3.4
Airfields Operations	**1B**	239.3	199.8	39.5	119.8	712.4
Orkney Ferries	**1C**	5,944.4	5,677.6	266.8	104.7	28,877.0
Service Total		**6,752.0**	**6,506.4**	**245.6**	**103.8**	**33,569.8**

Operational Environmental Services	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Burial Grounds	**1B**	27.6	40.9	(13.3)	67.5	104.4
Refuse Collection		(699.3)	(662.0)	(37.3)	105.6	699.7
Waste Disposal	**1B**	483.5	369.6	113.9	130.8	1,489.5
Recycling		163.8	175.2	(11.4)	93.5	675.3
Environmental Cleansing	**1B**	62.3	98.4	(36.1)	63.3	517.5
OES Holding Account	**1B**	84.2	189.3	(105.1)	44.5	0.0
Service Total		**122.1**	**211.4**	**(89.3)**	**57.8**	**3,486.4**

Environmental Health & Trading Standards £000	Spend PA	Budget £000	Over/(Under) £000	Spend £000	Annual Budget %
Administration - ES	123.4	134.9	(11.5)	91.5	839.3
Trading Standards	72.2	63.4	8.8	113.9	341.8
Public Toilets	31.3	39.3	(8.0)	79.6	129.5
Service Total	**226.9**	**237.6**	**(10.7)**	**95.5**	**1,310.6**

Development	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Heritage Development		206.4	207.5	(1.1)	99.5	191.7
Museums	**1B**	108.7	131.0	(22.3)	83.0	503.2
St Magnus Cathedral	**1B**	142.9	168.9	(26.0)	84.6	357.9
Administration - DV		179.5	173.8	5.7	103.3	1,013.8
Business Gateway		39.2	37.2	2.0	105.4	183.1
UK Shared Prosperity Fund		(8.4)	(8.9)	0.5	94.4	0.0
Community Led Local Development (CLLD)		85.3	85.2	0.1	100.1	730.6
Regeneration		(531.1)	(531.9)	0.8	99.8	0.0
Economic Development Grants		(81.9)	(83.1)	1.2	98.6	282.6
Other Economic Development Grants	**1B**	143.1	166.3	(23.2)	86.0	516.3
Movement in Reserves		0.0	0.0	0.0	0.0	(950.0)
Service Total		**283.7**	**346.0**	**(62.3)**	**82.0**	**2,829.2**

Planning	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Administration - PL		31.2	37.0	(5.8)	84.3	457.8
Development Management		86.2	80.2	6.0	107.5	381.3
Development Planning	**1B**	158.4	134.3	24.1	117.9	671.0
Building Standards	**1B**	(74.5)	21.9	(96.4)	N/A	116.2
Archaeology		13.7	14.0	(0.3)	97.9	64.2
North Isles Landscape Partnership Scheme		(2.0)	(9.2)	7.2	21.7	0.0
Service Total		**213.0**	**278.2**	**(65.2)**	**76.6**	**1,690.5**

Changes in original budget position:

Original Net Budget	1,690.3
NILPS – Budget Realignment	0.2
	1,690.5

Roads

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R26A	**Winter Maintenance and Response** Less than anticipated expenditure by £286.7K Standing charges relating to fixed costs for labour and plant were profiled to be paid in P1 but this has not yet happened, so actual costs are less than anticipated.	**Raise journals request** Arrangements are being made for the billing of fixed costs which should be processed in the next few weeks.	Lorna Richardson	31/07/2026	Ongoing
R26C	**Street Lighting** Less than anticipated expenditure by £32.8K As this cost centre reflects work that is largely carried out on a reactive basis, actual costs fluctuate throughout the year making accurate profiling of this cost centre impossible. Very little work has taken place so far as there has been no need.	**No action required** Workload is monitored throughout the year to ensure that actual costs do not exceed budget but reprofiling every month so that actual matches budget is not possible, due to other operational demands.	Lorna Richardson	31/07/2026	Ongoing
R26D	**Car Parks** More than anticipated expenditure by £106.0K Costs for new EV chargers have been incurred, but the grant funding to cover these has not yet been received.	**No action required** The grant claim has been submitted and is being processed.	Lorna Richardson	30/09/2026	Ongoing

Roads

Function	**Function Description/** Explanation	**Action Category/** Action Description	Responsible Officer	Deadline	Status
R26F	**Traffic Management** Less than anticipated expenditure by £258.3K Various reasons, including delays in transferring fixed costs (noted in R26A), receipt of grant funding not yet spent and impossibility of predicting when external events will require support.	**Monitor the situation** Fixed costs will be transferred during this coming period as per R26A.	Lorna Richardson	31/07/2026	Ongoing
R26J	**Structural Maintenance** Less than anticipated expenditure by £245.0K Costs fluctuate for reactive works as it is impossible to accurately predict when these will be required. Planned work started slightly later than envisaged.	**Monitor the situation** These budgets are carefully monitored and work programmed / delayed as needed to ensure that year-end out-turn is in line with allocated budget. Reprofiling each cost centre every month to reflect actual spend is not always possible due to other demands on staff time.	Lorna Richardson	30/09/2026	Ongoing
R26K	**Routine Maintenance** More than anticipated expenditure by £41.7K Costs fluctuate throughout the year according to when reactive maintenance can be programmed in, taking capital works into consideration.	**Monitor the situation** Actual costs are monitored and work programmed / reprioritised accordingly as to ensure that year-end out-turn is in line with allocated budget.	Lorna Richardson	31/07/2026	Ongoing

Roads

Function	**Function Description/** Explanation	**Action Category/** Action Description	**Responsible Officer**	**Deadline**	**Status**
R26L	**Quarries Holding Account** More than anticipated expenditure by £48.9K Ageing plant in need of significant maintenance means that additional, unbudgeted, costs have been incurred.	**Monitor the situation** Plant requires maintenance in order to generate product which generates income. The team continue to work to ensure that products match the local market demand with a view to increasing income.	Lorna Richardson	30/09/2026	New
R26N	**Fleet Holding Account** Less than anticipated income by £21.9K Costs of parts higher than anticipated.	**Monitor the situation** Costs of replacement parts are difficult to predict and subject to market forces. Efforts continue to replace the ageing fleet leading to less required intervention.	Lorna Richardson	30/09/2026	Ongoing

Transportation

Function	**Function Description/** Explanation	**Action Category/** Action Description	Responsible Officer	Deadline	Status
R27C	**Concessionary Fares** More than anticipated expenditure by £18.4K Third Party Payments are ahead of anticipated budget at the end of June. This reflects the additional use of the service, in particular the £2 bus fare.	**Raise virements request** Process virement to bring budget back into line with actual expenditure to date, if necessary.	Gareth Waterson	31/08/2026	New
R27G	**Support for Operators - Buses** Less than anticipated expenditure by £132.9K Delay in receipt of invoices, with no invoices for public bus service contract for May and June received in the period. Normally received monthly in arrears which would reduce the variance by ~£100k.	**Monitor the situation** Continue to monitor and chase up suppliers where necessary. A virement may be required to reprofile budget if trend continues.	Gareth Waterson	30/09/2026	Ongoing
R27J	**Support for Operators - Ferries** More than anticipated expenditure by £51.5K Budget not yet created for the expenditure in this code relating to the Ferry Replacement Programme.	**Raise virements request** Process virement to create budget.	Gareth Waterson	31/08/2026	Ongoing

Transportation

Function	**Function Description/** Explanation	**Action Category/** Action Description	Responsible Officer	Deadline	Status
R27K	**Airfields Operations** More than anticipated expenditure by £39.5K Increase in Staff Costs relating to several new recruits at different airfields, therefore there has been an increased need for additional hours for training and compliance. In addition, aerodrome licence fees to the Civil Aviation Authority of £29.5K and insurance costs of £21.8K have been incurred in the first quarter.	**Management input required** Manage spend to ensure spend comes back in line with budget and process a virement from other areas within the Service to transfer budget to cover any overspends where necessary. Undertake virement, if necessary, to reprofile spend on annual payments.	Gareth Waterson	30/09/2026	New
R27L	**Orkney Ferries** More than anticipated expenditure by £266.8K Subsidy payments are out of line with the budget profile. Early payments include additional funding to allow the early payment of harbour dues.	**Management input required** Virement will be processed to realign the budget to ensure it matches the subsidy income schedule.	Gareth Waterson	30/09/2026	New

Operational Environmental Services

Function	**Function Description/** Explanation	**Action Category/** Action Description	Responsible Officer	Deadline	Status
R28B	**Burial Grounds** Less than anticipated expenditure by £13.3K Costs are erratic and generally difficult to profile whilst income from the sale of lairs and interment fees is impossible to predict.	**Monitor the situation** Costs/income will be monitored and expenditure managed accordingly.	Lorna Richardson	30/09/2026	Ongoing
R28E	**Waste Disposal** More than anticipated expenditure by £113.9K Costs of waste disposal ahead of profile.	**Monitor the situation** Invoicing from Shetland Islands Council is generally erratic and so impossible to predict when invoice will be received. Overall, the available budget is slightly less than actual costs as evidenced by year-end outturns.	Lorna Richardson	31/07/2026	Ongoing
R28G	**Environmental Cleansing** Less than anticipated expenditure by £36.1K Less work than anticipated has been carried out due to resource pressures and operatives being needed elsewhere.	**Monitor the situation** Operatives continue to be used where priority dictates, noting that any underspend in this area will be required to contribute to overspend in others.	Lorna Richardson	30/09/2026	Ongoing
R28K	**OES Holding Account** Less than anticipated expenditure by £105.1K Cost recovery is ahead of profile, noting that this anticipates a slow start to the year due to admin pressures.	**No action required** Actuals will catch up with profiled over the coming months.	Lorna Richardson	30/09/2026	Ongoing

Development

Function	**Function Description/** Explanation	**Action Category/** Action Description	Responsible Officer	Deadline	Status
R17T	**Museums** Less than anticipated expenditure by £22.3K Underspend largely relates to timing of property costs being out of profile.	**Raise virements request** Amend profile to correct.	Sweyn Johnston	31/07/2026	Ongoing
R17U	**St Magnus Cathedral** Less than anticipated expenditure by £26.0K Rates payment not timed as profiled.	**Raise virements request** Raise virement to correct.	Sweyn Johnston	31/07/2026	New
R33K	**Other Economic Development** Less than anticipated expenditure by £23.2K Delay in processing BID payments.	**Monitor the situation** Expected to self-correct as payments are processed.	Sweyn Johnston	31/07/2026	Ongoing

Planning

Function	**Function Description/** Explanation	**Action Category/** Action Description	Responsible Officer	Deadline	Status
R34C	**Development Planning** More than anticipated expenditure by £24.1K Late payment of grant monies from Scottish Government and a contribution from Harbours towards planning work, which has now been received.	**Raise journals request** The budget holder is working to revise profiles in advance of the next reporting period.	Gavin Barr	30/09/2026	New
R34E	**Building Standards** Less than anticipated expenditure by £96.4K Majority relates to income carried over from 2025/26, which is for fees received in March for work which will be undertaken in 2026/27 financial year.	**No action required** Budget will cover the work which will be undertaken in the early part of this financial year. A virement will be processed if required to bring budget back in line.	Gavin Barr	30/06/2026	Ongoing

Item: 11

Enterprise and Infrastructure Committee: 8 September 2026.

Road Asset Replacement Programme – Expenditure Outturn.

Report by Head of Finance.

1. Overview

1.1. This report presents the expenditure outturn position as at 31 March 2026 in respect of the approved Road Asset Replacement Programme for financial year 2025/26.

1.2. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.

1.3. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.

1.4. The annual Road Asset Replacement Programme for financial year 2025/26 was approved by the Development and Infrastructure Committee on 4 February 2025.

1.5. The table below provides an overview of the expenditure incurred in financial year 2025/26.

Project Description	Outturn 2025/26	Annual Budget 2025/26	Overspend/ (Underspend)
Road Asset Replacement Programme	£1,560,006.	£1,500,000.	£60,006.

1.6. Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2025/26, including individual project updates.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the summary outturn position of expenditure incurred for financial year 2025/26 in respect of the approved Road Asset Replacement Programme, as detailed in section 1.5 of this report.
ii. Note the detailed analysis of expenditure figures and programme updates in respect of the approved Road Asset Replacement Programme for 2025/26, attached as Appendix 1 to this report.

For Further Information please contact:

Shonagh Merriman, Service Manager (Corporate Finance), extension 2105, Email shonagh.merriman@orkney.gov.uk

Implications of Report

1. **Financial** The Financial Regulations state that Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
2. **Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of expenditure incurred against the approved annual road asset improvement programme, funded through the approved capital programme, is referred to the Enterprise and Infrastructure Committee.
4. **Human Resources** N/A.
5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial 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** Where resources allow, improvement works can include 'greener' solutions.
10. **Risk** Improvement of existing assets can help reduce risks associated with these assets.
11. **Procurement** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
12. **Health and Safety** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
13. **Property and Assets** Included throughout the report and detailed in the Appendix.
14. **Information Technology** N/A.
15. **Cost of Living** N/A.

List of Background Papers

Development and Infrastructure Committee, 4 February 2025, Road Asset Replacement Programmes for 2025 to 2028.

Appendix

Appendix 1 – Road Asset Replacement Programme 2025/26 – Outturn.

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Outturn 2025/26	Allocated Budget 2025/26	Overspend/ (Underspend)	Description	Project Update
Footpaths and Kerbing		Royal Oak Road, Kirkwall	£98,309	£75,000	£23,309	Lay new kerbs and surface	Work complete. Due to the nature of the work - particularly challenges with underground apparatus and varying ground conditions - it is difficult to accurately budget for this type of work. Therefore there has been an overspend.
		Additions to Approved Programme					
		Various signage improvements	£1,363	£0	£1,363	Signage costs wrongly assigned to Capital. Will be corrected by journal entry.	Complete.
Associated Infrastructure	**C25205001**		**£99,672**	**£75,000**	**£24,672**		
Drainage		Atlantis Lodge, A965, Firth	£18,862	£100,000	(£81,138)	Upgrade existing drainage and outfall	Works ongoing. Further investigations suggest that more extensive works are required. As a result, this project has come in over budget and some of this project will extend into next financial year. The contract is awarded through Engineering Services on Roads Services behalf as a whole cost for the project. The contractor invoices for a total amount at monthly intervals based upon the percentage of total works completed at that point in time. This is not broken down between drainage, surfacing and reconstruction, therefore **the majority of the costs for this project have been allocated to the Reconstruction cost code C25 213 001 for simplicity in managingon the external contract.**
		Additions to Approved Programme					
		A966 Norseman (2022-23)	£132	£0	£132	Retention payment from 2022-23 to external contractor.	Retention payment released for works completed in 2022/23.
Drainage	**C25207001**		**£18,994**	**£100,000**	**(£81,006)**		
Bridges and Structures		Branstane Road, Westray	£26,288	£30,000	(£3,712)	Carry out repairs on bridge structure	Works Complete.
		Germiston Road, Orphir	£0	£40,000	(£40,000)	Carry out repairs on bridge structure	Due to ongoing design complications and the increasing scale of works required, this project has been moved into 2026/27. Underspend to be utilised on additional Reconstruction projects.
		Houton Road, Orphir	£0	£30,000	(£30,000)	Carry out repairs on sea wall	Due to ongoing design complications and the increasing scale of works required, this project has been moved into 2026/27. Underspend to be utilised on additional Reconstruction projects.
		Additions to Approved Programme					
Bridges and Structures	**C25202001**		**£26,288**	**£100,000**	**(£73,712)**		
Street lighting system upgrade		Royal Oak Road, Kirkwall	£109,338	£95,000	£14,338	Replace columns, cabling and control systems	Work complete. Due to the nature of the work - particularly challenges with underground apparatus and varying ground condition - it is difficult to accurately budget for this type of work. Therefore there has been an overspend.
		Additions to Approved Programme					
		Islands View Road	£8,310	£0	£8,310	Defective columns upgraded	Works Complete. Electrical safety inspection carried out in late 2025 identified that these 2 columns were severely corroded. Works were added to the programme due to underspend elsewhere and the poor condition of the asset. Additional works approved by Director of Infrastructure and Organisational Development.
Street Lights	**C26101001**		**£117,648**	**£95,000**	**£22,648**		

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Outturn 2025/26	Allocated Budget 2025/26	Overspend/ (Underspend)	Description	Project Update
Surface Treatments		St Catherine's Place, Kirkwall	£39,722	£85,000.00	(£45,278)	Inlay Surfacing	Works complete April 2025. This project had very few complications therefore was undertaken in a very efficient and effective manner leading to a considerable underspend. This has been reallocated to other projects.
		West Castle Street, Kirkwall	£29,194	£15,000.00	£14,194	Inlay Surfacing	Works now complete. Due to the nature of the work—particularly challenges with underground apparatus and varying ground conditions - it is difficult to accurately budget for this type of work. Therefore there has been an overspend.
		A965 near Atlantis Lodges, Finstown	£0	£30,000.00	(£30,000)	Inlay Surfacing	Works ongoing. Further investigations suggest that more extensive works are required. As a result, this project has come in over budget and some of this project will extend into next financial year. **Please note that the majority of the costs for this project have been allocated to the Reconstruction cost code C25 213 001 for simplicity on the external contract.**
		Work Road, St Ola	£48,645	£100,000.00	(£51,355)	Overlay Surfacing	Works complete May 2025. This project had very few complications therefore was undertaken in a very efficient and effective manner leading to a considerable underspend. This has been reallocated to other projects.
		B9052 Graemeshall, Holm	£0	£50,000.00	(£50,000)	Overlay Surfacing	Due to overall capital underspend in previous financial year these works were brought forward and completed in the last few weeks of 2024/25.
		Investigation Works for 2026 Surfacing projects	£4,243	£10,000.00	(£5,757)	Test Holes	Works complete.
		Additions to Approved Programme					
		A966 Norseman (2022-23)	£340	£0	£340		Retention payment released for works completed in 2022/23.
		A960, St Ola	£10,773	£0	£10,773	Inlay Surfacing	Works complete. A safety inspection and several complaints from the public identified an area of significant subsidence at this location. Due to this being on a prominent A Class road with large traffic volume this project has been added to the programme due to underspend on other projects and available resources to complete the work before the end of the financial year. Additional works approved by Director of Infrastructure and Organisational Development.
		Glaitness Road, Kirkwall	£15,039	£0	£15,039	Inlay Surfacing	Works complete. This project was identified for repair works in a future asset replacement programme. The work has been brought forward and added to the programme due to underspend on other projects. Additional works approved by Director of Infrastructure and Organisational Development.
		Germiston Road, Orphir	£8,753	£0	£8,753	Overlay Surfacing	Works complete. This project was identified for repair works in a future asset replacement programme. The work has been brought forward and added to the programme due to underspend on other projects and available resources to complete the works before the end of the financial year. Additional works approved by Director of Infrastructure and Organisational Development.
Surface treatments	**C25211001**		**£156,709**	**£290,000**	**(£133,291)**		
Road Reconstruction		A965 Rennibister	£161,559	£250,000	(£88,441)	Haunch reconstruction	Works now complete. Due to the nature of the work - particularly challenges with underground apparatus and varying ground conditions - it is difficult to accurately budget for this type of work. Therefore there has been an underspend which has been reallocated to other projects.

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Outturn 2025/26	Allocated Budget 2025/26	Overspend/ (Underspend)	Description	Project Update
		A965 near Atlantis Lodges, Finstown	£253,061	£75,000	£178,061	Haunch reconstruction and associated drainage works	Works ongoing. Further investigations suggest that more extensive works are required. As a result, this project has come in over budget and some of this project will extend into next financial year. The contract is awarded through Engineering Services on Roads Services behalf as a whole cost for the project. The contractor invoices for a total amount at monthly intervals based upon the percentage of total works completed at that point in time. This is not broken down between drainage, surfacing and reconstruction, therefore **the majority of the costs for this project have been allocated to the Reconstruction cost code C25 213 001 for simplicity on the external contract.**
		A961 Burray - Echnaloch to Northfield	£234,680	£235,000	(£320)	Haunch reconstruction	Works complete.
		A964 Orphir Germiston to Smoogro	£262,202	£275,000	(£12,798)	Haunch reconstruction	Works complete. There is a slight underspend which has been allocated to other projects.
		West Castle Street, Kirkwall	£4,632	£5,000	(£368)	Carriageway reconstruction	Works complete.

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Outturn 2025/26	Allocated Budget 2025/26	Overspend/ (Underspend)	Description	Project Update
		Additions to Approved Programme					
		A966 Norseman (2022-23)	£730	£0	£730	Retention payment from 2022-23 to external contractor.	Retention payment released for works completed in 2022/23.
		A966, Rendall	£177,747	£0	£177,747	Haunch reconstruction	Works complete. This project has been added to the programme due to underspend on other projects. Due to the nature of the work - particularly challenges with underground apparatus and varying ground conditions - it is difficult to accurately budget for this type of work. Therefore there has been an overspend on this project. Additional works approved by Director of Infrastructure and Organisational Development.
		Germiston Road, Orphir	£46,084	£0	£46,084	Haunch Reconstruction	Works complete. This project has been added to the programme due to underspend on other projects and available resources to complete the works before the end of the financial year. Additional works approved by Director of Infrastructure and Organisational Development.
		A964, Orphir	£0	£0	£0	Haunch reconstruction	This project had been added to the programme due to underspend on other projects. Given the scope of works on A966, Rendall this project did not take place. Additional works approved by Director of Infrastructure and Organisational Development.
Road Reconstruction	**C25213001**		**£1,140,695**	**£840,000**	**£300,695**		
Total			**£1,560,006**	**£1,500,000**	**£60,006**		

Contact Officer - Team Manager Roads Support - Extension 2318

Item: 12

Enterprise and Infrastructure Committee: 8 September 2026.

Road Asset Replacement Programme – Expenditure Monitoring.

Report by Head of Finance.

1. Overview

1.1. This report presents the summary position of expenditure incurred as at 30 June 2026 in respect of the Road Asset Replacement Programme for 2026/27.

1.2. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.

1.3. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.

1.4. The Roads Asset Replacement Programme budget was temporarily increased to £1.5 million for financial years 2025/26, 2026/27 and 2027/28, as a result of a recommendation by the Policy and Resources Committee on 18 June 2024, to demonstrate a focus on maintaining existing assets.

1.5. The annual Road Asset Replacement Programme for financial year 2026/27 was approved by the Enterprise and Infrastructure Committee on 3 February 2026.

1.6. Additional funding totally £534,000 has been allocated from the Islands Accelerator Fund for 2026/27, to allow additional works to be undertaken.

1.7. The table below provides an overview of the expenditure incurred for the period 1 April to 30 June 2026.

Project Description	Expenditure as at 30 June 2026	Annual Budget 2026/27	Probable Out-turn 2026/27	Overspend/ (Underspend)
Road Asset Replacement Programme	£321,478.	£2,014,000.	£1,935,914	(£78,086).

1.8. Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2026/27, including individual project updates.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the summary position of expenditure incurred as at 30 June 2026, against the approved Road Asset Replacement Programme for financial year 2026/27, as detailed in section 1.7 of this report.

ii. Note the detailed analysis of expenditure figures and programme updates, in respect of the approved Road Asset Replacement Programme for 2026/27 attached as Appendix 1 to this report.

For Further Information please contact:

Shonagh Merriman, Service Manager (Corporate Finance), extension 2105, Email shonagh.merriman@orkney.gov.uk

Implications of Report

1. **Financial** The Financial Regulations state that Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
2. **Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of expenditure incurred against the approved road asset improvement programme, funded through the approved capital programme, is referred to the Enterprise and Infrastructure Committee.
4. **Human Resources** N/A

5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial 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** Where resources allow, improvement works can include 'greener' solutions.
10. **Risk** Improvement of existing assets can help reduce risks associated with these assets.
11. **Procurement** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
12. **Health and Safety** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
13. **Property and Assets** Included throughout the report and detailed in the Appendix.
14. **Information Technology** N/A.
15. **Cost of Living** N/A.

List of Background Papers

Enterprise and Infrastructure Committee, 3 February 2026, Road Asset Replacement Programmes for 2026/27.

Appendix

Appendix 1 – Road Asset Replacement Programme 2026/27 Q1.

Appendix 1

Roads Asset Replacement Programme 2026/2027	Actual Spend to 30/06/2026	Budget	Probable Out-turn	Overspend/(Underspend)
B9061 Mount Pleasant and Bay of Bomastay, Stronsay	0	100,000	100,000	0
Protection against coastal erosion.	Works with Engineering Services to design and tender. Expected completion by the end of financial year 2026/27.			
Houton - Rock Armour	0	30,000	30,000	0
Protection against coastal erosion.	Works with Engineering Services to design and tender. Expected completion by the end of financial year 2026/27.			
Germiston Road - Brig repair	0	100,000	100,000	0
Structural repair of the Brig.	Awaiting final structural assessment and design from Engineering Services to finalise the full extent of works required.			
Total Bridges and Structures	**0**	**230,000**	**230,000**	**0**
Slater Street, Kirkwall - Lay new kerbs and surface	0	20,000	20,000	0
Defective kerbing and footway surface to be upgraded.	Works have been instructed to the Roads Operations team and are expected to be carried out by the end of 2026.			
A961 Burray - Lay new kerbs and footway reconstruction	0	0	0	0
Associated with A961 Burray haunch works. Works Cancelled for 2026/27. Budget Reallocated	Due to significant sand underground and on the recommendation of Engineering Services, this project requires further survey work and specialist road foundation design. Works will be postponed until 2027/28 to allow geological surveys and Tensar grid foundation designs to be carried out this year.			
Bellevue Park - Lay new kerbs and surface	0	30,000	30,000	0
Associated with streetlighting cabling works.	Works instructed to the Operations team for programming this financial year.			
Solar Panel Replacement for weather stations	0	25,000	25,000	0
Solar Panel Replacement for weather stations.	Purchase order issued to the supplier and will be charged when the solar panels are installed during our next maintenance visit before the end of 2026.			
Total Associated Infrastructure	**0**	**75,000**	**75,000**	**0**
A965 near Atlantis Lodges, Finstown	0	52,000	0	(£52,000)
Upgrade existing drainage and outfall. £15,000 - carry over from Atlantis Lodges work started in 2025/26. £37,000 - repair outfall, new pipes and headwall.	Remainder of works extended into this financial year are now complete. Please note costs for this project have been charged to the Reconstruction cost code for A965 near Atlantis Lodges, Finstown (below) for simplicity on the external contract, but this will be addressed prior to Q2 monitoring report.			
Lindisfarne, Westray - Upgrade existing drainage and outfall	0	25,000	25,000	0
Culvert works, pipework upgrade and tideflex installation.	Works currently being designed and will be instructed to our operations team for completion before the end of financial year 2026/27.			
Bay of Greentoft, Eday - Upgrade existing drainage and outfall	0	60,000	60,000	0
Repair outfall. New pipes and headwalls.	Works still to be designed and sent to Engineering Services to issue a contract works package.			
Stromness Pumping Station - Drainage	0	40,000	40,000	0
Stromness Pumping Station - Drainage	Works ongoing during school summer holidays. Expected completion Mid August.			
Total Drainage	**0**	**177,000**	**125,000**	**(£52,000)**

Germiston Road, Orphir - Overlay Surfacing	62,004	0	23,854	23,854
Improvement of carriageway surface. Budget Reallocated.	C/f from 2025/26 - Please note that the total expenditure includes £38k of Surface Dressing costs that have been incorrectly coded. These costs will be reallocated to the appropriate surface dressing budget code prior to the Q2 monitoring report.			
A961 Highland Park - Inlay Surfacing	0	25,000	25,000	0
Improvement of carriageway surface.	Works completed in July. Awaiting final costs from the Roads Operations team.			
A965 near Atlantis Lodges, Finstown - Inlay Surfacing	0	30,000	0	(£30,000)
Carry over from Atlantis Lodges work started in 2025/26.	Remainder of works extended into this financial year are now complete. Please note the majority of costs for this project have been allocated to the Reconstruction cost code for A965 near Atlantis Lodges, Finstown (below) for simplicity on the external contract, but this will be addressed prior to Q2 monitoring report.			
Castle Street, Kirkwall - Inlay Surfacing	83,032	80,000	83,032	3,032
Improvement of carriageway surface.	Works complete. Slight overspend due to replacement and realignment of manhole chamber covers within the works area that was not accounted for in the original budget estimate.			
B9056 North of Yesnaby Junction - Inlay Surfacing	0	0	0	0
Improvement of carriageway surface. Budget reallocated	This project was removed from the capital asset replacement programme and will be surface dressed in summer 2027 instead.			
Back Road / Church Road, St Margaret's Hope - Inlay Surfacing	0	125,000	125,000	0
Improvement of carriageway surface. Back Road / Church Road, St Margaret's Hope.	Works instructed. Expected to be completed in October.			
Investigation works 2027 - Surfacing Projects	0	10,000	10,000	0
Test holes.	No investigation works carried out yet.			
Pickaquoy Road, Kirkwall - Inlay Surfacing	0	190,000	190,000	0
Tesco zebra crossing to Crafty car park access. Plus section from junction with Muddisdale Road to joint of existing patch near Pickaquoy Loan.	Currently out to tender. Expected to be awarded and works completed before the end of the financial year.			
Noup Road, Westray - Inlay Surfacing	0	70,000	70,000	0
Inlay Surfacing, Noup Road.	Currently out to tender. Expected to be awarded and works completed before the end of the financial year.			
Crowness Crescent, Kirkwall - Inlay Surfacing	0	65,000	65,000	0
Inlay Surfacing, Crowness Crescent.	Instructed to Operations team. Expected to be completed before the end of 2026.			
A965 Finstown West - Inlay Surfacing	0	160,000	160,000	0
Worst section between Grandon Road and 30mph speed limit.	Contract awarded. Works expected to be completed by the end of 2026.			
Laing Street, Kirkwall - Inlay Surfacing	0	45,000	45,000	0
Full extent, Laing Street, Kirkwall.	Instructed to Operations team. Expected to be completed before the end of 2026.			

Muddisdale Road, Kirkwall - Inlay Surfacing	0	70,000	66,090	(£3,910)
From Pickaquoy Road to just past junction to Muddisdale car park plus approx. 5m into the junction for the road leading to Muddisdale car park. Plus remaining 3 speed bumps along Muddisdale Road (include approx. 5m each side of the speed bumps). Plus overlay on Care Home access part at the end of Muddisdale Road.	Works completed in July. Awaiting final invoice from contractor following site measurement.			
Mill Street, Kirkwall - Inlay Surfacing	0	40,000	40,000	0
From junction with King Street to just past OIC car park access.	Instructed to Operations team. Expected to be completed before the end of 2026.			
Howe Road, Stromness - Inlay Surfacing	0	20,000	20,000	0
Inlay Surfacing, Howe Road.	Instructed to Operations team. Expected to be completed before the end of 2026.			
Total Surface Treatments	**145,036**	**930,000**	**922,975**	**(£7,025)**
B9056 North of Yesnaby Junction - Carriageway reconstruction	0	0	0	0
Carriageway strengthening and improvement associated with surfacing works. Budget of £15k reallocated	This project was removed from the capital asset replacement programme and will be surface dressed in summer 2027 instead.			
Germiston Road, Orphir - Carriageway reconstruction	0	0	0	0
Carriageway strengthening and improvement associated with surfacing works. Budget Reallocated.	Works completed at the end of 2025/26 financial year.			
Church Road, St Margaret's Hope - Carriageway reconstruction	0	20,000	20,000	0
Carriageway strengthening and improvement associated with surfacing works.	Works instructed. Expected to be completed in October.			
A961 Burray Village - Carriageway reconstruction	0	125,000	0	(£125,000)
Carriageway strengthening and improvement on failed section.	Due to significant sand underground and on the recommendation of Engineering Services, this project requires further survey work and specialist road foundation design. Works will be postponed until 2027/28 to allow geological surveys and Tensar grid foundation designs to be carried out this year.			
Old Scapa Road, Kirkwall - Carriageway reconstruction	0	130,000	130,000	0
Carriageway edge strengthening and improvement.	Works commenced in July. Expected completion September.			
A965 Near Atlantis Lodges, Finstown - Haunch reconstruction	101,040	20,000	101,040	81,040
Carry over from Atlantis Lodges work started in 2025/26.	Works are now complete. These works were carried forward from 2025/26. Please note that the large overspend is due to all costs associated with the A965 Atlantis Lodges drainage, surfacing, and reconstruction works being charged to this project for simplicity under a single external contract. This will be corrected before the Q2 monitoring report to provide a clearer explanation of actual overspend relating to all works at this site.			

A966 Rendall - Haunch reconstruction	0	53,000	75,402	22,402
Carriageway edge strengthening and improvement.	Expenditure of £75,401.66 was incorrectly coded to the A965 Rennibister project and will be reallocated prior to the Q2 monitoring report. The expenditure includes costs carried forward from works undertaken at the end of 2025/26 that could not be completed before the start of the new financial year. The overspend is primarily due to unforeseen additional works required during delivery, including the replacement of broken culvert slabs at several locations and increased excavation depths where soft ground conditions were encountered.			
B9055 Brodgar - Haunch reconstruction	0	0	0	0
Carriageway edge strengthening and improvement. Budget Reallocated	Removed from the programme.			
A965 Finstown West - Haunch reconstruction	0	155,000	157,497	2,497
Carriageway edge strengthening and improvement, A965 Finstown West.	Contract awarded. Works expected to be completed by the end of 2026.			
A965 Rennibister - Haunch reconstruction	75,402	0	0	0
Carry over from Rennibister works started in 2025/26.	The expenditure has been incorrectly charged to the A965 Rennibister project and will be transferred to the correct project (A966- Rendall) prior to the Q2 monitoring report.			
Total Roads Reconstruction	**176,441**	**503,000**	**483,938**	**(£19,062)**
Helliar View, Shapinsay - Replace Columns	0	15,000	15,000	0
2 columns (CA04 & 05) to be replaced in same location. Replace columns over 30yrs old. HV01 - HV05.	Instructed to Operations team. Expected to be completed before the end of 2026.			
Kirkwall , Stromness, Westray & Longhope - Replace columns only	0	50,000	50,000	0
Replace 18 obsolete Corus folding columns: B9047 Longhope LH05N - LH07N; Pier Road, Longhope PR01 - PR03; Coplands Lane, Kirkwall CO01 & CO02; Market Green, Stromness MG06 - MG08; Gill Pier GP01; Stromness School Path SA14 - SA16; Lane between Kirklands Road and Scapa Crescent SC15 & SC20.	Works ongoing. All columns expected to be replaced by end of the financial year.			
Bellevue Park, Kirkwall - Replace columns, cabling and control systems	0	24,000	24,000	0
Replace columns over 30yrs old and upgrade control/cabling. BP01 - BP04.	Works instructed to the Operations team for programming this financial year.			
Liberator Drive, Kirkwall - LED lantern upgrade	0	10,000	10,000	0
Replacement of old Thorn Lanterns with new signify lanterns. 31 in total.	Works instructed. Will be completed when Lanterns arrive in stock and electrician resources are available within this financial year.			
Total Street Lighting	**0**	**99,000**	**99,000**	**0**
Roads Asset Replacement Programme 2026/2027	**321,478**	**2,014,000**	**1,935,914**	**(£78,086)**

ORKNEY ISLANDS COUNCIL

Item: 13

Enterprise and Infrastructure Committee: 8 September 2026.

Economic Development Grants –Budget Outturn Statement and Delegated Approvals.

Report by Director of Enterprise and Resources.

1. Overview

1.1. This report presents the budget outturn position as at 31 March 2026 in respect of the Economic Development Grants budget, together with all the delegated approvals made during 2025/26.

1.2. In March 2025, the Council approved the revenue budget for financial year 2025/26. This included an initial Economic Development Grants budget of £306,400 along with the capability to over-commit by 5%, which increased the budget to £321,700.

1.3. During financial year 2025/26, new spending commitments of £268,383 were approved which, relative to the Economic Development Grants budget of £321,700 as detailed in Annex A to this report.

1.4. The level of outstanding spending commitments held in the Economic Development Grants Fund, as at 31 March 2026, decreased by £173,666 to £593,163.

1.5. Grant approvals made in the period 1 April 2025 to 31 March 2026 totalled £268,383, including grants approved under delegated schemes for the same period, totalling £281,700 and are detailed in Annex B to this report.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note that, during financial year 2025/26, new spending commitments of £268,383, relative to the revised Economic Development Grants budget of £321,700, were approved, as detailed in Annex A to this report.
ii. Note grant approvals made in the period 1 April 2025 to 31 March 2026 totalling £268,383, including grants approved under delegated schemes for the same period totalling £228,383, as detailed in Annex B to this report.

3. Exempt and/or Confidential Information

3.1. Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Annex B to this report. Annex B contains exempt information as defined in paragraph 4 of Part 1 of Schedule 7A of the Act.

For Further Information please contact:

Laura Hutton, Economic Development Manager, extension 2519,

Email: laura.hutton@orkney.gov.uk.

Implications of Report

1. **Financial:** Financial implications are detailed in the report and annexes to the report.
2. **Legal:** Budget monitoring procedures help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance:** Approval of applications for financial assistance from Economic Development schemes of assistance which are within policy guidelines is delegated to the Director of Enterprise and Resources.
4. **Human Resources:** Not applicable.
5. **Equalities:** An Equality Impact Assessment is not required in respect of financial reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of financial reporting.
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:** Not applicable.

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

None.

Annexes

Annex A: Outturn statement for financial year 2025/26.
Annex B: Approvals for Year to 31 March 2026, including applications approved under delegated powers.

Annex A: Out-turn statement 2025 / 2026

	£	£
Annual budget available for approval.		**321,700**
Less previous year commitments.	(272,044)	
Less current year commitments.	(143,845)	
Ledger totals as at 31 March 2026.		**(415,889)**
Grants approved to date.	268,383	
Less current year spending.	(143,845)	
Current year commitments outstanding.		**(124,538)**
Plus previous year commitment.		**272,044**
Budget.		**53,317**

Economic Development Grant Fund.

	£
Opening balance.	**766,829**
Less previous year commitments.	**(272,044)**
Less reprovisioned reserves.	**(26,160)**
Plus current year commitments outstanding.	124,538
Closing balance.	**593,163**
Fund movement.	**(173,666)**

Notes on terminology.

Previous year commitments.	Spending made in 2025/26 for grants approved in 2024/25 and earlier, funded by transfer from Economic Development Grants Fund.
Current year commitments.	Spending made in 2025/26 in relation to grants approved in 2025/26.
Grants approved to date.	Total grants approved in 2025/26.
Current year commitments outstanding.	Balance still due to be paid on grants approved during 2025/26 transferred to Economic Development Grants Fund.

Item: 14

Enterprise and Infrastructure Committee: 8 September 2026.

Economic Development Grants.

Report by Director of Enterprise and Resources.

1. Overview

1.1. This report presents, for information, details of grants awarded in respect of economic development activities, for the period 1 March to 30 June 2026.

1.2. In March 2026, the Council approved the revenue budget for financial year 2026/27. This included an initial Economic Development Grants budget of £282,600, along with the capability to over-commit by 5%, which increased the budget to £296,700.

1.3. Spending to 30 June 2026 in relation to Economic Development Grants totalled £66,711 of which £47,602 relates to grant commitments made in previous financial years and £19,109 to current year commitments.

1.4. The budget available for approval from the Economic Development Grants budget as at 30 June 2026, amounted to £185,990, as detailed in Annex A to this report.

1.5. Grant approvals made in the period 1 April to 30 June 2026 totalled £110,710 including grants approved under delegated schemes for the same period which totalled £70,710 and are detailed in Annex B to this report.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note spending to 30 June 2026 in relation to Economic Development Grants, totalling £66,711, of which £47,602 relates to grant commitments made in previous financial years and £19,109 to current year commitments.

ii. Note grant approvals made in the period 1 April to 30 June 2026 totalling £110,710, including grants approved under delegated schemes for the same period which totalled £70,710, as detailed in Annex B to this report.

3. Exempt and/or Confidential Information

3.1. Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Annex B to this report. Annex B contains exempt information as defined in paragraph 4 of Part 1 of Schedule 7A of the Act.

For Further Information please contact:
Laura Hutton, Economic Development Manager, extension 2519,
Email: laura.hutton@orkney.gov.uk.

Implications of Report

1. **Financial:** Financial implications are detailed in the report and annexes to the report.
2. **Legal:** Budget monitoring procedures help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance:** Approval of applications for financial assistance from Economic Development schemes of assistance which are within policy guidelines is delegated to the Director of Enterprise and Resources.
4. **Human Resources:** Not applicable.
5. **Equalities:** An Equality Impact Assessment is not required in respect of financial reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of financial reporting.
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:** Not applicable.
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** The report includes details of grant award commitments made during the period to 30 June 2026, some of which could contribute to addressing negative impacts of cost of living on Orkney businesses and wider community interests.

List of Background Papers

None.

Annexes

Annex A: Budget Available for Approval, as at 30 June 2026.
Annex B: Approvals for Year to 30 June 2026, including applications approved under delegated powers.

Economic Development Budget Available for Approval as at 30 June 2026

Budget Available for Approval	£	£
Annual Budget.		296,700
Less spending: Previous year commitments (note 1).	47,602	
Less spending: Current year commitments (note 2).	19,109	
Ledger totals as at 30 June 2026.		(66,711)
Current year commitments: Grants approved to date (note 3).	110,710	
Current year commitments: Less current year spending.	(19,109)	
Current year commitments outstanding (note 4).		(91,601)
Economic Development Grant Fund: Add back previous year commitment.		47,602
Current budget available for approval.		185,990

Note on terminology:

1. Spending: Previous year commitments.	Spending made in 2026/27 for grants approved in 2025/26 and earlier. Funded by transfer from Economic Development Grant Fund.
2. Spending: Current year commitments.	Spending made in 2026/27 in relation to grants approved in 2026/27.
3. Grants approved to date.	Total grants approved in 2026/27.
4. Current year commitments outstanding.	Balance still due to be paid on grants approved during 2026/27 transferred to Economic Development Grant Fund.

Item: 15

Enterprise and Infrastructure Committee: 8 September 2026.

Crown Estate Economic Development Fund and Crown Estate Community Led Development Fund - Budget Outturn.

Report by Director of Enterprise and Resources.

1. Overview

1.1. This report presents budgetary information in respect of the Crown Estate Economic Development Fund and Crown Estate Community Led Development Fund for 2025/26.

1.2. In June 2022 the Council established the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund; each to be resourced from the allocation of funding that the Council receives annually from the Crown Estate.

1.3. The fund balances in respect of each of the two Crown Estate Funds are outlined in Annex A to this report.

1.4. Determination of applications for funding from the Crown Estate Economic Development Fund is delegated to the Director of Enterprise and Resources, in consultation with the Leader, Depute Leader, Chair and Vice Chair of the Enterprise and Infrastructure Committee.

1.5. Determination of applications for funding from the Crown Estate Community Led Development Fund is delegated to the Director of Enterprise and Resources, in consultation with the Leader, Depute Leader, Chair and Vice Chair of the Enterprise and Infrastructure Committee, together with the Chair of the Orkney Local Action Group.

1.6. Funding commitments approved under the Crown Estate Economic Development Fund in the period 1 April 2025 to 31 March 2026, totalling £96,500, are detailed in Annex B to this report.

1.7. Funding commitments approved under the Crown Estate Community Led Development Fund in the period 1 April 2025 to 31 March 2026, totalling £439,297, are detailed in Annex C to this report.

1.8. The Crown Estate funding allocation to the Council for 2026/27 was confirmed in July 2026 as £2,108,569. It is anticipated that the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund will each be allocated 25% of this sum.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the fund balances of the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund, as at 31 March 2026, as detailed in Annex A to this report.
ii. Note the funding allocations made in the period 1 April 2025 to 31 March 2026 totalling £96,500, against the Crown Estate Economic Development Fund, as detailed in Annex B to this report.
iii. Note the grant approvals made in the period 1 April 2025 to 31 March 2026 totalling £439,297 against the Crown Estate Community Led Development Fund, as detailed in Annex C to this report.

3. Exempt and/or Confidential Information

3.1. Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Annexes B and C to this report. Annexes B and C contain exempt information as defined in paragraph 4 of Part 1 of Schedule 7A of the Act.

For Further Information please contact:
Laura Hutton, Economic Development Manager, extension 2519,
Email: laura.hutton@orkney.gov.uk.

Implications of Report

1. **Financial:** Financial implications are detailed in the report and annexes to the report.
2. **Legal:** Budget monitoring procedures help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance:** When the funds were established in June 2022, the Council agreed that annual monitoring reports in respect of the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund be submitted to the Enterprise and Infrastructure Committee.
4. **Human Resources:** Not applicable.

5. **Equalities:** An Equality Impact Assessment is not required in respect of financial reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of financial reporting.
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:** Not applicable.
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:** The report includes details of grant award commitments made during the period 1 April 2025 to 31 March 2026, some of which could contribute to addressing negative impacts of cost of living on Orkney business and wider community interests.

List of Background Papers

Policy and Resources Committee, 21 June 2022 – Crown Estate Fund – Proposals for Economic and Community Development Schemes.

Annexes

Annex A – Crown Estate Fund - Outturn statement for financial year 2025/26.
Annex B – Crown Estate Economic Development Fund Grant Allocations for 2025/26.
Annex C – Crown Estate Community Led Local Development Fund Grants Approved for 2025/26.

Annex A: Crown Estate Fund Out-turn statement 2025/26

	Crown Estate Economic Development Fund	Crown Estate Community Led Development Fund
Opening balance as at 1 April 2023	£558,300	£558,300
Add: 25% share of Crown Estate Fund in financial years:		
2023/24	£220,175	£220,175
2024/25	£247,270	£247,270
2025/26	£332,965	£332,965
	£1,358,710	**£1,358,710**
Less: Commitments made in financial years:		
2023/24	(£477,039)	(£478,003)
2024/25	(£330,360)	(£378,087)
2025/26	(£96,500)	(£439,297)
Closing balance as at 31 March 2026	**£454,811**	**£63,323**

Item: 16

Harbour Authority Sub-committee: 25 August 2026.

1. Recommendations

It is recommended:

1.1.

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

.

2. Appendix

Draft Minute of the Meeting of the Harbour Authority Sub-committee held on 25 August 2026.

Minute

Harbour Authority Sub-committee

Tuesday, 25 August 2026, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.

Present

Councillors Mellissa-Louise Thomson, Graham A Bevan, Ivan A Taylor, Duncan A Tullock and Heather N Woodbridge.

Present via remote link (Microsoft Teams)

Councillor P Lindsay Hall.

Clerk

- Katy Russell-Duff, Committees Officer.

In Attendance

- Laura Cromarty, Head of Marine Services and Transportation.
- Erik Knight, Head of Finance.
- Karen Bevilacqua, Service Manager (Legal Services).
- Shonagh Merriman, Service Manager (Corporate Finance).

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Mellissa-Louise Thomson.

1. Revenue Expenditure Outturn

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

Noted:

1.1. The revenue financial summary statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April 2025 to 31 March 2026, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £206,100.

1.2. The revenue financial service area statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April 2025 to 31 March 2026, attached as Annex 2 to the report by the Head of Finance.

1.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by Head of Finance.

2. Revenue Expenditure Monitoring

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

Noted:

2.1. The revenue financial summary statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2026, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £145,000.

2.2. The revenue financial by service area statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2026, attached as Annex 2 to the report by the Head of Finance.

2.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance.

3. Miscellaneous Piers and Harbours

Revenue Maintenance Programme – Expenditure Outturn

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

Noted:

3.1. The summary position of expenditure incurred for financial year 2025/26, against the approved Miscellaneous Piers and Harbours revenue maintenance programme, as detailed in section 1.5 of the report by the Head of Finance.

3.2. The detailed analysis of expenditure figures and programme updates in respect of the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2025/26, attached as Appendix 1 to the report by the Head of Finance.

4. Miscellaneous Piers and Harbours

Revenue Maintenance Programme – Expenditure Monitoring

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

Noted:

4.1. The summary position of expenditure incurred as at 30 June 2026, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2026/27, as detailed in section 1.5 of the report by the Head of Finance.

4.2. The detailed analysis of expenditure figures and programme updates in respect of the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2026/27, attached as Appendix 1 to the report by the Head of Finance.

5. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes – Expenditure Outturn

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

Noted:

5.1. The summary outturn position of expenditure incurred for financial year 2025/26 in respect of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes, as detailed in section 1.5 of the report by the Head of Finance.

5.2. The detailed analysis of expenditure figures and programme updates in respect of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2025/26, attached as Appendix 1 to the report by the Head of Finance.

6. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes – Expenditure Monitoring

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

Noted:

6.1. The summary position of expenditure incurred as at 30 June 2026, against the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2026/27, as detailed in section 1.5 of the report by the Head of Finance.

6.2. The detailed analysis of expenditure figures and programme updates in respect of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvements for 2026/27, attached as Appendix 1 to the report by the Head of Finance.

7. Conclusion of Meeting

At 10:02 the Chair declared the meeting concluded.

Signed: M Thomson.