

FOREWORD

ORKNEY ISLANDS COUNCIL is committed to providing services of the highest quality possible within the resources available and accounting to the public for these services.

The Council's strategic direction is based on the needs of the people of Orkney and on the requirement for the Council to comply with both existing and new statutory responsibilities. In April 2002 the Council published its corporate plan entitled "A Vision for Orkney" which set out its strategic objectives. Having established these, it is then necessary to plan and manage individual services to ensure they comply with the strategic objectives, meet the needs of service users, are of good quality, give value for money and achieve continuous improvement. The services provided by the Council are many and varied. Some are provided wholly within the Council, for example, primary and secondary school education; other services are provided in partnership with NHS Orkney and the voluntary sector, for example, care for older people; some are contracted out to the private sector, for example, grounds maintenance.

To plan and manage its services, it is necessary for the Council to be able to measure and monitor its own performance. This involves a number of key processes, four of which are described here. The first of these processes involves recording and monitoring statutory performance indicators (SPIs) to meet the requirements of the Accounts Commission. The second process involves carrying out Best Value reviews of individual service areas, for example, refuse collection or schools and this is done for all Council services at least once every five years. The third process involves making improvements on the basis of recommendations made by statutory inspections of certain services, for example, inspections of Council care homes and day care centres by the Care Commission and inspections of schools by Her Majesty's Inspectorate of Education. The fourth process involves measuring how well the Council has performed in relation to its projects and other developments, for example, building refurbishment or upgrading equipment.

Taken together, these processes enable senior Council managers to provide elected members of the Council with the information they require to make good decisions about the future direction of services, what improvements need to be made, where, how, and by whom.

To ensure both transparency and accountability, the Council publishes its SPIs and other performance related reports on its website and in print on request. This year performance information relating to the Council as a whole has been brought together and presented in this its Annual Performance Report. The report sets out Council services which are currently provided, how well these have performed over the past three years, and how they need to improve in the future.

Finally, we would like to hear what you have to say about the Council's performance, to enable services to be improved in ways that suit as many of the population of Orkney as possible. If you would like to make a comment about any aspect of the Council and its performance, or if you would like to obtain more detailed performance information relating to the Council, please use the contact details on the back cover.

We look forward to hearing from you.

Councillor Stephen Hagan
Convener



Alistair Buchan
Chief Executive



DEFINITION OF KEY TERMS

In order to help to describe and explain the Council's performance, it is necessary to clarify some of the key terms that are used throughout the Annual Performance Report. These are set out below.

Accounts Commission: The Accounts Commission is a statutory, independent body which, through the audit process, assists all local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of resources.

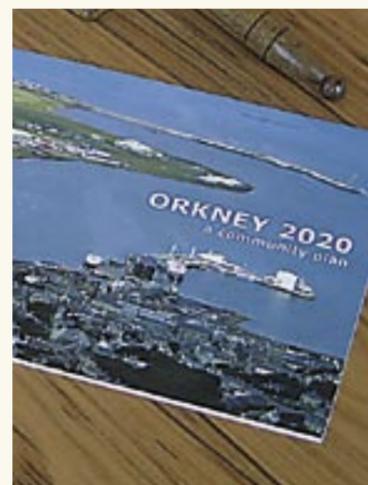
Audit Scotland: Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. Audit Scotland provides services to the Accounts Commission and the Auditor General for Scotland to ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

Best Value reviews: Orkney Islands Council carries out Best Value reviews of all of its service areas over a five year cycle. A Best Value review involves consulting with service users, staff and partners, comparing the way that the service is provided with similar services in other councils and then planning the improvements identified as being necessary.

Care Commission: The Scottish Commission for the Regulation of Care (The Care Commission) is a new national organisation set up under the Regulation of Care (Scotland) Act 2001 to regulate and inspect Scottish care services. The Care Commission works towards developing the newly established unified system of care regulation, promoting consistency of practice and the improvement of care services for everyone who uses them.

Her Majesty's Inspectorate of Education (HMIe): HMIe is an Executive Agency of the Scottish Ministers under the terms of the Scotland Act 1998. HMIe operates independently and impartially whilst remaining directly accountable to Scottish Ministers for the standards of its work. HMIe's status guarantees the independence of its inspection, review and reporting within the overall context of the Minister's strategic objectives for the Scottish education system. The core business of HMIe is inspection and review of Scottish schools.

Performance, Management and Planning Framework (PMP): Prior to the enactment of the Local Government in Scotland Act 2003, all councils in Scotland were required to have in place a Performance, Management and Planning Framework (PMP) which encompassed each council's management arrangements, processes and systems. Sound PMP was seen to lie at the heart of the drive towards Best Value and in consequence, the Accounts Commission and Audit Scotland developed a detailed audit approach to assess and support each council's progress in developing arrangements for PMP. This audit approach was applied for the first time in all 32 Scottish councils in 1999-2000; in 2004 PMP was superseded by a more comprehensive audit entitled the New Audit of Best Value.



Statutory Performance Indicators (SPIs): Audit Scotland, on behalf of the Accounts Commission, requires all Scottish councils to record 80 SPIs annually relating to various services and activities common to each council. Given the technical nature of SPIs, some explanation of their use within the Annual Performance Report is necessary:

- Not all recorded SPIs are included in the Council's Annual Performance Report 2004, only those selected by Audit Scotland for national comparison and publication on the Audit Scotland website, www.audit-scotland.gov.uk under the heading 'council profiles'.

- Where available, the Annual Performance Report details additional information relating to both the Scottish average performance and the Council's position on the Scottish league table, 1 to 32. It is the Council's place on the Scottish league table which has informed whether the Council's performance is described in this report as being 'excellent' (1 to 5 on the league table), 'very good' (6 to 10), 'good', (11 to 15) 'fair' (16 to 20), 'not very good' (21 to 25) or 'poor' (26 to 32).

- It should also be noted that in almost every year, Audit Scotland assesses a very small number of SPIs as being 'unreliable'; in 2003/04 Orkney Islands Council recorded only four. An unreliable SPI does not mean that it is necessarily wrong; but rather that the auditors have been unable to verify the recording system, or its supporting documentation, or it is based on estimated figures.

The full list of the Council's Statutory Performance Indicators 2003/04 is available in the middle section of this report.

CHIEF EXECUTIVE'S DEPARTMENT

Purpose of the department

The fundamental purpose of the Chief Executive's Department is to assist Council departments to deliver services which comply with the Council's strategic objectives, meet the needs of service users, are of good quality, give value for money, and achieve continuous improvement.

This involves assisting Council departments to work within structures and systems designed to make sure that good quality services are provided to the people who need them at the right time and in the right place. The Chief Executive's Department has six main functions:

Chief Executive's office: Policy advice to the Council, monitoring the actions of the Council, overall management of Council departments, leadership of the Council's staff, and the management of external and internal relationships.

Administration: General administration, emergency planning, local and general elections, community council liaison, registration of births, marriages, deaths and still births, services to the Council and its committees, external communications and public relations, services to the Children's Panel, and burial grounds administration.

Legal: Legal advice to the Council and specific legal services in relation to property, licensing, litigation, housing grants, superiors' consents and support services to the Children's Panel.

Policy: Corporate and community planning, corporate policy advice and development, the Best Value Regime and performance monitoring and management.

Personnel: Personnel services to the Council and its employees, and health and safety.

Information: Information services within the Council and externally through the Council's website.

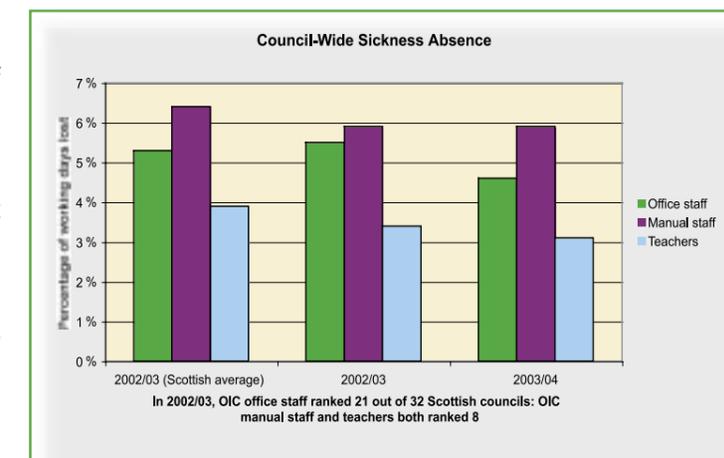
Performance of the department

The performance of the Chief Executive's Department over the three year period 1st April 2001 – 31st March 2004 has been measured by Statutory Performance Indicators (SPIs), Best Value reviews, the Progress Update on the 2002/03 Performance Management and Planning Audit and a number of projects and other developments; the results are summarised below.

Statutory Performance Indicators (SPIs)

The council-wide SPIs described below relate to the Council as a whole, and are evaluated here within the Chief Executive's Department due to its corporate overview of the Council.

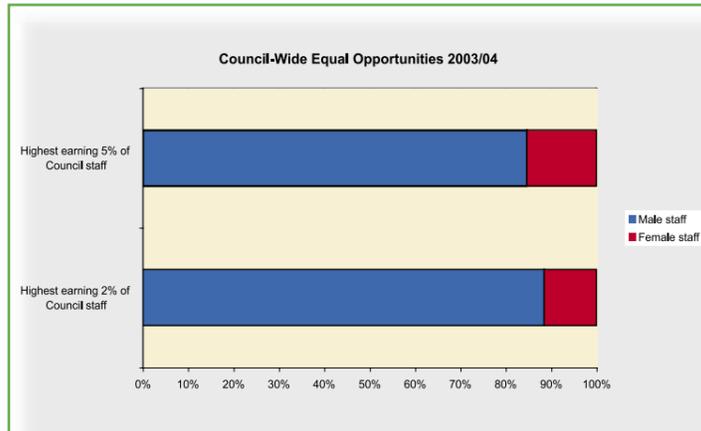
Sickness absence: The chart below shows how the Council performed with regard to the percentage of working days lost through sickness absence for office staff, manual staff and teachers in 2002/03 and 2003/04.



The Council's performance in 2002/03 was not very good in terms of manual staff, though the performance of teaching and office staff was very good. Overall sickness absence among Council staff has improved in 2003/04; this has been attributed at least in part, to the implementation of the Council's arrangements for supporting staff who are ill.

These arrangements include the procedure for managing sickness absence, associated training for managers and supervisors, strategies for intervention for both long and short-term sickness absence and the use of the occupational health service.

Equal opportunities: Prior to 2003/04 this SPI measured the percentage of female chief official and senior professional employees. In 2003/04 Audit Scotland changed the way that equal opportunities are measured. The chart below shows the percentage of the highest earning 2% of Council staff who were women in 2003/04; and the percentage of the highest earning 5% of Council staff who were women in 2003/04. Since this is a new SPI, comparison with other Scottish councils is not possible.



Equal opportunities in relation to female employees in the higher earning brackets is considered to be of concern in Orkney Islands Council. It is difficult to ascertain the reasons for the under-representation of female staff in the higher income brackets. Further research is therefore needed, and measures adopted to reduce this imbalance. Whatever the reasons, the Council's current performance may now need to be considered a baseline from which improvements must be sought.

Best Value reviews

In 2001/02 a Best Value review of all of the services and activities within the Chief Executive's Department was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group in March 2003 that the department should prepare a costed service development plan incorporating the 26 improvement actions identified as necessary in the review. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 6
- Improvement actions partially completed = 11
- Improvement actions outstanding = 9

In December 2003 a Best Value review of the Council's external communications was initiated. Although the review related to the Council as a whole, it was conducted within the Chief Executive's Department due to its corporate overview of the Council. It had previously been decided that due to the introduction of a new local newspaper, one element of external communications, advertising, would be 'fast tracked' following which an interim report would be considered by the Council. The interim report on the advertising element was scrutinised by elected members of the Best Value Working Group in March 2004 when it was recommended that the Council should continue to advertise in both local newspapers until the outcome of the full Best Value review of external communications was known. It was also recommended this would be subject to implementing 10 improvement actions identified

as necessary in the interim report. Progress on the 10 improvement actions will be reported in the Council's next Annual Performance Report.

2000/01 Performance Management and Planning audit of corporate services: progress update

In 2000/01, Audit Scotland carried out a PMP2 audit which included corporate services. In April 2003 Audit Scotland published its progress update on this PMP audit which identified six outstanding improvement actions. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 1
- Improvement actions partially completed = 5
- Improvement actions outstanding = 0

Projects and other developments

In addition to what has been described above, a number of projects and other developments have been progressed in the period 1st April 2001 – 31st March 2004. The corporate projects/developments relate to the Council as a whole and are evaluated within the Chief Executive's Department due to its corporate overview of the Council.

Community planning: Following extensive public consultation, Orkney's community plan **Orkney 2020** was published in April 2003.

Corporate planning: The second edition of the Council's corporate plan **A Vision for Orkney** was published in March 2002.

Council committee restructuring: The Council restructured its committees in May 2002 and the schemes of administration and delegation were subsequently revised.

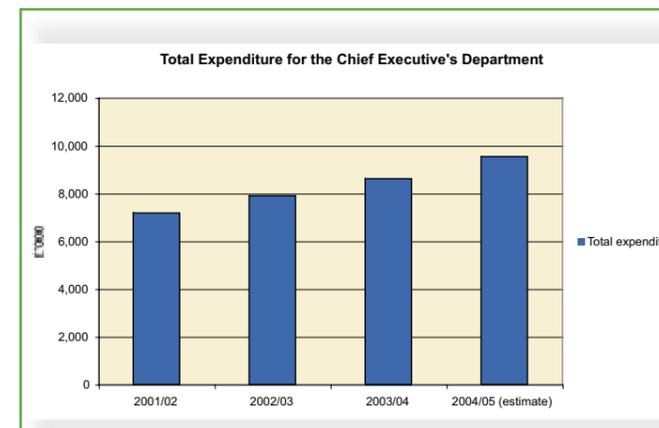
Information technology: The Council undertook to improve the use and development of information technology and to make available pilot electronic services by the end of 2002; this has resulted in the availability of a limited number of electronic services. However the completion of targets to implement electronic delivery of all services by summer 2005 will not be met.

One-Stop-Shop: At the end of March 2004, the Council established its customer services facility at the newly refurbished premises at the former East Kirk.

Departmental finance

In 2003/04 the information technology service, which had been part of the Department of Finance and Housing, was transferred to the Chief Executive's Department and renamed Information Services to convey its wider role in information management as well as technology. Its budget of approximately £500,000 was also transferred which partly explains the increase in 2003/04.

More generally, the increasing budget of the department reflects Council policy decisions to centralise a number of support services enabling these to be provided more cost-effectively to the Council as a whole; the appointment of additional staff to enable the Council to appropriately respond to external pressures; and the appointment of two graduate trainees.



Key actions for completion by 31st March 2005

Chief Executive's office

- Commence updating the Council's complaints procedure
- Review the Council's procedure for complaints against councillors
- Complete the race equalities scheme.

Administration

- Develop the customer services function to be more responsive to customer needs
- Review the Council's scheme of administration and delegation
- Complete the scheme of delegation to officers
- Provide training for departments on committee report writing
- Where appropriate, attach appendices to minutes published on the Council's website

- Where appropriate, publish committee reports on the Council's website
- Where appropriate, hyper-link committee reports to minutes on the Council's website
- Redesign the Council's website
- Relocate certain customer services from the Broad Street office to the main customer services desk

Legal

- Establish a formal means of obtaining services from the legal division
- Establish and implement a transaction monitoring system
- Establish regular meetings with key stakeholders, at least on an annual basis
- Create a centralised index of course materials and training manuals

Policy

- Integrate service planning with corporate resource planning
- Review the corporate plan **A Vision for Orkney** and publish the new edition
- Commence the review of the community plan **Orkney 2020**
- Review the partially completed and outstanding improvement actions from the Best Value review
- Publish the Council's Annual Performance Report 2003/04

Personnel

- Develop the Council's human resource management strategy
- Review the effectiveness of the Council's overall diversity policies for employment and initiate changes
- Complete the training of all staff in racial equality and awareness
- Complete the review of recruitment practices and policies and implement changes
- Continue the rolling programme of policy and procedure review

Information

- Implement formal project management methodology for governing information services projects and develop a coherent programme of activity
- Establish, cost and agree service charters for all Council service areas
- Increase the support available to departments and develop capacity
- Cost an 'out of hours' and weekend support service

DEPARTMENT OF COMMUNITY SOCIAL SERVICES

Purpose of the department

The fundamental purpose of the Department of Community Social Services is to assess the needs of individuals, families and communities, and to deliver high quality social care services in partnership with them, within the framework legislation, the Council's strategic objectives, and departmental policy. The Department of Community Social Services has four main functions:

Community care services: Assessing the needs of older people, people with physical disabilities, people with mental health needs, people with learning disabilities and people who misuse drugs or alcohol. Providing and commissioning, in partnership with NHS Orkney and the voluntary sector, a range of services to meet identified needs including care homes, day care, short breaks, equipment and adaptations, occupational therapy, care at home, community alarms and supported accommodation.

Criminal justice services: Providing social work services for offenders in order to promote community safety and social inclusion. This includes reports to the Procurator Fiscal, criminal courts, through-care for serving prisoners, and the supervision of people placed on diversion from prosecution, probation, intensive probation, community service, supervised attendance and the various forms of licence following release from custody, for example, parole.

Children and families services: Assessing the needs of children/young people and families in need of advice

and support. Providing a range of services in partnership with the Children's Panel, NHS Orkney and the Education Department, to meet identified needs including child protection, services for children affected by disabilities, residential accommodation and support work for children and young people, foster care and adoption, and services provided through integrated community schools.

Strategic services: Strategic planning and policy development, project design and development, financial planning, representations and complaints, community safety, staff training and development, general administration, information technology, performance management, and emergency planning and monitoring.

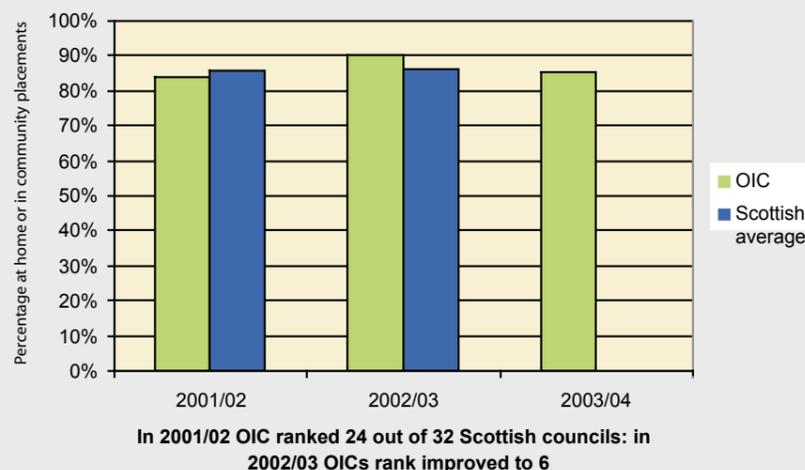
Performance of the department

The performance of the Department of Community Social Services over the three year period 1st April 2001 – 31st March 2004 has been measured by Statutory Performance Indicators (SPIs), Best Value reviews, the department's own annual reports, the Social Work Services Inspectorate 2003 Report, Care Commission reports of the various Council care centres and a number of projects and other developments; the results are summarised below.

Statutory Performance Indicators (SPIs)

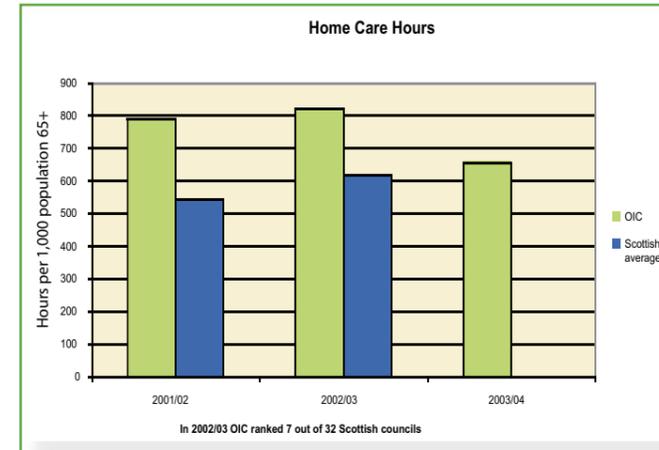
Looked after children: Children who are being looked after by the Council are supported at home, in community placements, or in residential accommodation. The chart below shows how the Council performed with regard to the percentage of children being looked after at home or in community placements, as opposed to residential accommodation, in 2001/02, 2002/03 and 2003/04.

Looked After Children - At Home or in Community Placements



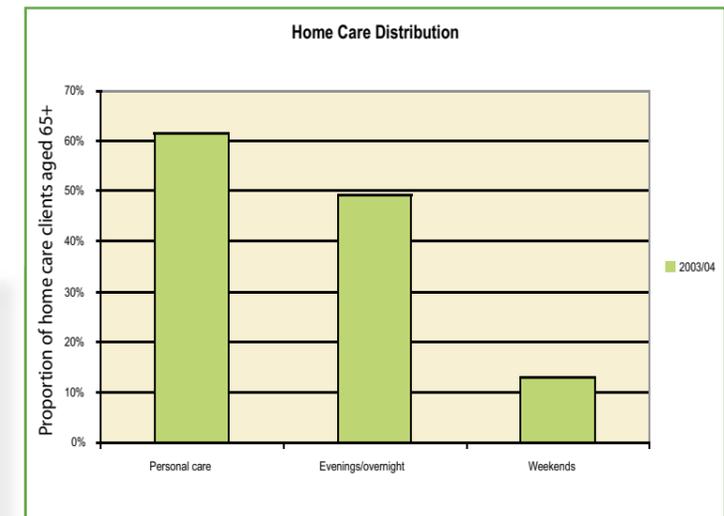
The Council's performance has been fairly stable over the period, and has been consistent with the Scottish average. Since the current level of resources are insufficient in terms of placements, there is a focus on increased support to families at home.

Home care - hours: Home care is one of the most important services available to enable people with community care needs to be supported in their own homes. The chart below shows how the Council performed with regard to the total number of home care hours provided weekly, as a rate per 1,000 of the population aged 65+, in 2001/02, 2002/03 and 2003/04.



The Council's performance was stable over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance declined; this has been attributed to the changing needs of individual service users, the introduction of direct payments provision and difficulties in recruiting home care staff.

Home care - distribution: Flexibility of home care services is essential to ensure that people are provided with the assistance that they need when they need it. Prior to 2003/04 this SPI measured the number of home care clients receiving personal care, care at weekends, and care in the evenings and overnight, as a rate per 1,000 of the population aged 65+; the Council performed very well



on this SPI. In 2003/04 Audit Scotland changed the way that these aspects of home care are measured. The chart below shows the percentage of home care clients aged 65+ receiving personal care, an evening or overnight service, and a service at weekends. Since this is a new SPI, comparison with other Scottish councils is not possible.

Staff qualifications in residential accommodation: This indicator provides a measure of the number of qualified staff working in residential accommodation. The table below shows how the Council performed with regard to the percentage of Council staff with appropriate qualifications working in care homes for children, older people and other adults in 2001/02, 2002/03 and 2003/04.

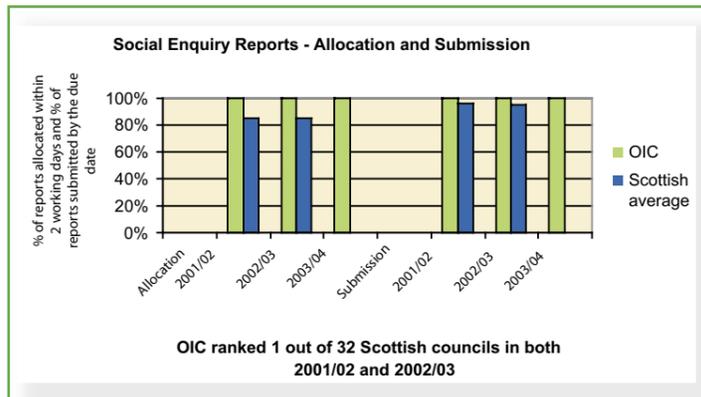
Percentage of Council Staff with Appropriate Qualifications

	2001/02			2002/03			2003/04		
	OIC (%)	Scottish Average (%)	Rank out of 32 Scottish Councils	OIC (%)	Scottish Average (%)	Rank out of 32 Scottish Councils	OIC (%)	Scottish Average (%)	Rank out of 32 Scottish Councils
Children	14	51	28	28	53	29	36	*	*
Other Adults	33	37	19	43	40	14	67	*	*
Older People	21	36	28	20	39	30	58	*	*

* Information unavailable

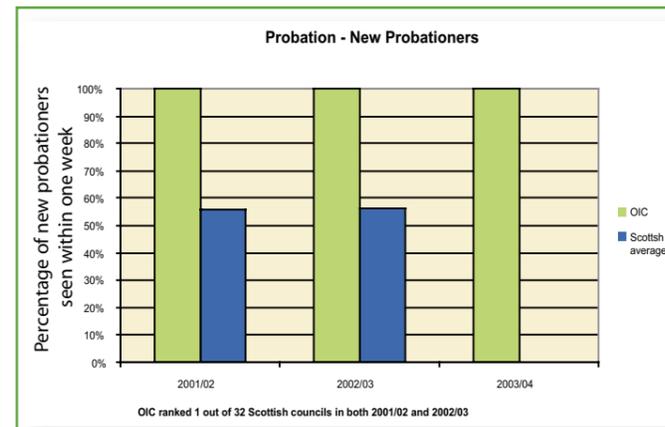
The Council's performance was poor over the period 2001/02 and 2002/03, and overall fell well below the Scottish average. In 2003/04 the Council's performance improved dramatically; this has been attributed to the substantial investment in staff training and development across all care sectors following the introduction of training targets by the Scottish Social Services Council. The rate of increase in children's services has been slower than for older people and other adults; it should be noted that this is due to the longer length of time required to complete prescribed training courses.

Social enquiry reports: The chart below shows how the Council performed with regard to the percentage of reports requested by the courts that were allocated to social work staff within 2 working days of receipt, and the percentage of reports submitted to the courts by the due date by the department in 2001/02, 2002/03 and 2003/04.



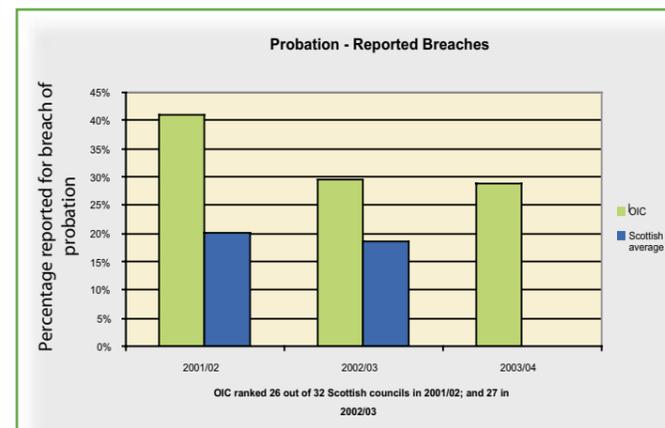
The Council's performance was excellent over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance was maintained.

Probation – new probationers: The chart below shows how the Council performed with regard to the percentage of new probationers seen by a supervising officer within one week in 2001/02, 2002/03 and 2003/04.



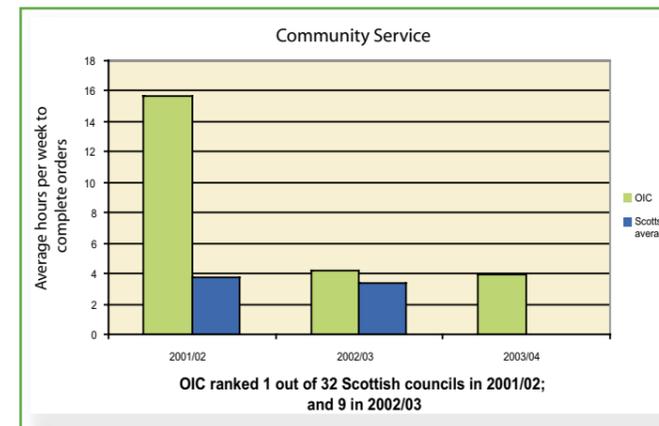
The Council's performance was excellent over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance was maintained.

Probation - reported breaches: The chart below shows how the Council performed with regard to the percentage of people subject to a probation order who were reported to the court for breach of probation during the year in 2001/02, 2002/03 and 2003/04.



The Council has consistently reported breaches of probation orders at a higher rate than the Scottish average. It should be noted that Audit Scotland have identified on their website that "high levels of breach reports do not necessarily indicate poor performance... but rather the strictness with which the service follows breach protocols".

Community service: The chart below shows how the Council performed with regard to the average hours per week taken to complete community service orders in 2001/02, 2002/03 and 2003/04.



The Council's performance was excellent in 2001/02 and was considerably better than the Scottish average; this was due to relatively few community service orders, and the offenders being easily available for work. In 2002/03 and 2003/04 the Council's performance declined to become more in line with the 2001/02 and 2002/03 Scottish average; this was largely due to the relatively high numbers of offenders in full time work and therefore only available for work on one day per week.

Best Value reviews

Eleven Best Value reviews were carried out during 2000/01, 2001/02 and 2003/04, as detailed in the table below. The outcome of all the Best Value reviews was a recommendation by the Best Value Working Group that the department should prepare costed service development plans incorporating the improvement actions identified as necessary in the individual reviews. Progress at 31st March 2004 is shown in the table below.

Date of Best Value review	Service/activity	Progress at 31 March 2004			
		Number of recommended improvement actions	Improvement actions completed	Improvement actions partially completed	Improvement actions outstanding
2000/01	Residential Care Services for Older People	3	-	3	-
2000/01	Sheltered Housing for Older People	4	-	4	-
2001/01	Assessment and Care Management	6	1	5	-
2001/02	Adoption	6	1	5	-
2001/02	Foster Care	12	3	7	2
2001/02	Residential Accommodation for Looked After Children	12	7	4	1
2001/02	Support Work Service for Children and Families	13	8	4	1
2001/02	Residential, Home Based and Family Based Services for Children and Young People with Disabilities	13	4	9	-
2001/02	Assessment and Case Management for Children and Young People	9	2	6	1
2001/02	Representations and Complaints	11	4	1	6
2002/03	General Administration	8	3	2	3

Community Social Services Annual Report 2004: progress update

The department's first annual report, published in 2000, made 84 recommendations detailing areas within the department to be addressed as a matter of priority. The 2003 annual report, published on 5th June 2003, reported that 5 of the recommendations remained outstanding. The 2004 annual report, published on 3rd June 2004, reported on the progress made on the 5 recommendations at 31st March 2004 which was as follows:

- Improvement actions completed = 1
- Improvement actions partially completed = 2
- Improvement actions outstanding = 2

Social Work Services Inspectorate Report 2003: progress update

The 2003 Social Work Services Inspectorate Report listed 7 areas where the Council should take action to improve services. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 5
- Improvement actions partially completed = 1
- Improvement actions outstanding = 1

Inspection reports by the Care Commission

In order to ensure the Council's compliance with the regulations associated with the Regulation of Care (Scotland) Act 2001, the Care Commission carries out two inspections per year of Council care homes, day care centres, and supported accommodation for children and adult service users. Information on the latest inspections carried out of the Council's care centres by the Care Commission prior to 31st March 2004 is summarised below. Please note that:

- A **recommendation** is a statement setting out proposed actions by the service provider aimed at improving the quality of service (based on good practice and professional judgement) but which would not be subject to enforcement action if not actioned
- A **requirement** is a statement setting out an enforceable action required of a service provider in order that the service comply with current legislation, usually within a specific time-scale
- Quotes from the Care Commission's inspection reports are *highlighted in italics*

Aurrida House in Kirkwall is a resource centre for children with special needs and their families. An announced inspection of Aurrida was carried out on 12th February 2004 which concluded that: *'The inspection identified 8 strengths and no areas for development at Aurrida House. The inspection also identified that 8 areas for development noted in the previous report had been addressed. No recommendations or requirements are being made as a result of this inspection'*.

Camoran Children's Resource Centre in Kirkwall is a resource centre for children and young people and their families. An announced inspection of Camoran was carried out on 11th February 2004 which concluded that: *'The inspection identified 6 strengths and 1 area for development at Camoran Children's Resource Centre. The inspection also identified that 5 areas for development noted in the previous report had been addressed. There was 1 area where 4 recommendations were made with no requirements being made as a result of this inspection'*.

St Rognvald House in Kirkwall is a 44 place care home for older people. An announced inspection of St Rognvald's was carried out on 28th January 2004 which concluded that: *'The inspection identified 7 strengths and 1 area for development at St. Rognvalds House. The inspection also identified that 7 areas for development noted in the previous report had been addressed. No recommendations or requirements are being made as a result of this inspection'*.

Scarva Taing in Finstown is a 6 place care home for older people. An unannounced inspection of Scarva Taing was carried out on 29th January 2004 which concluded that: *'The inspection identified 9 strengths and no areas for development at Scarva Taing House. The inspection also identified that 9 areas for development noted in the previous report had been addressed. No recommendations or requirements are being made as a result of this inspection'*.



St Peter's House in Stromness is a 32 place care home for older people. An announced inspection of St Peter's was carried out on 10th February 2004 which concluded that: *'The inspection identified 10 strengths and no areas for development at St. Peters House. The inspection also identified that the requirement noted in the previous report had been addressed, as had 9 areas for development. There were no recommendations and no requirements made as a result of this inspection'*.

St Colm's Short Breaks Unit in Kirkwall is a 2 place short breaks facility for people with learning disabilities. An announced inspection of St Colm's short breaks unit was carried out on 27th February 2004 which concluded that: *'The inspection identified 5 strengths and 2 areas for development at St. Colm's Respite Bungalow. The inspection also identified that 5 areas for development noted in the previous report had been addressed. There was 1 recommendation and no requirements made as a result of this inspection'*.

Keelylang Day Centre in Kirkwall is a 9 place day centre for people with severe and profound disabilities. An unannounced inspection of Keelylang was carried out on 24th September 2003 which concluded that: *'The inspection identified 43 strengths and 9 areas for development at Keelylang Day Centre. There were 8 recommendation and no requirements made as a result of this inspection'*

St. Colm's Day Centre in Kirkwall is a 24 place day centre for people with mild to moderate learning disabilities. An unannounced inspection of St Colm's was carried out on 16th July 2003 which concluded that: *'The inspection identified 13 strengths and 7 areas for development at St. Colm's Day Centre. There were no recommendations and 2 requirements made as a result of this inspection'*

Very Sheltered Housing in Kirkwall is a 24 unit supported housing complex for older people. An announced inspection of Very Sheltered Housing was carried out on 2nd March 2004 which concluded that: *'The inspection identified 8 strengths and 2 areas for development at Very Sheltered Housing. The inspection also identified that 8 areas for development noted in the previous report had been addressed. There were 2 recommendations and no requirements made as a result of this inspection'*.

West Mainland Day Centre in Stenness is an 18 place day centre for older people. An unannounced inspection of West Mainland was carried out on 13th June 2003 which concluded that: *'The inspection identified 15 strengths and 6 areas for development at the West Mainland Day Centre. The inspection also identified that 3 requirements noted in the previous report had been addressed with 1 outstanding. There were 5 recommendations and 3 requirements made as a result of this inspection'*.

Gilbertson Day Centre in Kirkwall is an 18 place day centre for older people. An unannounced inspection of Gilbertson was carried out on 29th May 2003 which concluded that: *'The inspection identified 11 strengths and 9 areas for development at the Gilbertson Day Centre. The inspection also identified that 2 requirements noted in the previous report had been addressed with 1 outstanding. There were 11 recommendations and no requirements made as a result of this inspection'*.

The Glaitness Centre in Kirkwall offers a 1 place short breaks facility for adults with physical disabilities. An announced inspection of the Glaitness short breaks service was carried out on 20th February 2004 which concluded that: *'The inspection identified 27 strengths and 3 areas for development. There were 3 recommendations and no requirements made as a result of this inspection'*.

The Glaitness Centre in Kirkwall offers day care on 3 days per week for up to 15 adults with physical disabilities. An announced inspection of the Glaitness day care service was carried out on 30th April 2004 which concluded that: *'The inspection identified 42 strengths and 5 areas for development. There were 4 recommendations and 1 requirement made as a result of this inspection'*.

Projects and other developments

In addition to the above, a number of projects and other developments have been progressed by the Department of Community Social Services in the period 1st April 2001 – 31st March 2004.

Capital projects: Work started on site for the Westray Care Centre and Dounby Care Home in February 2004. The planned completion date is February 2005.

Community safety: The Community Planning initiative on community safety was established during 2001 and is co-ordinated within the Department of Community Social Services.

Delayed discharge: With funding from the Scottish Executive recurring annually in August, and in partnership with NHS Orkney, the department has achieved a reduction in the number of delayed discharges from hospital by introducing innovative ways to return people to the community, and to enable them to remain there with high levels of dependency. The rapid response service helps to prevent hospital admissions in the first place, and speeds rehabilitation at home.

Direct Payments: Direct payments were introduced in Orkney during 2002/03 to enable service users to receive funding from the Council to purchase care and support services. In Orkney there has been a high percentage uptake relative to population. A local supporting agency is in place to help applicants manage the process.

Information technology: The new client database, PARIS, was introduced jointly with NHS Orkney during spring 2004 and will be extended on an incremental basis across all sections of the department by October 2005.

Joint future issues: Nationally, Orkney is seen as a leader in the joint future initiative which promotes joint arrangements and working between the NHS and councils. The extended local partnership agreement (the agreement between NHS Orkney and Orkney Islands Council on joint arrangements) was approved and submitted to the Scottish Executive during May 2004.

New opportunities fund: In November 2003 the Community Social Services Department and Education Department successfully secured funding from the new opportunities fund to address out of school childcare provision across all areas of Orkney. Implementation of the project is ongoing.

One-Stop-Shop: At the end of March 2004, the department established its strategic and operational headquarters at the newly refurbished premises at the former East Kirk.

Policies and procedures: A number of departmental policies and procedures have been developed, updated, and published on the Council's intranet. Work on developing new policies and procedures is ongoing.

Staff training and development: Substantial investment in staff training and development has been made to meet the requirements of the Scottish Social Services Council, registration requirements, national care standards and staff development generally.

Strategic planning: A number of departmental strategic documents have been produced to help review existing services, identifying needs and shaping future provision. These include the departmental corporate resource plan (produced annually); the departmental annual report; the Children's Services Plan 2002-2004; the Community Care Plan 2003-2006; and the Criminal Justice Strategic Plan 2002-2005.

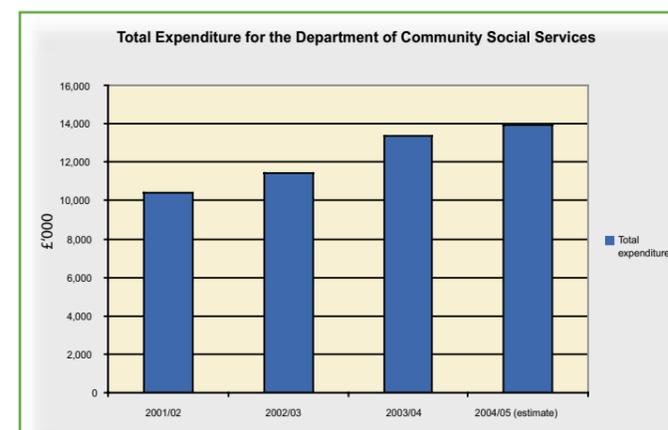
Supporting People initiative: The supporting people initiative was established by the Scottish Executive during April 2001 to provide housing support for vulnerable people in Scotland. In Orkney, the initiative involves the Housing Division, Orkney Housing Association, a number of voluntary organisations, and is co-ordinated within the Community Social Services Department.

Very Sheltered Housing: Six new houses were opened during December 2002 at the very sheltered housing development for older people at Glaitness in Kirkwall and are now fully occupied.

Women's Aid Orkney: A successful bid to the domestic abuse service development fund has facilitated the establishment of the Women's Aid Orkney Service Co-ordinator post from 1st April 2004 for two years. This project is monitored by the Community Social Services Department on behalf of The Scottish Executive.

Departmental finance

The table below shows the growth in the department's budget from 2001/02 to 2004/05. The increases stem primarily from "ring-fenced" funding from the Scottish Executive for specific national initiatives. The department also now hosts the community safety section and integrated community schools which are corporate Council services.



Key actions for completion by 31st March 2005

Community care

- Open the Westray care centre
- Complete the Dounby care centre
- Complete the review of day care
- Achieve 50% of residential care staff qualified to SVQ level 2 or above
- Complete the protection of vulnerable adults policy
- Implement new care management guidance
- Implement recommendations of the learning disability audit undertaken following the Scottish Borders inquiry

Children and families

- Develop a training and support package for all foster carers
- Produce a local fostering handbook for both new and existing foster carers
- Implement the new programme of intensive therapeutic intervention for young people
- Combine the 'share the care' and foster care services for short breaks
- Develop review materials for young people with disabilities to enhance their participation in their care plan reviews

Criminal Justice

- Implement the Criminal Justice Social Work Service Strategic Plan 2005/06 as agreed by Orkney Islands Council and the Scottish Executive

Strategic Services

- Develop an effective system for performance monitoring and information using the new management information system (PARIS)
- Develop an effective needs assessment system to identify future social care needs
- Develop locally the Scottish Executive initiative "Building Strong Safe and Attractive Communities"
- Identify funding for the installation of CCTV throughout Kirkwall
- Meet the requirements of the Scottish Social Services Council for staff training and development
- Publish the Integrated Children's Services Plan 2005-2008



DEPARTMENT OF FINANCE AND HOUSING

Purpose of the department

The fundamental purpose of the Department of Finance and Housing is to provide comprehensive and cost effective financial services to the Council and the general public; and to enhance the community's quality of life by ensuring access to suitable, affordable, and conveniently located housing for the people of Orkney. The Finance and Housing Department has five main functions:

Accountancy: Financial advice to Council departments, monitoring statements to Council committees, producing the Council's annual accounts, and treasury management.

Payments: Payment of creditors, salaries, wages, and pensions.

Revenues: Collection of the council tax, non-domestic rates, housing rents and miscellaneous debt, and administration of housing benefit and council tax benefit.

Internal audit: Independent and objective opinion on the Council's financial control arrangements, examining and evaluating these to ensure proper, economic, efficient and effective use of Council resources.

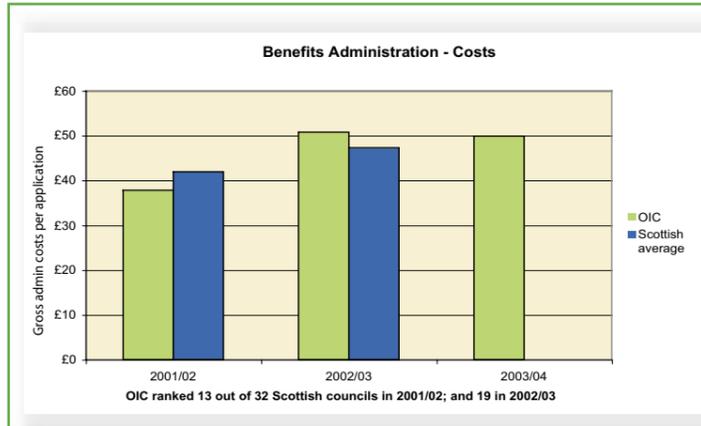
Housing services: Formulation and development of housing strategies, management of the Council's housing stock, assisting those who are homeless or potentially homeless, providing advice on a range of housing options, processing council house purchase applications and working in partnership with housing colleagues from across Orkney.

Performance of the department

The performance of the Department of Finance and Housing over the three year period 1st April 2001 – 31st March 2004 has been measured by Statutory Performance Indicators (SPIs), Best Value reviews, the Progress Update on the 2002/03 Performance Management and Planning Audit, the 2003/04 Statement on the System of Internal Financial Controls and a number of projects and other developments; the results are summarised below.

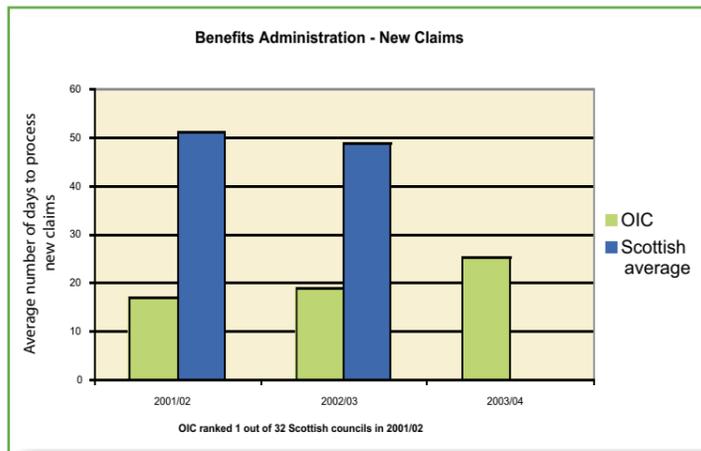
Statutory Performance Indicators (SPIs)

Benefits administration - costs: The chart over shows how the Council performed with regard to the overall gross cost of administering a council tax or housing benefit application in 2001/02, 2002/03 and 2003/04.



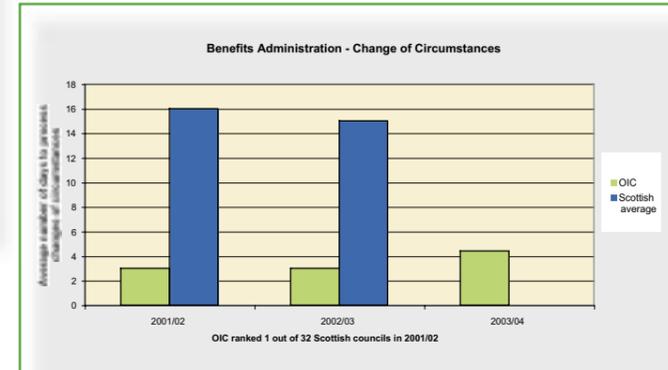
The Council's performance was good over the period 2001/02 and was better than the Scottish average. In 2002/03 and 2003/04 the Council's performance declined and was not as good as the 2002/03 Scottish average; this has been attributed to the employment, in 2002/03, of a full-time fraud and verification officer which increased costs accordingly.

Benefits administration – new claims: The chart below shows how the Council performed with regard to the average time taken to process new council tax or housing benefit applications in 2001/02, 2002/03 and 2003/04.



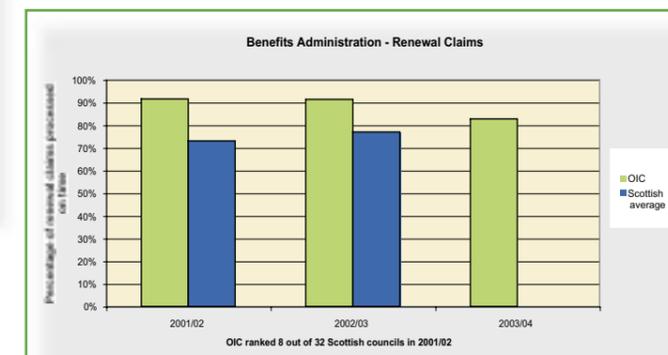
The Council's performance was excellent over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance declined, although was still considerably better than the 2001/02 and 2002/03 Scottish average; this has been attributed to a number of short term internal factors and it is expected that the Council's performance will recover to its 2001/02 level in due course.

Benefits administration – change of circumstances: The chart below shows how the Council performed with regard to the average time taken to process changes in claimants' circumstances during the course of their council tax or housing benefit in 2001/02, 2002/03 and 2003/04.



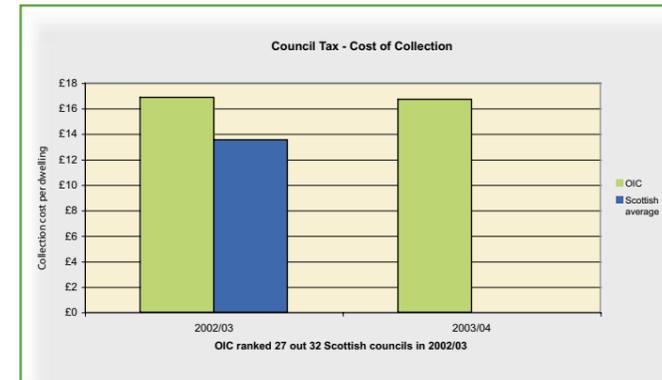
The Council's performance was excellent over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance declined although was still considerably better than the 2001/02 and 2002/03 Scottish average; this has been attributed to a number of short term internal factors and it is expected that the Council's performance will recover to its 2001/02 level in due course.

Benefits administration – renewal claims: The chart below shows how the Council performed with regard to the percentage of renewal claims for council tax or housing benefit that were processed on time in 2001/02, 2002/03 and 2003/04.



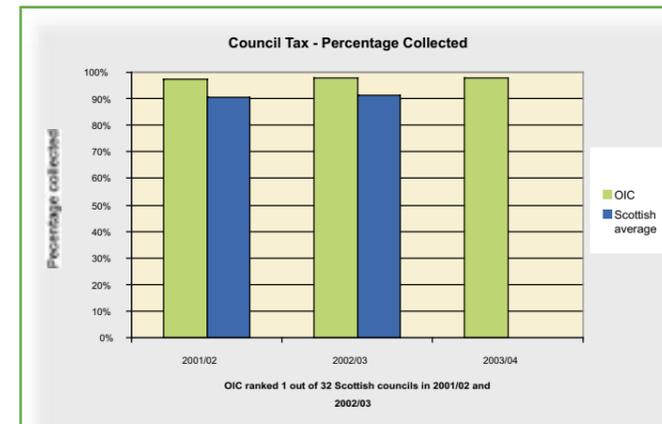
The Council's performance was very good over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance declined although was still better than the 2001/02 and 2002/03 Scottish average; this has been attributed to a number of short term internal factors and it is expected that the Council's performance will recover to its 2001/02 level in due course.

Council tax – collection costs: The chart below shows how the Council performed with regard to the cost of collecting council tax per dwelling in 2002/03 and 2003/04.



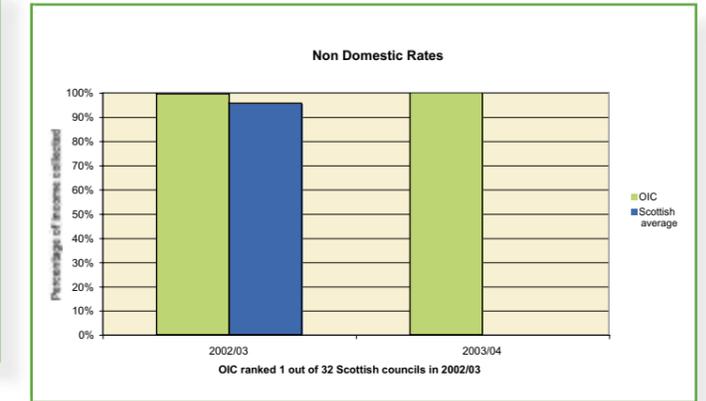
The Council's performance seems poor in 2002/03 in comparison with the Scottish average, but this is due to diseconomies of scale. In 2003/04 the Council's performance improved slightly with collection costs being kept down, despite an increase in costs in real terms; this trend is likely to continue.

Council tax – percentage collected: The chart below shows how the Council performed with regard to the percentage of council tax income that was collected in 2001/02, 2002/03 and 2003/04.



The Council's performance was excellent over the period 2001/02 and 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance improved even further; this has been attributed to a strong team of experienced officers.

Non-domestic rates: The chart below shows how the Council performed with regard to the percentage of income due from non-domestic rates that was received in 2001/02, 2002/03 and 2003/04.



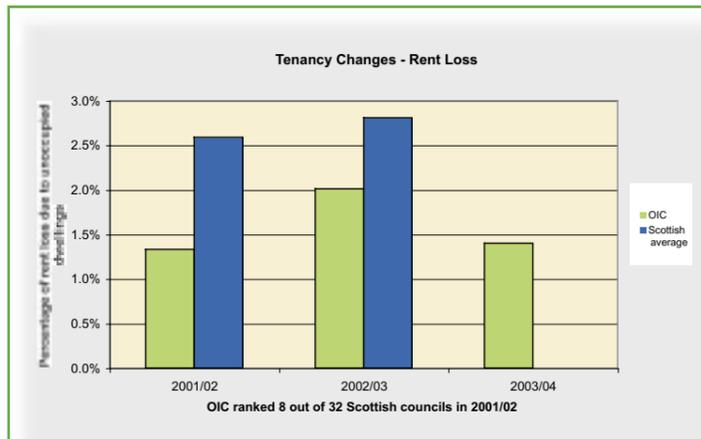
The Council's performance was excellent in 2002/03, and was considerably better than the Scottish average. In 2003/04 the Council's performance improved even further; this has been attributed to a strong team of experienced officers.

Invoice payment: Prior to 2003/04 this SPI measured the percentage of invoices paid within 30 days or another agreed time period; the Council's performance on this SPI was similar to the Scottish average.

In 2003/04 Audit Scotland changed the way that invoice payment is measured; this amended SPI now measures the percentage of invoices paid within 30 days of receipt as a percentage of all invoices paid. In 2003/04 the Council achieved 80%. Since this is a new SPI, comparison with other Scottish councils is not possible.

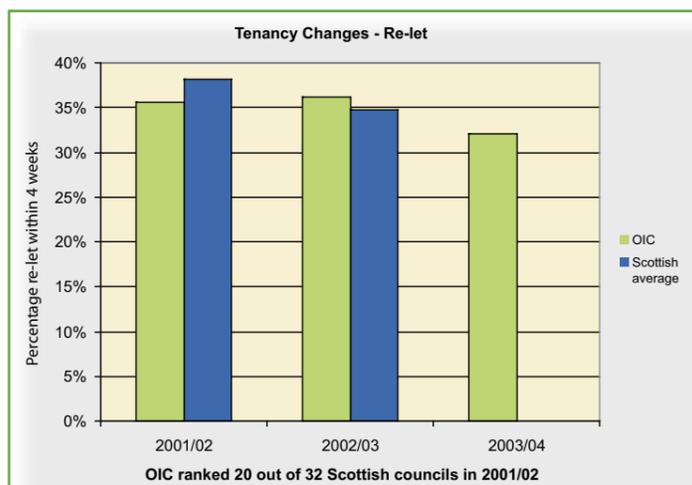


Tenancy changes – rent loss: The chart below shows how the Council performed with regard to the percentage of rent loss due to unoccupied dwellings in 2001/02, 2002/03 and 2003/04.



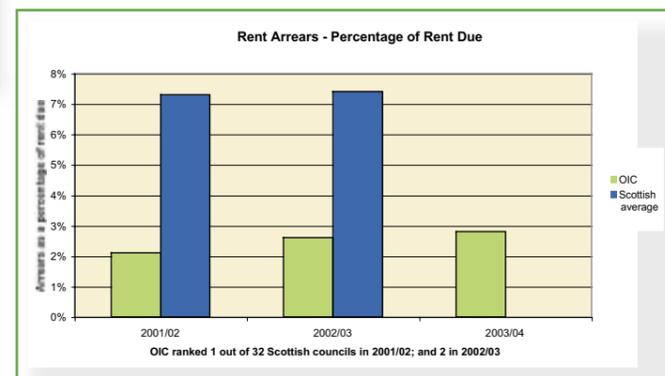
The Council's performance was very good in 2001/02 and was considerably better than the Scottish average. In 2002/03 the Council's performance declined although was still higher than the 2001/02 and 2002/03 Scottish average; this has been attributed to houses being returned for re-let in poorer condition than in the past. However in 2003/04 the Council's performance improved, almost to its 2001/02 level. It is also worthy of note that new allocation procedures are due to be introduced in 2005/06 which, together with a common housing register, are expected to improve the Council's performance further.

Tenancy changes – re-let: The chart below shows how the Council performed with regard to the percentage of empty houses that were re-let within four weeks in 2001/02, 2002/03 and 2003/04.



The Council's performance was poor in 2001/02 and was not as good as the Scottish average. Though this improved in 2002/03, in 2003/04 the Council's performance declined slightly; this has been attributed to houses being returned for re-let in poorer condition than in the past. It is also worthy of note that new allocation procedures are due to be introduced in 2005/06 which, together with a common housing register and new void procedure due for implementation 2004/05, are expected improve the Council's performance in this area.

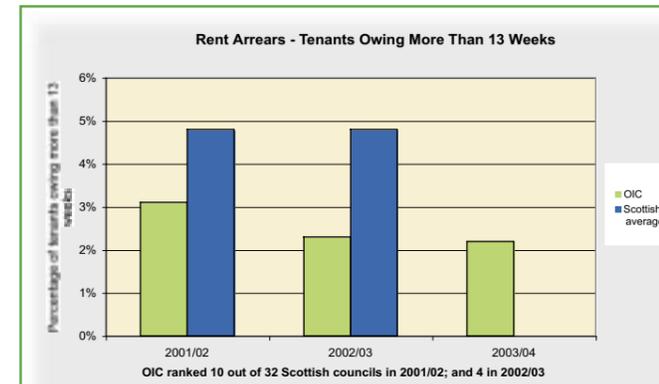
Rent arrears – rent due: The chart below shows how the Council performed with regard to tenant rent arrears as a percentage of the net amount of rent due in 2001/02, 2002/03 and 2003/04.



The Council's performance was excellent over the period 2001/02 and 2002/03, considerably better than the Scottish average, and Orkney was one of only two Scottish councils achieving the Scottish Executive's target of 3%. In 2003/04 the Council's performance declined very slightly; this has been attributed to a diminishing housing stock while the number of individual debtors remains constant.

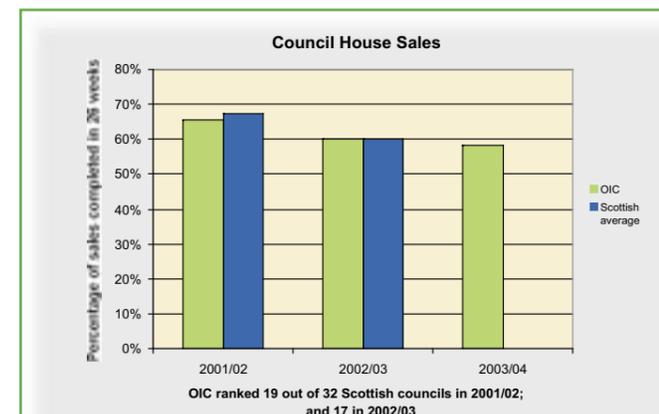


Rent arrears – tenants owing: The chart below shows how the Council performed with regard to the percentage of tenants owing more than 13 weeks at the year end, including those owing less than £250 in 2001/02, 2002/03 and 2003/04.



The Council's performance was very good in 2001/02, excellent in 2002/03 and was considerably better than the Scottish average in both years. In 2003/04 the Council's performance improved even further; this has been achieved despite a diminishing housing stock, and while the number of individual debtors remains constant.

Council house sales: The chart below shows how the Council performed with regard to the percentage of council house sales completed within 26 weeks in 2001/02, 2002/03 and 2003/04.



The Council's performance was fair in 2001/02 and was in line with the Scottish average. In 2002/03 the Council's performance declined slightly, as did the Scottish average. In 2003/04 the Council's performance declined slightly again; this has been attributed to an increase in the volume of council house sales.

Homelessness: Prior to 2003/04 the homelessness SPI measured the number of homeless households in priority need provided with temporary accommodation in council-furnished dwellings, as a percentage of the total provided with temporary accommodation; the Council's performance on this SPI was excellent in 2001/02 and 2002/03 and was considerably better than the Scottish average. In 2003/04 Audit Scotland changed the way that homelessness is measured; the amended SPI and how well the Council performed in 2003/04 are detailed below:

- The number of households assessed as homeless or potentially homeless in the year = 69
- The average number of weeks between presentation and completion of duty by the Council for those cases assessed as homeless or potentially homeless in the year = 11.8 weeks
- The percentage of cases reassessed as homeless or potentially homeless within 12 months of the previous case being completed = 21.7%

Since these are new SPIs, comparison with other Scottish councils is not possible.



Best Value reviews

In 2000/01 Best Value reviews of revenues and accountancy were carried out. The first outcome of these Best Value reviews was a recommendation by the Best Value Working Group in January 2002 that the revenues review should be re-written and re-submitted; this has not been done and the service will be reviewed again in 2005/06. Secondly, it was recommended that the department should prepare a costed service development plan for accountancy incorporating the two improvement actions identified as necessary in the review. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 0
- Improvement actions partially completed = 2
- Improvement actions outstanding = 0

In 2001/02 a Best Value review of internal audit was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group in February 2003 that the department should prepare a costed service development plan incorporating the 5 improvements actions identified as necessary in the review. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 1
- Improvement actions partially completed = 3
- Improvement actions outstanding = 1

2000/01 Performance Management and Planning audit of financial services: progress update

In 2000/01, Audit Scotland carried out a PMP2 audit which included financial services. In April 2003 Audit Scotland published its progress update on this PMP audit, identifying four outstanding improvement actions. Progress at 31st March 2004 was as follows:

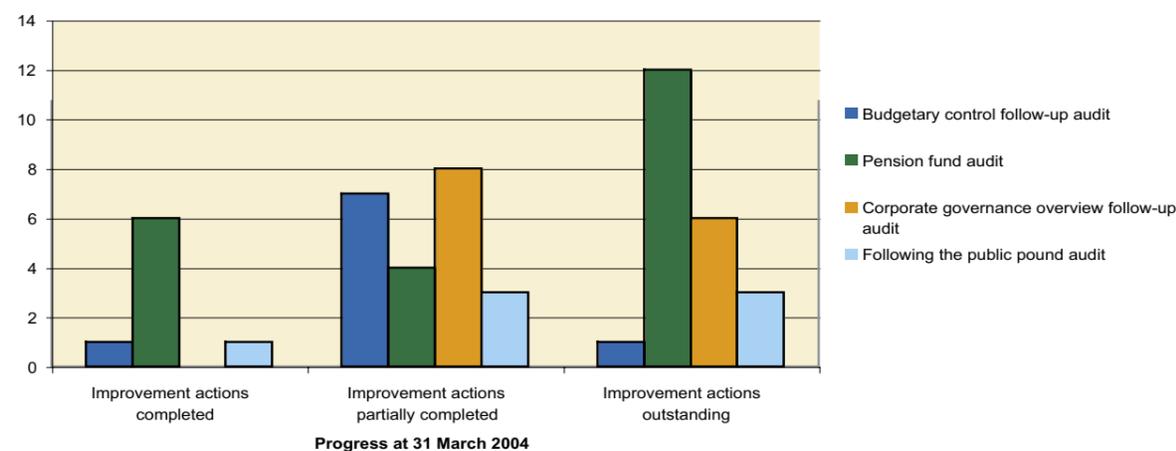
- Improvement actions completed = 1
- Improvement actions partially completed = 3
- Improvement actions outstanding = 0

Statement on the System of Internal Financial Controls 2004: progress update

The Statement of Accounts for Orkney Islands Council 2003/04 contains the Statement on the System of Internal Financial Controls. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties) management supervision, and a system of delegation and accountability.

Development and maintenance of the system is undertaken by managers within the Council. The 2004 Statement on the System of Internal Financial Controls dated 29th June 2004 reported 4 areas where improvement was needed resulting from the budgetary control follow-up audit (9 recommendations), pension fund audit (22 recommendations), corporate governance follow-up audit (14 recommendations) and following the public pound audit (7 recommendations). Progress made on these 52 recommendations at 31st March 2004 is shown in the chart below.

Statement on the System of Internal Financial Controls 2004



Projects and other developments

In addition to the above, a number of projects and other developments have been progressed by the Department of Finance and Housing in the period 1st April 2001 – 31st March 2004.

Finance division restructuring: Two assistant director posts were created and the payroll and expenditure sections merged to produce a single payments section in April 2003.

Internal audit restructuring: A chief internal auditor post was created, together with 2 new trainee internal auditor posts in March 2004.

Corporate resource plan for 2004/05: The Council's first corporate resource plan which aims to link the planning and budgeting process in a single document, containing all of the key information required by elected members and senior managers, was completed during 2003/04.

Capital project appraisal system: The revised system, which aims to improve the existing process in terms of the consistency of appraisal submissions, forward planning and the delivery of programmed works, was introduced in July 2003.

One-Stop-Shop: In preparation for the relocation of some functions to its new office accommodation, training for new and existing staff took place to meet the needs of the realigned cash office function and the introduction of customer services.

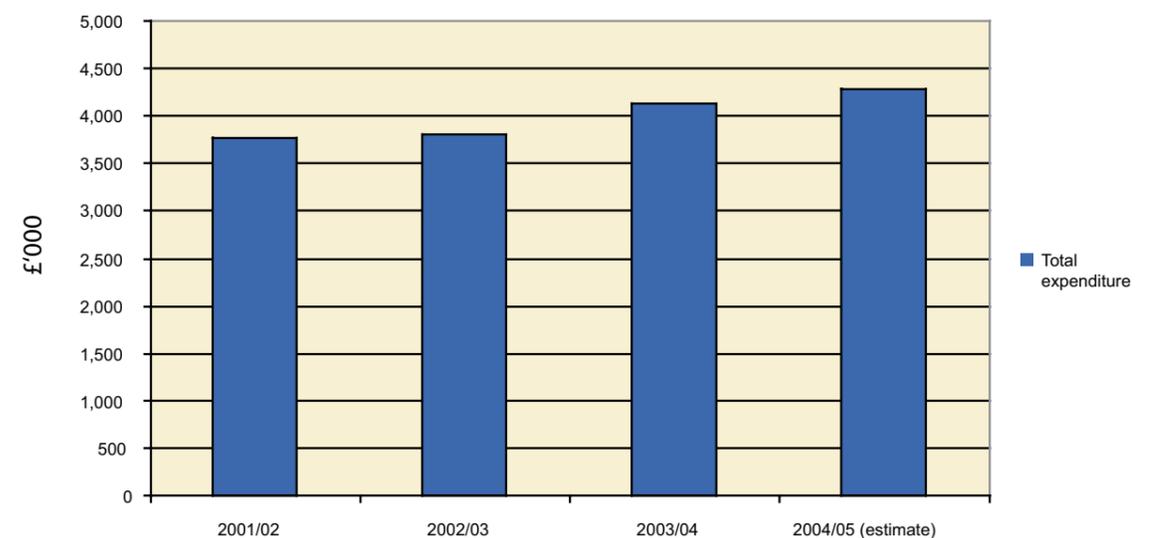
Homelessness strategy: The homelessness strategy, which sets out how the Council aims to eliminate homelessness by 2012 in line with Scottish Executive targets, was submitted to the Scottish Executive on 31st March 2004.

Tenant participation strategy: The tenant participation strategy, which describes how the Council proposes to place the tenant at the heart of service design and delivery, was submitted to the Scottish Executive on 31st March 2004.

Departmental finance

Annual expenditure increased slightly in 2002/03 from the previous year, mainly through an increase in housing benefits payments. Spending has continued to increase steadily, mainly through the additional demands made on the homelessness service.

Total Expenditure for the Department of Finance and Housing



Key actions for completion by 31st March 2005

Directorate and corporate

- Develop and improve corporate governance arrangements
- Review the structure of the finance division in the light of external audit's view that staffing is still under strength
- Develop the pension administration function in association with the Chief Executive's Department
- Develop and improve upon the arrangements in relation to the funding of voluntary and other external bodies

Accountancy

- Develop the INTEGRA financial information system, including purchase ordering, commitment accounting and the fixed asset register
- Develop the improved budgetary control procedures, including training for budget holders and associated documentation

Payments

- Develop the payments section which now incorporates the former payments and payroll sections, including staff training
- Further develop the payment of creditors by the bank automated clearing system (BACS)
- Further develop the electronic production and submission of remittance advice to creditors
- Make the new INTEGRA financial information system available to all Council departments

Revenues

- Build and maintain relationships with internal and external stakeholders
- Increase the facilities and training available in the Stromness cash office
- Review and update working practices and training requirements
- Increase the extent to which services can be delivered electronically
- Introduce a centralised invoicing system

Internal Audit

- Develop an internal audit manual to formalise procedures
- Raise the profile of the section through the production of a publicity leaflet and development on the Council's website

Housing

- Publish Orkney's local housing strategy 2004/09, which aims to establish housing need across Orkney
- Publish the fuel poverty strategy, which is designed to achieve a 30% reduction in the number of those affected by fuel poverty by 2006 and eliminate it completely by 2016
- Recruit an information and advice officer
- Complete the delivery plan in relation to the Scottish housing quality standards
- Review and implement the action points in relation to the homelessness strategy
- Review and implement the action points in relation to the tenant participation strategy
- In relation to the inspection by Communities Scotland, complete the self-assessment of housing management, property management and homelessness functions; identify gaps in service provision in action plans ensuring that outcomes are achievable; and complete the inspection submission



DEPARTMENT OF EDUCATION AND RECREATION SERVICES

Purpose of the department

The fundamental purpose of the Department of Education and Recreation Services is to provide high quality education and recreation services to children and adults in partnership with them, within the framework legislation, the Council's strategic objectives, and departmental policy. The Department of Education and Recreation Services has five main functions:

School education: Providing pre-school, primary and secondary education, additional support for pupils with special educational needs, accommodation for Kirkwall Grammar School pupils from the outer islands, quality school meals, and home to school transport for those pupils who qualify.

Library services: Providing a comprehensive library and archive service.

Community education: Providing youth work, community development support for individuals and communities, adult education opportunities, facilities and activities for the whole community and support for the work of community schools.

Orkney College: Providing both further and higher education opportunities for adult learners from the whole community.

Recreation services: Providing leisure and sporting facilities including swimming pools and the Pickaquooy Centre.

Performance of the department

The performance of the Department of Education and Recreation Services over the three year period 1st April 2001 – 31st March 2004 has been measured by Statutory Performance Indicators (SPIs), Best Value reviews, Her Majesty's Inspectorate of Education (HMIE) reports on the Council's schools and a number of projects and other developments; the results are summarised below.

Statutory Performance Indicators (SPIs)

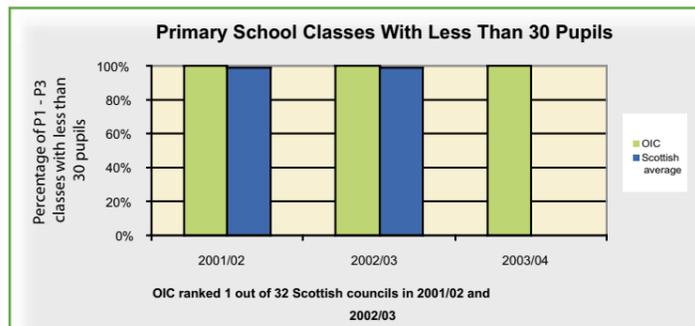
Pre-school education: Prior to 2003/04 the pre-school education SPI measured the percentage of children in their pre-school and ante-pre-school year who received pre-school education. The Council's performance on this SPI was excellent in 2001/02 and 2002/03 and was better than the Scottish average. In 2003/04 Audit Scotland changed the way that pre-school education is measured; the amended SPI and how the Council performed in 2003/04 are detailed below:

- The percentage of children in their pre-school year, for whom a pre-school education place was requested, who were provided with a place = 100%
- The percentage of these children who received fewer than 5 education sessions per week = 42.8%
- The percentage of 3 year old children in the year before their pre-school year, for whom a pre-school education place was requested, who were provided with a place = 100%
- The percentage of these children who received fewer than 5 education sessions per week = 47.9%

Since this is a new SPI, comparison with other Scottish councils is not possible.

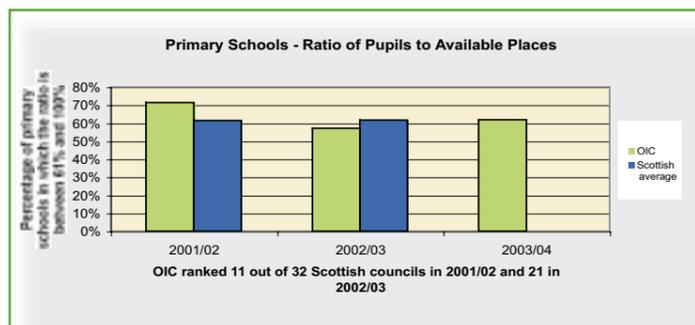


Primary schools – class sizes: The chart below shows how the Council performed with regard to the percentage of primary 1 to primary 3 classes with no more than 30 pupils in 2001/02, 2002/03 and 2003/04.



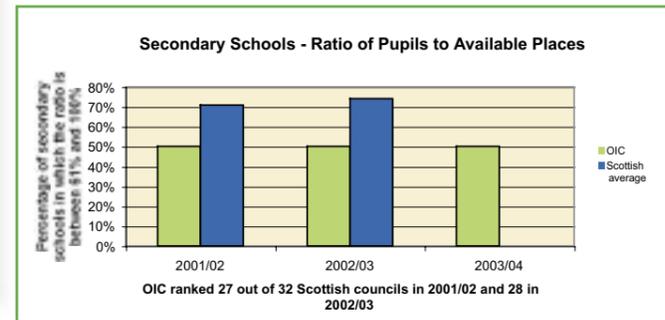
The Council's performance was excellent in 2001/02 and 2002/03 and was better than the Scottish average in both years. In 2003/04 the Council's performance was maintained; this has been attributed to the Council's resolve to maintain its class sizes at a level not exceeding 30 pupils.

Primary schools – pupil ratio: The chart below shows how the Council performed with regard to the percentage of primary schools in which the ratio of pupils to available places was between 61% and 100% in 2001/02, 2002/03 and 2003/04.



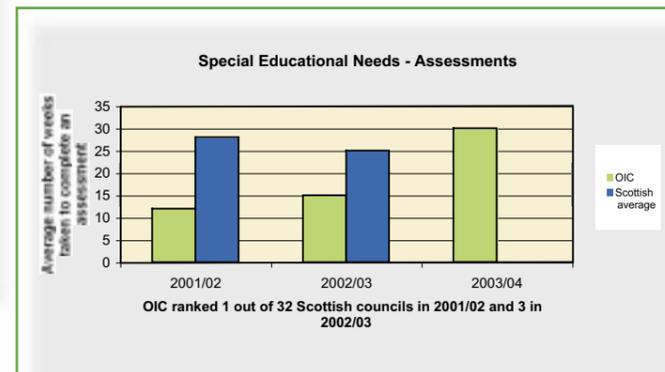
The Council's performance was good in 2001/02 and was better than the Scottish average. In 2002/03 the Council's performance declined and was not as good as the Scottish average. In 2003/04 the Council's performance improved slightly. Ideally the ratio would be approximately 90%, with enough capacity to accommodate new people moving into the community. However, given falling primary rolls and the lack of opportunity to rationalise schools in the islands, this is not possible.

Secondary schools – pupil ratio: The chart below shows how the Council performed with regard to the percentage of secondary schools in which the ratio of pupils to available places was between 61% and 100% in 2001/02, 2002/03 and 2003/04.



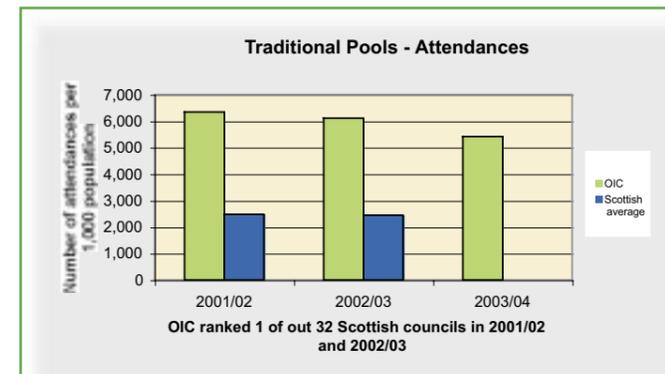
The Council's performance was poor in 2001/02 and 2002/03 and fell below the Scottish average. In 2003/04 the Council's performance remained unchanged. Ideally the ratio would be approximately 90%, with enough capacity to accommodate new people moving into the community. However, given the lack of opportunity to rationalise the 4 secondary schools in the islands, this is not possible.

Special educational needs: The chart below shows how the Council performed with regard to the average number of weeks taken to complete an assessment of special educational needs in 2001/02, 2002/03 and 2003/04.



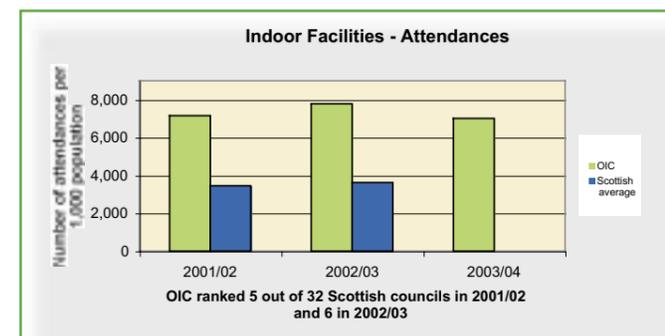
The Council's performance was excellent in 2001/02 and 2002/03 and was considerably better than the Scottish average in both years. In 2003/04 the Council's performance declined considerably; this has been attributed to an anomaly out-with the Council's control. It is envisaged that the Council's performance will now improve to its 2001/02 and 2002/03 level.

Traditional swimming pools: The chart below shows how the Council performed with regard to the number of attendances at traditional swimming pools per 1,000 of the population in 2001/02, 2002/03 and 2003/04.



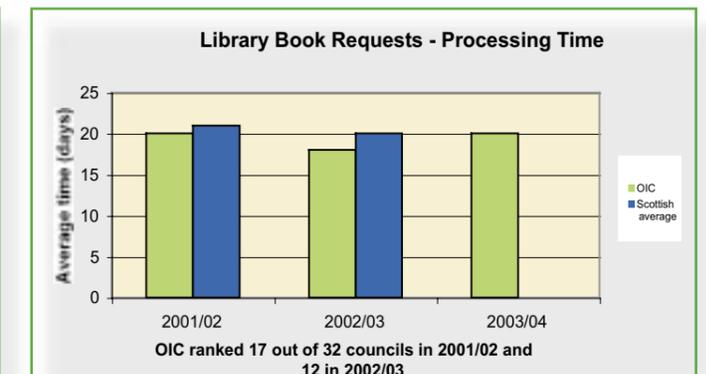
The Council's performance was excellent in 2001/02 and 2002/03 and was considerably better than the Scottish average in both years. In 2003/04 the Council's performance declined slightly; this has been attributed to the Kirkwall pool being closed for maintenance and reduced school attendance at both the Kirkwall and Stromness pools. It should be noted that the Council's consistently high performance in this area may be partly due to the absence of a leisure pool in Orkney.

Indoor facilities: The chart below shows how the Council performed with regard to the number of attendances at indoor facilities per 1,000 of the population in 2001/02, 2002/03 and 2003/04.



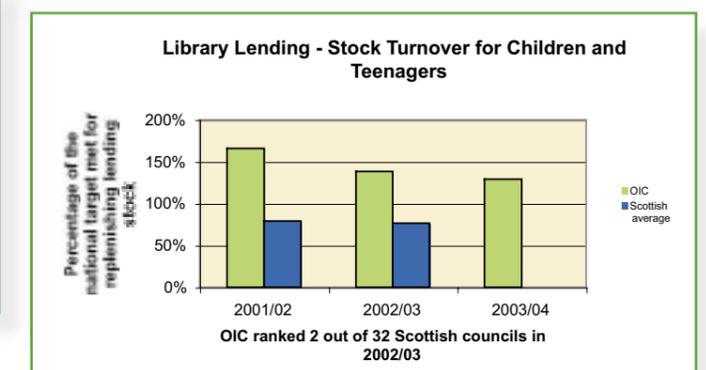
The Council's performance was excellent in 2001/02 and 2002/03 and was considerably better than the Scottish average in both years. In 2003/04 the Council's performance declined slightly; this has been attributed to renovation work at Kirkwall Grammar School's Sports Centre and a reduction in cinema attendance at the Pickaquo Centre.

Libraries – processing time: The chart below shows how the Council performed with regard to the average number of days taken to satisfy library book requests in 2001/02, 2002/03 and 2003/04.



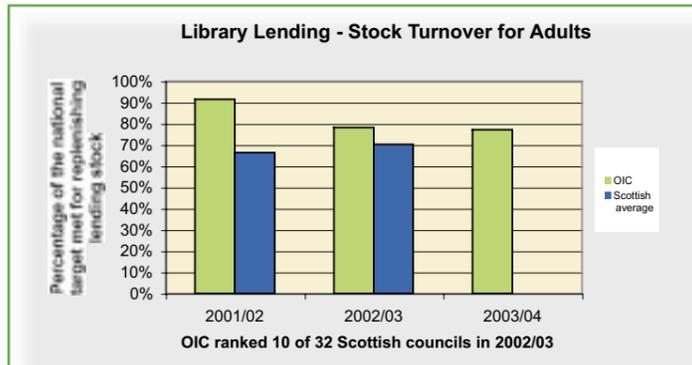
The Council's performance was fair in 2001/02 but was still slightly better than the Scottish average. In 2002/03 the Council's performance improved slightly and remained better than the Scottish average. In 2003/04 the Council's performance declined slightly; this has been attributed to the disruption caused when the service was moved to the new Orkney Library in Kirkwall.

Libraries – stock turnover for children/teenagers: The chart below shows how the Council performed with regard to the percentage of the national target (100 additions per 1,000 of the local population) met for replenishing lending stock for children and teenagers in 2001/02, 2002/03 and 2003/04.



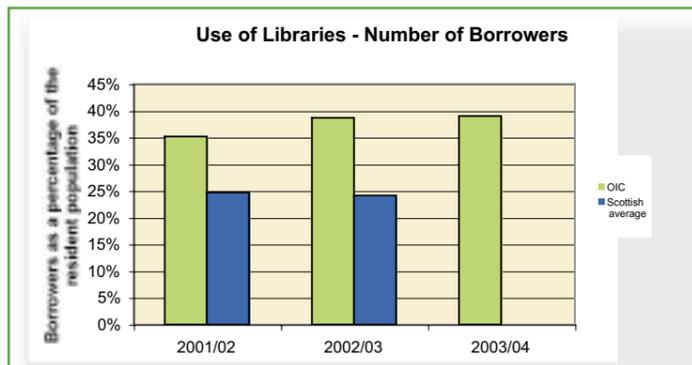
The Council's performance was excellent in 2001/02 and 2002/03 and was considerably better than the Scottish average in both years. In 2003/04 the Council's performance declined slightly; this has been attributed to the move to the new Orkney Library when the purchase of new stock was restricted.

Libraries – stock turnover for adults: The chart below shows how the Council performed with regard to the percentage of the national target (280 additions per 1,000 of the local population) met for replenishing lending stock for adults in 2001/02, 2002/03 and 2003/04.



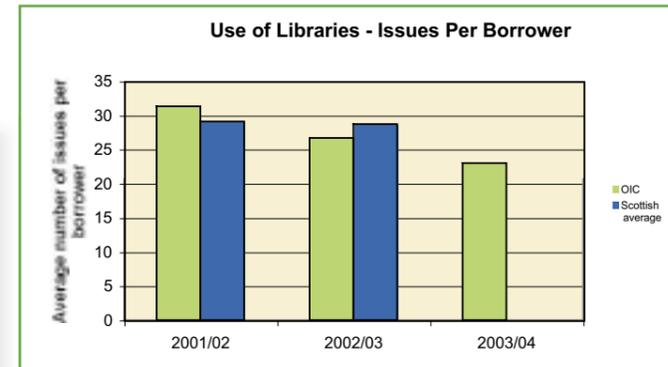
The Council's performance was very good in 2001/02 and 2002/03 and was better than the Scottish average in both years. In 2003/04 the Council's performance declined slightly; this has been attributed to the move to the new Orkney Library when the purchase of new stock was restricted.

Libraries – number of borrowers: The chart below shows how the Council performed with regard to the number of borrowers as a percentage of the resident population in 2001/02, 2002/03 and 2003/04.



The Council's performance was very good in 2001/02 and was better than the Scottish average. In 2002/03 and 2003/04 the Council's performance improved; this has been attributed to new members joining the new Orkney Library.

Libraries – issues per borrower: The chart below shows how the Council performed with regard to the number of issues per borrower in 2001/02, 2002/03 and 2003/04.



The Council's performance was good in 2001/02 and 2002/03 and was in line with the Scottish average in both years. In 2003/04 the Council's performance declined slightly; this has been attributed to the disruption caused by the move to the new Orkney Library



Best Value reviews

In 2000/01 Best Value reviews of pre-school education and the schools instrumental service were carried out. The outcome of these Best Value reviews was a recommendation by the Best Value Working Group in January 2002 that the department should prepare costed service development plans incorporating the improvement actions identified as necessary in the reviews (2 for pre-school education and 1 for the schools instrumental service). Progress at 31st March 2004 was as follows:

Pre-school education

- Improvement actions completed = 1
- Improvement actions partially completed = 0
- Improvement actions outstanding = 1

Schools instrumental service

- Improvement actions completed = 0
- Improvement actions partially completed = 1
- Improvement actions outstanding = 0

In 2002/03 a Best Value review of primary and secondary education was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group in January 2004 that the department should, through its internal planning mechanisms, prepare a service development plan incorporating the 14 improvements actions identified as necessary in the review. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 7
- Improvement actions partially completed = 6
- Improvement actions outstanding = 1

In 2002/03 a Best Value review of community education was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group in January 2004 that the department should, as soon as guidance was drawn up by the Scottish Executive, and through its internal planning mechanisms, prepare a service development plan incorporating the 3 improvement actions identified as necessary in the review. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 0
- Improvement actions partially completed = 1
- Improvement actions outstanding = 2

In 2002/03 a Best Value review of Orkney College was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group

in March 2004 that the department should, through the internal planning mechanisms of Orkney College, prepare a service development plan incorporating the 9 improvement actions identified as necessary in the review. Progress on the 9 improvement actions will be reported in the Council's next Annual Performance Report.

Inspection reports by Her Majesty's Inspectorate of Education (HMIE)

In order to ensure the Council's compliance with the regulations associated with the Standards in Scotland's Schools etc. Act 2000 HMIE carries out two to four inspections of schools in Orkney each year; for some pre-school centres and nursery classes inspections are carried out jointly with the Care Commission. Information on the latest inspections carried out of the Council's schools by HMIE prior to 31st March 2004 is summarised below.

Dounby Primary School was inspected by HMIE in June 2003. A number of action points were recommended and an action plan formulated to ensure these are addressed. HMIE intend no further visits to the school in connection with this report and progress on the main points for action will be reported to parents and carers within two years.

Dounby Primary School Nursery Class was inspected by the Care Commission and HMIE in June 2003. Two points for improvement were recommended and an action plan formulated to ensure these are addressed. Both school and education department staff will monitor progress. The pre-school centre will be subject to annual inspection by the Care Commission.

Glaitness Primary School Nursery Class was inspected by the Care Commission and HMIE in September 2003. Several points for improvement were recommended and an action plan formulated to ensure these are addressed. Both school and education department staff will monitor progress. The pre-school centre will be subject to annual inspection by the Care Commission.

North Ronaldsay Primary School was inspected by HMIE in September 2002. A number of action points were recommended and an action plan formulated to ensure these are addressed.

Papa Westray Primary School was inspected by HMIE in December 2000, when 2 main points for action were identified. HMIE revisited the school in September 2002 and reported that very good progress had been made towards addressing both points and that no further visits to the school would be made in relation to the inspection report of December 2000.

St Andrews Primary School was inspected by HMle in September 2003. A number of action points were recommended and an action plan formulated to ensure these are addressed. A progress report, in relation to the main points for action, will be provided to parents and carers within two years.

St Andrews Primary School Nursery Class was inspected by HMle and the Care Commission in September 2003. Several points for improvement were recommended and an action plan formulated to ensure these are addressed. Both school and education department staff will monitor progress. The pre-school centre will be subject to an annual inspection by the Care Commission.

Stromness Primary School was inspected by HMle in March 2004. The inspection report noted that the Council had identified many of the school's weaknesses and had taken steps to support the school. Several action points were recommended, some of which were addressed immediately.

HMle will engage with the school and the education department to monitor progress and will publish an interim report within one year of the publication date of the original report. Thereafter HMle will continue to engage with the school and the education department and will undertake a follow-through inspection. This will result in another report to parents within two years of the publication of the original report.



Stromness Primary School Nursery Class was inspected by HMle and the Care Commission in March 2004. Several points for improvement were recommended and an action plan formulated to ensure these are addressed. Both school and education department staff will monitor progress. The pre-school centre will be subject to an annual inspection by the Care Commission.

North Walls Junior High School was inspected by HMle in October 2000. Their follow-up visit in October 2002 concluded that the school had made good progress in addressing most of the main action points in the report. However, one area of concern was identified.

A second follow-up visit in October 2003 judged that the school and the Council had made insufficient progress in addressing the outstanding main point for action. Consequently HM Inspectors intend to return to the school within twelve months to evaluate progress.

The head teacher and staff are firmly committed to seeking further improvements in pupils' attainment and, since the appointment of a permanent member of staff, have been working effectively to improve the pace and challenge of work. Additional resources have been provided by the Council.

The main point for action highlighted by HM Inspectors forms part of the school development plan. The education department will monitor progress and will continue to provide additional support to ensure that this point for action is addressed as quickly as possible.

Pierowall Junior High School was inspected by HMle during January and February 2003. A number of action points were recommended and an action plan formulated to ensure these are addressed. The main points for action were built in to the school development plan, which was presented to the school board and parent community.

Stromness Junior High School was inspected by HMle in February and March 2002. A number of recommendations were made and an action plan formulated to ensure these are addressed. The main points for action have been built in to the school development plan, which has been presented to the school board and parent community. A follow-up inspection visit in March 2004 concluded that the school had made good progress in addressing the main points for action. As a result, HM Inspectors will make no further visits to the school in connection with the 2002 inspection report.

Projects and other developments

In addition to the above, a number of projects and other developments have been progressed by the Education and Recreation Services Department in the period 1st April 2001 – 31st March 2004.

New premises for Orkney Library and Archive: In December 2003, the library and archive service relocated to new premises in Kirkwall.

The learning link: In May 2002, funded by the Scottish Executive's adult literacy and numeracy initiative, the learning link opened in Kirkwall to provide a base for adult basic education.

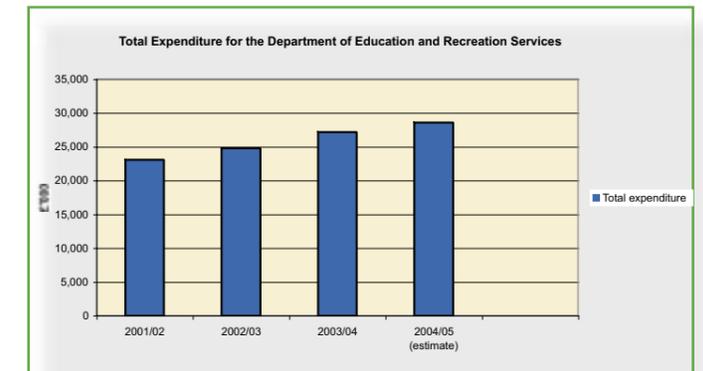
Education service improvement plan: Following extensive public consultation, the Education Service Improvement Plan for 2002-2005 was published in February 2003.

Education Service Standards & Quality Report: Describing current performance across Orkney's schools and setting out 3 year targets, the first Standards & Quality Report was published in 2002.

Firth Primary School: The new £1.3m Firth Primary School opened to pupils in October 2001. The new school was built to reflect the traditional appearance of the previous 1930's school, which had been much loved by the local community. However, internally the use of light and space gives a very different and more modern character.

Departmental finance

The increasing budget of the department reflects the Scottish Executive's commitment to education and the resulting additional funds, many of which are ring-fenced for specific purposes.



Key actions for completion by 31st March 2005

School education

- Establish the early intervention policy for literacy and numeracy
- Introduce an outdoor education entitlement for all pupils before they reach S2
- Consolidate the outdoor education activities programme in the isles
- Ensure that the majority of pupils benefit from the TOP sport programme
- Complete the 'family friendly' audit of pre-school education
- Introduce the revised 5-14 curriculum guidelines in most schools
- Develop the alternative curriculum for older, potentially disaffected pupils
- Establish the revised guidelines for substance misuse education in all schools
- Implement the 'determined to succeed' action plan to develop enterprise education in schools
- Conduct a repeat of the 'ethos survey' in all schools
- Implement the full programme of continuing professional development for all staff
- Establish the school estate management plan
- Ensure that the adult to pupil ratio in primary schools is at least 1 to 11
- Implement all aspects of the McCrone national agreement according to the national timetable
- Establish an electronic index for policies and procedures

Library services

- Complete the review of the 'bookworm' project
- Complete the computerised index for the register of deeds
- Begin the preparation of the Kirk Session records for digitising
- Complete the current staff training initiatives
- Establish conference facilities in the MacGillivray Room
- Appoint the new library and archive manager

Community education

- Progress the improvement actions identified by the Best Value review
- Develop the community learning and development strategy
- Develop the regeneration outcome agreement for 2005/08
- Determine the future of the islands youth development project, due to end on 31st March 2005, following the outcome of the regeneration outcome agreement 2005/08

- Respond to the 'roll-out announcement' of adult literacy and numeracy funding for 2006/08

Orkney College

- Explore the opportunities for a merger with the Grainshore Training Centre
- Complete the review of the College academic and support staff structures
- Review College practices in the light of the Scottish further education colleges' financial security benchmarking project and consider implementation of best practice from the management practice profile
- Expand the range of level 2 and level 3 SVQ courses and modern apprenticeships
- Consolidate the College's higher education provision and increase up-take of provision
- Increase and develop internal progression routes
- In conjunction with schools, develop a complementary curriculum for students aged 16 to 19
- Develop training relationships by increasing the number of organisations for whom the College provides training
- Develop the research activity within the College
- Further develop operational planning based on specific, measurable targets
- Ensure consistent standards of quality assurance across the College at all levels

Recreational services

- Officially launch the Shapinsay healthy living centre
- Complete grant applications to 'Sports-Scotland' for Sanday, St Margaret's Hope, Stronsay, Westray, North Walls and Rousay
- Officially open the KGS teen gym
- Officially open the refurbished and extended Hoy centre
- Launch the 'active schools' programme
- Launch the 'schools out' programme
- Launch the 'mobile sports equipment' programme
- Finalise proposals to upgrade and extend the Pickaquoy Centre caravan and camping park and extend the Point of Ness caravan and camping site
- Implement the first year of the sport and recreation strategy, as outlined in the action plan
- Complete a stage 1 project appraisal for the development of leisure pool, indoor bowls and squash facilities at the Pickaquoy Centre
- Complete the review process for the Pickaquoy Centre
- Complete the new Papa Westray play area

DEPARTMENT OF TECHNICAL SERVICES

Purpose of the department

The fundamental purpose of the Department of Technical Services is to provide Council departments with a wide range of technical services in partnership with them, within the framework legislation, the Council's strategic objectives, and departmental policy. The Department of Technical Services has seven main functions:

Central support: Technical guidance and support to the Council and its departments.

Roads: Managing, procuring, and delivering the statutory roads function.

Airfields: Managing the Council's airfields, including landing, rescue and fire-fighting services.

Operational environmental services: Managing, procuring and delivering the statutory waste function including refuse collection and disposal, animal disposal, and managing the lair layout of burial grounds.

Corporate land and property: Managing, procuring, and delivering land and property functions including facilities and estates management, customer care, design, and project management services.

Voluntary competitive tendering arrangements: Managing, procuring and delivering grounds maintenance, building cleaning, and other voluntary competitive tendering arrangements.

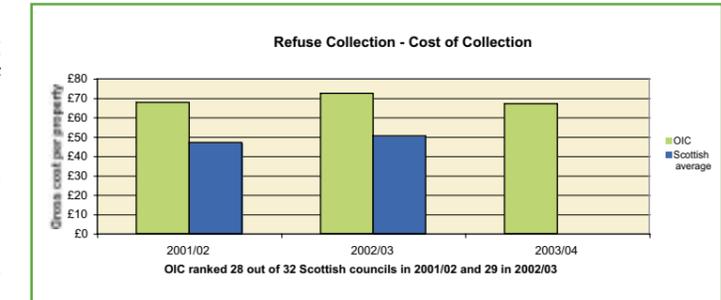
Direct services division: Managing front line operatives grouped into the Orkneydirect trading organisations and the technical employees in the in-house engineering consultancy.

Performance of the department

The performance of the Department of Technical Services over the three year period 1st April 2001 – 31st March 2004 has been measured by Statutory Performance Indicators (SPIs), Best Value reviews, the Progress Update on the 1999/00 Performance Management and Planning Audit and a number of projects and other developments; the results are summarised below.

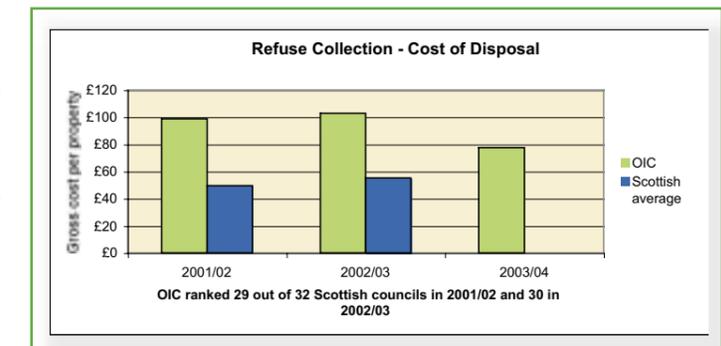
Statutory Performance Indicators (SPIs)

Refuse – cost of collection: The chart below shows how the Council performed with regard to the gross cost of refuse collection per property in 2001/02, 2002/03 and 2003/04.



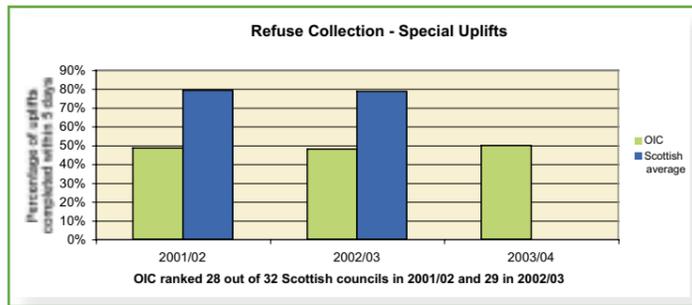
The Council's performance was poor in 2001/02 and 2002/03 and fell below the Scottish average in both years. In 2003/04 the Council's performance improved slightly; this has been attributed to a change in the way that data is collected, as directed by Audit Scotland. In general, the high cost of refuse collection in Orkney has been attributed to the small scale of the operation and the sparse nature of the community's population and dwellings.

Refuse – cost of disposal: The chart below shows how the Council performed with regard to the gross cost of refuse disposal per property in 2001/02, 2002/03 and 2003/04.



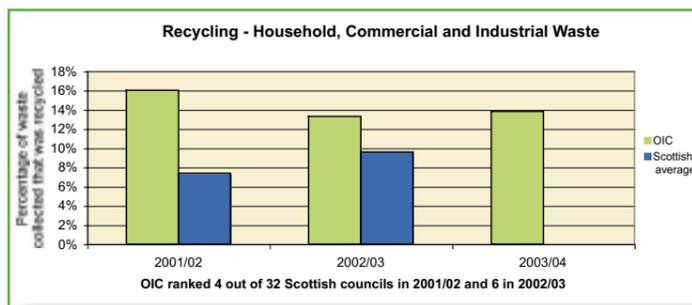
The Council's performance appears poor in 2001/02 and 2002/03 and fell below the Scottish average in both years. In 2003/04 the Council's performance remained unchanged. In general, the Council's performance in this area has been attributed to the small scale of the operation and the sparse nature of the community's population and dwellings. This is reflected in the Council's policy to permit a longer time to complete special uplifts than the national target of five days.

Refuse – special uplifts: The chart below shows how the Council performed with regard to the percentage of special uplifts of bulky domestic refuse completed within 5 days in 2001/02, 2002/03 and 2003/04.



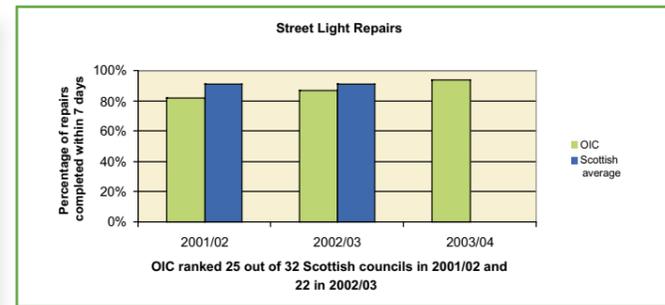
The Council's performance appears poor in 2001/02 and 2002/03 and fell below the Scottish average in both years. In 2003/04 the Council's performance remained unchanged. In general, the Council's performance in this area has been attributed to the small scale of the operation and the sparse nature of the community's population and dwellings. This is reflected in the Council's policy to permit a longer time to complete special uplifts than the national target of five days.

Recycling: The chart below shows how the Council performed with regard to the percentage of household, commercial and industrial waste collected by the Council which was recycled in 2001/02, 2002/03 and 2003/04.



The Council's performance was excellent in 2001/02 and was considerably better than the Scottish average. In 2002/03 and 2003/04 the Council's performance declined very slightly but remained better than the 2002/03 Scottish average; this has been attributed to the ash produced by incineration no longer being defined as a recycled material.

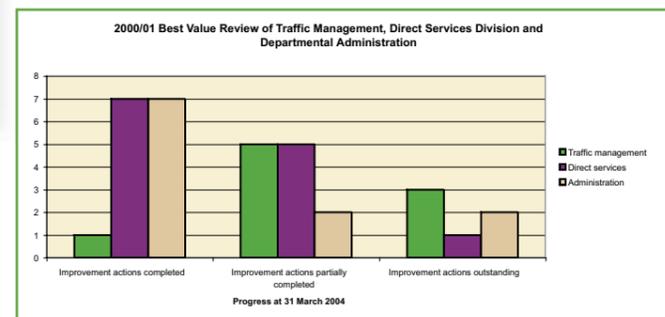
Street lighting: The chart below shows how well the Council performed with regard to the percentage of street light repairs completed within seven days in 2001/02, 2002/03 and 2003/04.



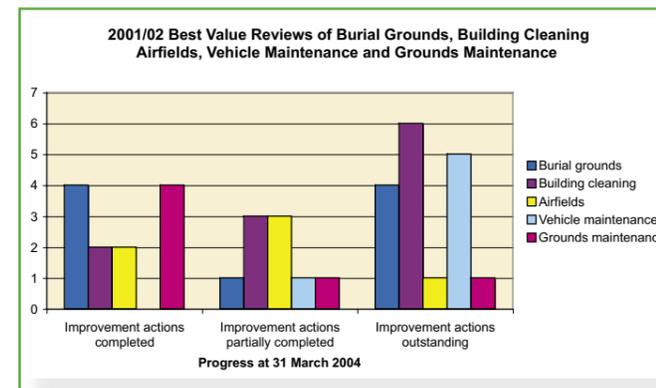
The Council's performance was not very good in 2001/02 and fell below the Scottish average. In 2002/03 the Council's performance improved but remained not as good as the Scottish average. In 2003/04 the Council's performance improved significantly; this has been attributed to the adoption of the national target and increased resources for the repair of street lights.

Best Value reviews

In 2000/01 Best Value reviews of traffic management, the direct services division and departmental administration were carried out. The outcome of these Best Value reviews was a recommendation by the Best Value Working Group in December 2001 that the department should prepare costed service development plans incorporating the improvement actions identified as necessary in the reviews (9 for traffic management, 13 for direct services and 11 for departmental administration). Progress at 31st March 2004 is shown in the chart below.

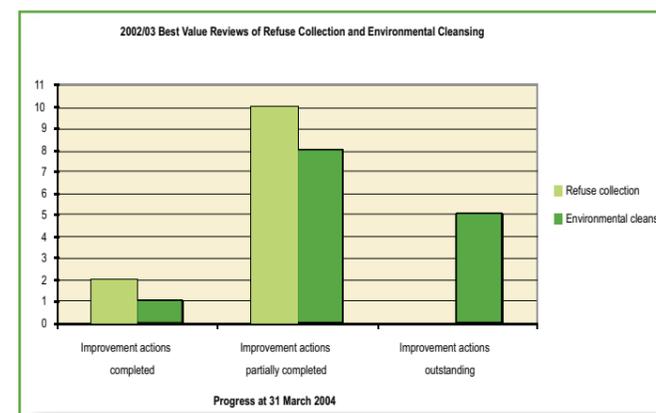


In 2001/02 Best Value reviews of burial grounds, building cleaning, airfields, vehicle maintenance and grounds maintenance were carried out. The outcome of these Best Value reviews was recommendations by the Best Value Working Group in February and March 2003 that the department should prepare costed service development plans incorporating the improvement actions identified as necessary in the reviews (9 for burial grounds, 11 for building cleaning, 6 for airfields, 6 for vehicle maintenance and 6 for grounds maintenance). Progress at 31st March 2004 is shown in the chart below.



In 2002/03 a Best Value review of quarries was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group, in December 2003, that the direct services board should prepare a revised business plan prior to 31st March 2004; this was completed on time.

In 2002/03 Best Value reviews of refuse collection and environmental cleansing were carried out. The outcome of these Best Value reviews was a recommendation by the Best Value Working Group in December 2003 that the department should prepare costed service development plans incorporating the improvement actions identified as necessary in the reviews (12 for refuse collection and 14 for environmental cleansing). Progress at 31st March 2004 is shown in the chart below.



1999/00 Performance Management and Planning audit of technical services: progress update

In 1999/00, Audit Scotland carried out PMP1 which included technical services. The follow-up audit in 2001/02 concluded that a sample check of a range of evidence to verify the Department of Technical Services submission found that, in general, the evidence supplied was adequate in terms of quality and scope. The audit went on to state that the Department of Technical Services had made good progress in implementing the actions agreed in 1999/2000 and that the Best Value achievement report highlighted significant achievements.

The 2001/02 corporate review of the Council's land and property assets and functions

The corporate review of the Council's land and property assets and functions was completed in March 2002 leading to the establishment of the corporate property division within the Department of Technical Services. A number of the principal recommendations were put in place from 2002. These included:

- The identification and re-allocation or disposal of surplus land and property
- The installation of a computer based property management and information system
- The commencement of a review of all property assets (and principally the first submission of the schools estates strategy in association with the Department of Education and Recreation Service) with an asset management plan to drive capital and revenue programmes.

Projects and other developments

In addition to the above, a number of projects and other developments have been progressed by the Department of Technical Services in the period 1st April 2001 – 31st March 2004.

Area Waste Plan for Orkney: Substantial funding of £4.49 million is shortly expected from the Scottish Executive's strategic waste fund to implement the Area Waste Plan for Orkney. This fund will be applied from 2004/05 until 2019/20.

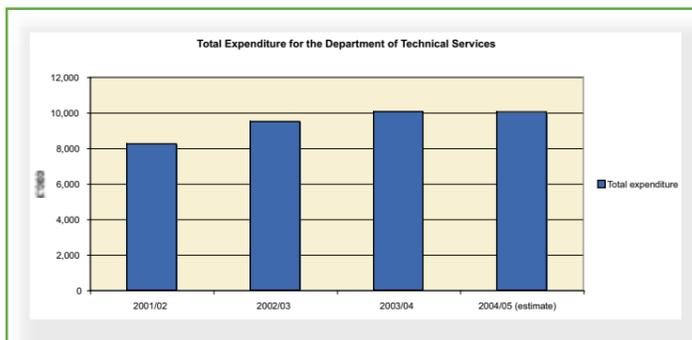
Harbour projects: In 2002/03 major harbour infrastructure projects in Kirkwall and Stromness were substantially completed. By October 2002 these facilities were sufficiently advanced to accommodate the commencement of the

new northern isles ferry service. Marina developments in Kirkwall and Stromness were established as was an additional berthing pontoon in Westray; these were operational for the 2003 sailing season.

Major building projects: A number of important new buildings were provided. These included the Firth Community School and Orkney Creamery in 2001, Orkney Meat's abattoir and the Orkney Library and Archive in 2003, and the Council's new one stop shop at the former East Kirk which was operational from the end of March 2004.

Departmental finance

The increase in expenditure from 2001/02 to 2002/03 can be attributed to the formation of the corporate property division in 2002 and the need to carry out essential road and street lighting repairs. From 2002/03 to 2003/04 an extensive programme of construction projects such as the new library and archive and extensive improvements at the Hatston and Stromness piers required increased resources for both design and contract supervision. 2002/03 to 2003/4 also saw increasing demands on the refuse collection service resulting in increased expenditure for the department.



Key actions for completion by 31st March 2005

Since the department's management structures and processes are currently under review, it is not yet possible to identify all of the necessary key actions. This is because each departmental function will be affected by the review meaning that the key actions pertaining to each cannot be determined until the outcome of the review is known. It is however possible to identify some key actions and these are as follows:

Central support

- Implement the recommendations resulting from the review of the department's management structures and processes

Roads

- Revise the car parks policy including charging
- Prepare a forward plan for traffic regulation orders

Airfields

- Assess runway surface integrity of the Council's airfields
- Fund two new multi-purpose fire tenders in association with the Highlands & Islands Fire Service

Operational environmental services

- Implement those elements of the strategic waste fund award scheduled for the financial year 2004
- Commence the safety inspection of head stones/memorials in burial grounds

Corporate land and property

- Carry out the next phase of the building alterations necessary to comply with the Disability Discrimination Act
- Complete the construction of the new Dounby and Westray care centres
- Complete the herring factory in Stromness
- Implement procedures to take the corporate lead for property valuations and continue with the disposal of surplus property

Voluntary competitive tendering arrangements

- Depending on the outcome of the review of the department's management structures and processes, integrate the building cleaning service into the corporate property division
- Review the performance of the grounds maintenance service

Direct services division

- Depending on the outcome of the review of the department's management structures and processes, integrate, as far as practicable, the Orkneydirect trading group and engineering consultancy into main delivery functions undertaken by the department.

DEPARTMENT OF DEVELOPMENT SERVICES

Purpose of the department

The fundamental purpose of the Department of Development Services is the formulation and implementation of economic development strategies, the provision of a transport framework and development of the transport system, the provision of a planning and environmental policy framework and statutory environmental services, and the provision of heritage services. The Department of Development Services has five main functions:

Economic development: Formulation and implementation of development strategies, business support, promoting Orkney and its products, providing industrial premises and sites, European Community liaison, and energy advice.

Transport: Procuring public transport and monitoring the service performance of contractors, developing submissions in support of external funding bids for Council initiated transport projects, co-ordinating the preparation, implementation and monitoring of the Council's local transport strategy, and working to ensure an integrated and affordable service between Orkney and the Scottish mainland.

Planning: Providing a planning and environmental policy framework, processing planning and building warrant applications, monitoring development and undertaking enforcement action, administering housing improvement and repairs grants and heritage and town scheme grants, preparing, implementing and monitoring Orkney's structure and local plans, preparing supplementary planning policy and guidance, developing strategic and local policy action plans and projects relating to the natural environment and access to the countryside.

Environmental health and trading standards:

Controlling food safety and standards, providing water quality and laboratory services, ensuring workplace health and safety, advisory services to the business community, controlling healthy production of food animals and responsible pet ownership and licencing, providing health education and promotional services, protecting people against environmental hazards and communicable diseases, safeguarding and promoting consumer rights, enforcing trading standards, licencing, and weights and measures.

Museums and heritage: Operating Council museums, visitor centres, interpreted sites, the St Magnus Cathedral and associated events, providing an overview for the

heritage function and archaeology within Orkney, maintaining links with the National Museums of Scotland and Scottish Museums Council regarding the distributed national collection, and operating the arts development service.

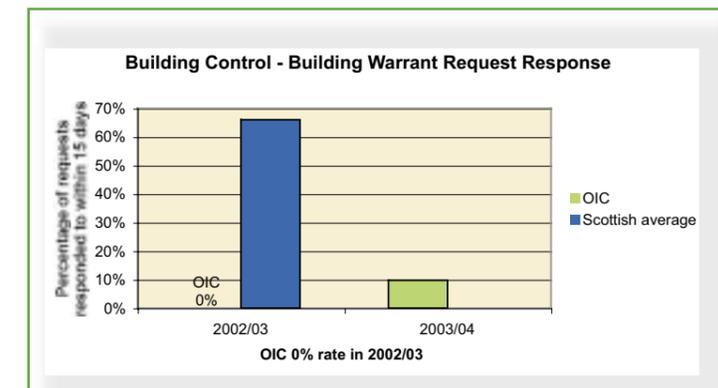
Performance of the department

The performance of the Department of Development Services over the three year period 1st April 2001 – 31st March 2004 has been measured by Statutory Performance Indicators (SPIs), Best Value reviews, several external audits and a number of projects and other developments; the results of which are summarised below.

Statutory Performance Indicators (SPIs)

Building control – building warrant response time:

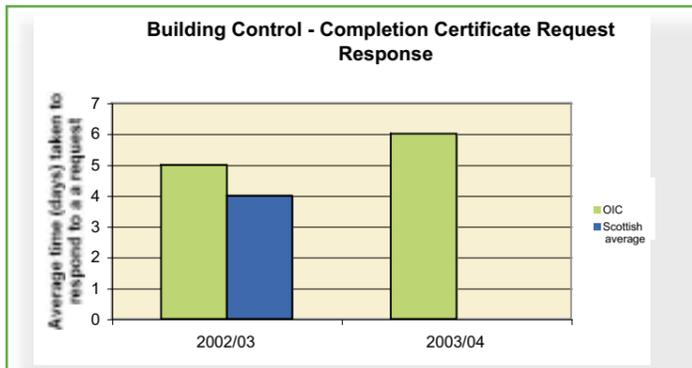
The chart below shows how the Council performed with regard to the percentage of requests for building warrants responded to within 15 days in 2002/03 and 2003/04.



The Council's performance was poor in 2002/03 and fell well below the Scottish average. In 2003/04 the Council's performance improved slightly; this has been attributed to an improvement in administrative systems.

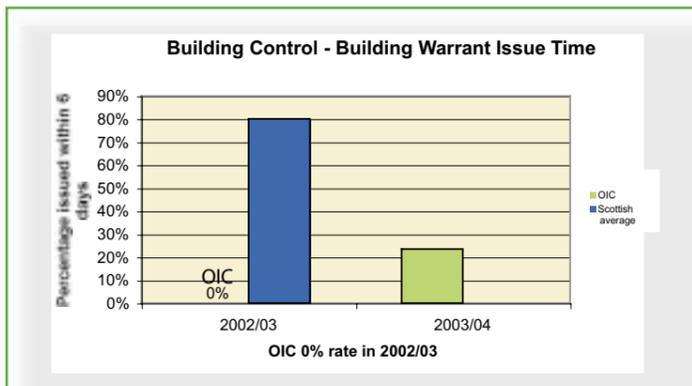


Building control – completion certificate request response: The chart below shows how the Council performed with regard to the average number of days taken to respond to a request for a completion certificate in 2002/03 and 2003/04.



The Council's performance was good in 2002/03 and was slightly better than the Scottish average. In 2003/04 the Council's performance declined slightly; this has been partially attributed to the high level of requests for completion certificates during that year.

Building control – building warrant issue time: The chart below shows how the Council performed with regard to the percentage of building warrants issued, or an application otherwise determined, within 6 days in 2002/03 and 2003/04.



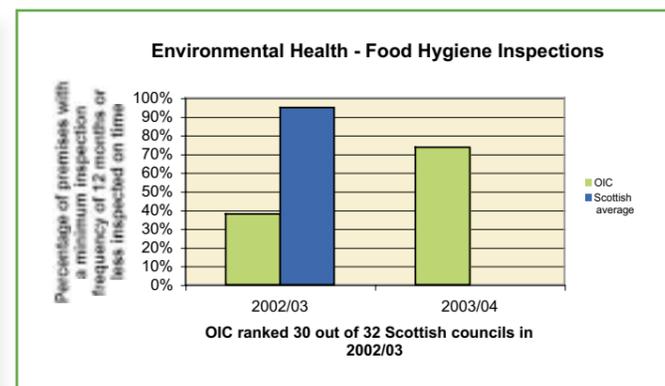
The Council's performance was poor in 2002/03 and not as good as the Scottish average. In 2003/04 the Council's performance improved slightly; this has been attributed to an improvement in administrative systems.

Building control – completion certificate issue time: The chart below shows how the Council performed with regard to the percentage of completion certificates issued, or an application otherwise determined, within 3 days in 2002/03 and 2003/04.



The Council's performance was poor in 2002/03 and fell well below the Scottish average. In 2003/04 the Council's performance improved slightly; this has been attributed to an improvement in administrative systems.

Environmental health – food hygiene: The chart below shows how the Council performed with regard to the percentage of food premises with a minimum inspection frequency of 12 months or less, that were inspected on time in 2002/03 and 2003/04.



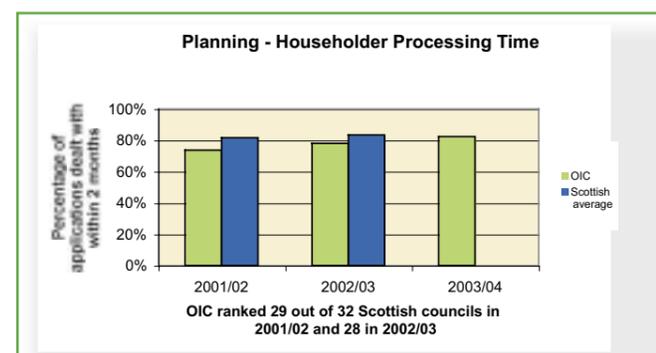
The Council's performance was poor in 2002/03 and was not as good as the Scottish average. In 2003/04 the Council's performance improved significantly; this has been attributed to successful recruitment of qualified staff with 75% of established posts being filled by 2003/04.

Environmental health – noise complaints: Prior to 2003/04 the noise complaint SPI measured the percentage of initial complaints dealt with in one day, and the percentage of complaints requiring further investigation that were dealt with in three days; the Council's performance on this SPI was poor in 2002/03 and fell below the Scottish average. In 2003/04 Audit Scotland changed the way that noise complaints are measured. Before considering the amended SPI and how the Council performed in 2003/04, it is important to recognise that all noise complaints in Orkney are responded to within 24 hours of receipt. However, many complaints received are serious and require detailed investigation, often involving overnight monitoring by staff over prolonged periods of time to establish statutory nuisance. In 2003/04:

- The percentage of noise complaints settled on first contact with the complainant, dealt with on the day of receipt of the complaint = 18.5%. This meant that 81.5% of complaints required further detailed investigation
- The percentage of noise complaints requiring further action, completed within 14 calendar days of receipt of the complaint = 13.6%. This meant that 86.4% required intervention lasting more than 14 days.

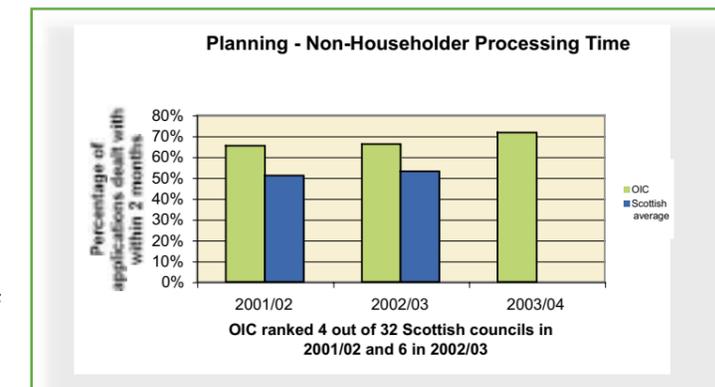
Since this is a new SPI, comparison with other Scottish councils is not possible.

Planning – householder processing time: The chart below shows how the Council performed with regard to the percentage of householder applications dealt with within two months in 2001/02, 2002/03 and 2003/04.



The Council's performance was poor in 2001/02 and fell below the Scottish average. In 2002/03 and 2003/04 the Council's performance improved steadily; this has been attributed to increased staffing levels.

Planning – non-householder processing time: The chart below shows how the Council performed with regard to the percentage of non-householder applications dealt with within two months in 2001/02, 2002/03 and 2003/04.



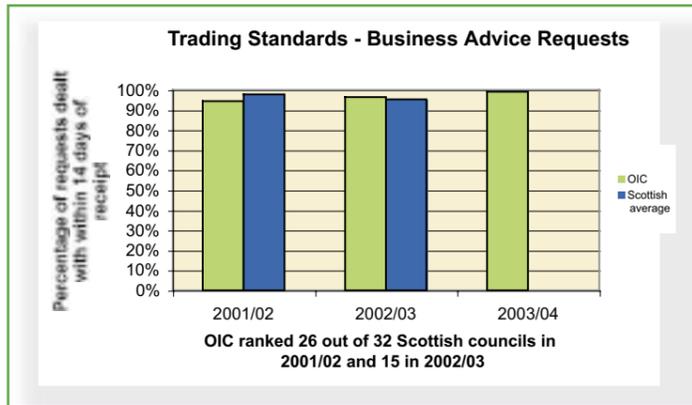
The Council's performance was excellent in 2001/02 and 2002/03 and was significantly better than the Scottish average in both years. In 2003/04 the Council's performance continued to improve even further; this has been attributed to increased staffing levels.

Trading standards – consumer complaints: The chart below shows how the Council performed with regard to the percentage of complaints processed within 14 days of receipt in 2001/02, 2002/03 and 2003/04.



The Council's performance was good in 2001/02 and was better than the Scottish average. In 2002/03 the Council's performance declined slightly before improving again in 2003/04; this has been attributed to staffing levels within the trading standards division following restructuring.

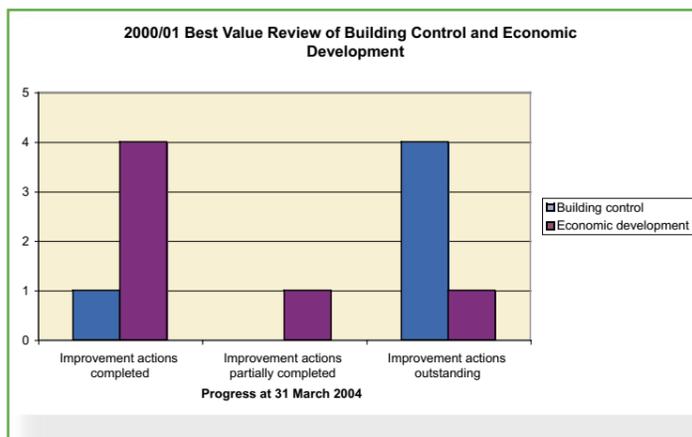
Trading standards – business advice requests: The chart below shows how the Council performed with regard to the percentage of requests dealt with within 14 days of receipt in 2001/02, 2002/03 and 2003/04.



The Council's ranking appears poor in 2001/02 and was not as good as the Scottish average; though this has been attributed to the disproportionately high number of business requests being made in Orkney compared to the national average. In 2002/03 the Council's performance improved slightly before improving significantly in 2003/04; this has been attributed to increased staffing levels.

Best Value reviews

In 2000/01 Best Value reviews of building control and economic development were carried out. The outcome of these Best Value reviews was a recommendation by the Best Value Working Group in January 2002 that the department should prepare costed service development plans incorporating the improvement actions identified as necessary in the reviews (5 for building control and 6 for economic development). Progress at 31st March 2004 is shown in the chart below.



In 2002/03 a Best Value review of development planning was carried out. The outcome of this Best Value review was a recommendation by the Best Value Working Group in December 2003 that the department should prepare a costed service improvement plan incorporating the 3 improvement actions identified as necessary in the review. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 1
- Improvement actions partially completed = 0
- Improvement actions outstanding = 2

The March 2002 audit of the environmental health division by the Food Standards Agency Scotland

In March 2002 the annual audit by the Food Standards Agency was carried out. This audit identified a few minor non-conformities which have since been completed. Subsequent audits in November 2002 and October 2003 found that the service complied with the required standard.

The October 2003 audit found a number of non-conformities in respect of those food duties performed, uniquely in Scotland, by the trading standards division. At 31st March 2004 only two improvement actions resulting from this audit remained outstanding.

The August 2003 audit of the trading standards division by Audit Scotland

As part of Audit Scotland's 'Made to Measure' national review of the trading standards service and the introduction of the 'Improvement Agenda', Audit Scotland has carried out annual audits since 2002. In August 2003 Audit Scotland carried out an audit of the Council's trading standards service. This report identified a 20 point action plan of necessary improvement actions. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 6
- Improvement actions partially completed = 0
- Improvement actions outstanding = 14

February 2004 Audit Scotland study of local economic forum action plans: progress update

In February 2004, Audit Scotland carried out a study of the extent to which local economic forums had accomplished action plans submitted to the Enterprise, Transport and Lifelong Learning Department of the Scottish Executive in October 2001. Progress on the Orkney local economic

forum audit will be reported in the Council's next Annual Performance Report.

2000/01 Performance Management and Planning audit of heritage services: progress update

In 2000/01, Audit Scotland carried out a PMP2 audit which included heritage services. In 2004 Audit Scotland published its progress update on this PMP audit identifying 11 outstanding improvement actions. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 4
- Improvement actions partially completed = 3
- Improvement actions outstanding = 4

Projects and other developments

In addition to the above, a number of projects and other developments have been progressed by the Department of Development Services in the period 1st April 2001 – 31st March 2004.

Forward planning: The structure plan was approved in December 2001 and the local plan was finalised in October 2003.

Self-build sites: Serviced self-build sites were provided at Garson in March 2003 and Glaitness in November 2003.

Environmental strategy: The environmental strategy and action plan were published in April 2002.

Travel centres: In July 2003, external funding was secured for the Kirkwall travel centre; funding was then secured for the Stromness travel centre in December 2003.

Concessionary fares: In September 2003, the concessionary travel scheme was introduced.

Transport infrastructure: Over the three year reporting period, Orkney has benefited from improvements to its public transport infrastructure via four phases of the HITRANS public transport improvement programmes.

Woodlands strategy: In January 2003, the woodlands strategy was introduced

Biodiversity: In May 2003, the biodiversity manual was published and in August 2003, the community biodiversity website was developed.

Laboratory services: Since 2001 the environmental health laboratory service has expanded and the laboratory

has been refurbished. The service now includes contracted services to the commercial sector. Progress on the audit by the United Kingdom Accreditation Service (UKAS) to be carried out for full accreditation will be reported in the Council's next Annual Performance Report.

Strategies/policies: A number of strategies and policies were implemented or updated including the contaminated land inspection strategy in November 2003; 16 food safety policies and procedures; annual revisions of the food enforcement policy; annual revisions of the Health and Safety at Work Act enforcement policy; and a large number of health protection emergency plans.

Food road-show: In September 2002, a multi-agency food road show was held.

Health improvement: In January 2002, the multi-agency public health improvement team was established. This led to the publication of the joint health improvement strategy in October 2004; the health improvement conference held in June 2003; monthly health education promotions and projects (dog fouling, infectious diseases, licensing schemes, fireworks etc); a library of information held and supplied on demand; and the amnesic shellfish poisoning pilot project in July 2002.

Abattoir refurbishment: In September 2003, the refurbishment and expansion of the abattoir at Hatston was completed.

Stromness business centre: In June 2003, all of the units in the Stromness business centre were let.

OIC heritage development plan 2002-2005: Orkney Islands Council's heritage development plan was finalised and approved in October 2002.

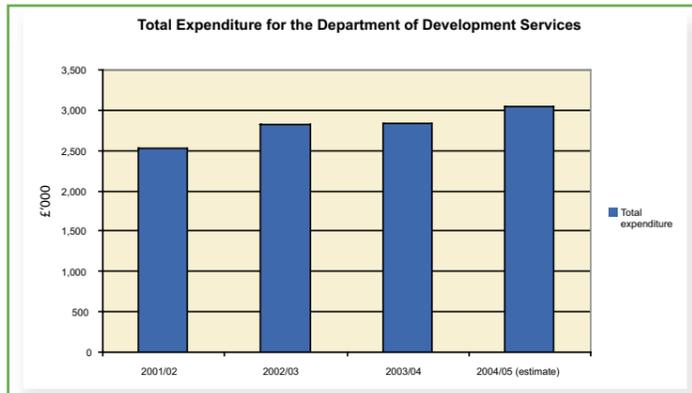
OIC arts audit: The arts audit was delivered in June 2001, and this was followed by Orkney arts strategy in 2003, leading to the establishment of an arts development officer within Orkney museums and heritage in January 2004.

Orkney heritage website: The Orkney Heritage web site has been in operation since 2002, and is achieving high hit rates.

Interpretation: The Orkney Museum 19th and 20th century galleries were completed and opened to the public in April 2003; Kirbuster Museum's introductory room was completed and opened to the public in April 2003; and the new natural heritage panels and children's activities were installed in Scapa Flow Visitor Centre & Museum, Lyness in April 2003.

Departmental finance

Total expenditure by the department rose in 2002/03, and again in the estimate for 2004/05. In both cases this was due primarily to increased expenditure on transport, in particular subsidies to bus services, the inter-isles air service contract, and concessionary fares.



Key actions for completion by 31st March 2005

Economic development

- Complete the Reserve Fund loan management system
- Complete the new herring factory and Garson food park
- Complete a strategy for the development of renewable energy
- Introduce a scheme for investment in community-owned wind turbines
- Complete, along with the Department of Harbours, a Scapa Flow website

Planning and transportation

- Complete a planning policy for renewable energy developments
- Establish meetings of a working group to review the design and siting guide for housing in the countryside
- Complete the study and plans for the establishment of a replacement programme for the inter-isles ferries
- Complete the tendering for the inter-isles air service contract starting on 1 April 2005
- Complete the Stromness travel centre
- Complete the formal adoption of the Orkney local plan

Trading standards

- Carry out safety and fair trading related projects in connection with new fireworks and spray paint legislation
- Ensure the registration of feeding stuffs premises for inclusion in the inspection programme

- Ensure that Orkney's consumer support network achieves quality mark Scotland status and full registration
- Implement email referral system to support consumer direct in advance of launch date July 2004
- Implement the national performance framework in compliance with the 'Improvement Agenda'

Environmental health

- Improve the performance of food premises inspections
- Provide sector based hazard analysis critical control points (HACCP) system training and advice
- Progress inter-authority auditing for health and safety at work enforcement
- Carry out a full peer review with the environmental health service of Shetland Islands Council
- Take part in the national monitoring programmes for environmental hazards and investigations of contaminated land
- Recruit an animal health welfare officer to facilitate compliance with statutory responsibilities
- Identify and register houses in multiple occupation and private rented sector
- Publish the joint health improvement strategy for Orkney

Museums and heritage

- Agree the structure and time-scales for the community plan with regard to heritage and arts
- Draw up proposals for the phase two staff structure for Orkney museums and heritage
- Obtain input from a consultant architect on the redesign of the Kirk museum within the St Magnus Cathedral
- Facilitate the 'hi-arts' road-show and the Orkney arts forum showcase
- Facilitate the Orkney dance festival
- Complete the Orkney arts strategy action plan.



DEPARTMENT OF HARBOURS

Purpose of the department

The fundamental purpose of the Department of Harbours is the administration of the oil port of Scapa Flow and Orkney's miscellaneous piers and harbours, including Kirkwall and Stromness. With expert staff including marine pilots, pier masters and administrators spread throughout Orkney, the department co-ordinates the interface between the sea and shore of the maritime community.

As the Competent Harbour Authority, the Council focuses its duties and obligations throughout the Harbours Department. The department promotes maritime trade, safety of shipping and the protection of the marine environment, all of which can be seen in action both within Scapa Flow and the smaller ports; this is vitally important when set against the vast quantities of crude oil and other commodities traded through the Council's harbours. In pursuit of its principal objective i.e. to ensure that Orkneys piers and harbours are operated in a safe and cost effective manner, the Harbours Department has four main functions:

Oil port operation: The provision of vessel traffic services to support ships trading to the Flotta oil terminal, participating in ship to ship transfers, bunkering operations when required and the provision of 'Tier 1 & 2' counter pollution response.

Pilotage: Ensuring safety of navigation within harbour areas, pilot examinations, pilotage directions and regulations, pilotage exemptions certificates, compulsory pilotage and port passage planning and guidance.

General harbours: Regulation of harbour works, regulation of commercial and recreational diving, port control and vessel traffic management, enforcement of the port marine safety code statement of commitment, operation of the safety management system and port waste management plan.

Marine environmental services: Managing wrecks and salvage within harbour areas, enforcement of the marine environmental policy, emergency preparedness and response (including pollution prevention), and monitoring ballast water discharge within harbour limits.

Performance of the department

The performance of the Department of Harbours over the three year period 1st April 2001 – 31st March 2004 has

been measured by the Progress Update on the 1999/00 Performance Management and Planning Audit and a number of projects and other developments; the results are summarised below.

1999/00 Performance Management and Planning audit harbours: progress update

In 1999/00, Audit Scotland carried out a PMP1 audit which included harbours. In January 2002 Audit Scotland published its progress update on this PMP audit, identifying thirteen outstanding improvement actions. Progress at 31st March 2004 was as follows:

- Improvement actions completed = 9
- Improvement actions partially completed = 3
- Improvement actions outstanding = 1

Projects and other developments

In addition to the above, a number of projects and other developments have been progressed by the Department of Harbours in the period 1st April 2001 – 31st March 2004.

Hatston pier: The main pier and link-span of the new Hatston Pier, built due to the increase in capacity of the northern isles passenger service provided by NorthLink, came into operation in October 2002.

Stromness pier: The pier was substantially upgraded to meet the needs of the expansion of the northern isles passenger service and in particular to cater for the larger vessel operating between Stromness and Scrabster. This project was completed in spring 2003.

Tingwall marshalling area: The area adjacent to the Tingwall jetty was upgraded providing additional parking space and hard standing to accommodate the increased use of that pier by local fishing boats. This project was completed in May 2002.

Port authority building: The port authority building at Scapa was upgraded to comply with new security arrangements and was completed in spring 2003.

Vessel traffic system upgrade: A new vessel tracking system was commissioned to replace the existing system which was not 2000 compliant and had no potential for expansion. The new system was installed by Navtek and became operational in the summer of 2001.

Introduction of the Port Marine Safety Code: Following the grounding of the Sea Empress in Milford Haven in 1996, a review of Pilotage legislation was published in 1998.

The main proposal resulting from this review was that a Safety Code for Port Authorities should be established; this was achieved by the Council in February 2002.

Navigation lights and marks: A navigation light was established on the Island of Thieves Holm in the Kirkwall approaches in February 2003 and a lit east cardinal mark was positioned to the East of Skargun Shoal in April 2003, responding to the new pier at Hatston and the increase in passenger traffic in that area.

Small boat marinas: Marinas have been established in Kirkwall and Stromness providing over 150 berths for both local and visiting boat owners. Breakwaters were built in both harbour areas to provide shelter for the marinas, and both facilities are equipped with power and water to the berths. The marinas were established and operational for the 2003 sailing season.

Additional berthing pontoon in Westray: An additional berthing pontoon augmenting the existing facility in Pierowall was introduced for the 2003 sailing season and has increased the summer only berthing by over 100%.

Container hub: This large project involving many Council departments aims to develop a container transshipment hub on Flotta. The project was established prior to the start of the reporting period and now has a preferred developer in ICHL (International Container Hubs Ltd). It is expected that the project team will submit a planning application in early 2005.

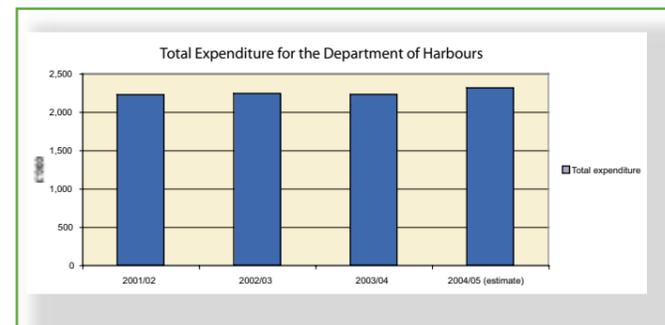
Scapa pier: Widening and resurfacing Scapa pier commenced early in 2004. This will provide additional berthing in deeper water for the harbour tugs operated by Orkney Towing and the harbours pilot craft.

Pole Star pier: Due to the withdrawal of the Northern Lighthouse Board from the lighthouse depot in Stromness, the Council purchased the Pole Star pier and associated buildings making up the depot. The pier was officially handed over to the Council in 2003 and discussions are ongoing regarding its future use.

Departmental finance

The Department of Harbours is funded directly by harbour users with a selection of appropriate charges such as harbour dues, pilotage fees and towage charges. Revenue is generated and administered by Orkney Islands Council as the Competent Harbour Authority (CHA) and used to operate and fund all of the activities of the Department of Harbours.

As the CHA, the Council is required to react to commercial pressures when considering the level of charges it sets both for harbour users and for itself. This charging policy helps to ensure that sufficient funds are available to operate the Council's ports and harbours safely, efficiently and effectively. The annual turnover for 2003 was almost £10 million incorporating income from both the Oil Port of Scapa Flow and the miscellaneous piers and harbours including Kirkwall and Stromness.



Key actions for completion by 31st March 2005

Oil port

- Further progress the establishment of an international container hub providing transshipment facilities for the largest container ships presently trading world-wide
- Introduce a survey program for Scapa Flow
- Complete the upgrade of Scapa pier
- Review the aids to navigation in Gutter Sound, Scapa Flow
- Introduce vessel traffic service training for marine officers
- Establish a new post of vessel traffic service manager

Pilotage

- Replace one pilot boat
- Introduce pilot training standards in accordance with the Port Marine Safety Code
- Introduce simulator training for marine pilots

General harbours

- Introduce a survey program for minor piers and harbours
- Establish berthing pontoons suitable for small boats in selected piers and harbours
- Construct and integrate radar coverage for Kirkwall Bay
- Provide lairage facilities at Hatston pier
- Provide additional visiting mooring buoys for visiting pleasure craft in the outer islands

Environmental unit

- Review the oil spill response plan
- Introduce a geographical information system database for mapping Orkney's coastline
- Review the department's policy on the discharge of water ballast

