



Item: 12.2

Development and Infrastructure Committee: 11 November 2025.

Performance Monitoring – Enterprise and Resources.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. The Council Plan 2023-28, approved in March 2023, reflects national priorities set by both the Scottish and UK Governments and the core services which the Council provides day to day, as well as taking account of new duties arising from recent legislation.
- 1.2. The Delivery Plan to support the Council Plan contains a number of priority actions listed to indicate the work which will be undertaken to achieve the identified outcomes.
- 1.3. The Council Plan 2023-28 noted that each directorate will have a delivery plan describing the priorities that they will deliver. The Directorate Delivery Plan for Enterprise and Sustainable Regeneration was approved in March 2024.
- 1.4. The Council's Risk Management Policy and Strategy requires that all directorates maintain a register of risks that are inherent in their activities and the services they provide. The risk register in respect of Enterprise and Sustainable Regeneration was approved in March 2024.
- 1.5. In terms of the Council's Strategic Planning and Performance Management Framework, performance in respect of the Directorate Delivery Plan, performance indicators and complaints and compliments are reported to the relevant committee on a six-monthly basis, in June and November.
- 1.6. Annex 1 provides the six-monthly updates in respect of the Enterprise and Sustainable Regeneration Directorate Delivery Plan.
- 1.7. Annex 2 provides the six-monthly updates in respect of the Enterprise and Sustainable Regeneration cross Council performance indicators.
- 1.8. Annex 3 presents the risk register for Enterprise and Resources.

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

2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Note the performance of Enterprise and Resources for the reporting period 1 April to 30 September 2025, in respect of directorate priorities and performance indicators, as set out in Annexes 1 and 2 respectively to this report.
- ii. Note the complaints and compliments made to Enterprise and Resources in the six-month period 1 April to 30 September 2025 and for the two preceding six-month periods, as set out in section 5 of this report.
- iii. Approve the Risk Register, attached as Annex 3 to this report.

3. Directorate Delivery Plan Performance Monitoring

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

4. Directorate Performance Indicators

- 4.1. Directorate performance indicators provide the mechanism through which the performance of aspects of the services provided year on year are monitored. The monitoring report for Enterprise and Resources is attached as Annex 2.
- 4.2. In February 2024, the Corporate Leadership Team agreed to start monitoring the Cross Council Generic Performance Indicators on a quarterly basis but to remain reporting to committee on a six-monthly basis.

5. Directorate Complaints and Compliments

5.1. Table 1 below sets out the complaints and compliments made to Enterprise and Resources in the six-month period 1 April to 30 September 2025 and for the two preceding six-month periods.

Table 1.	Six months ending 30 September 2024.	Six months ending 31 March 2025.	Six months ending 30 September 2025.	Totals.
Complaints.	1	1	3	5
Compliments.	1	9	7	17

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

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

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

5.5. The compliments and complaints received in the reporting period 1 April to 30 September 2025, were as follows:

- One complaint relating to summer timetables for Hoy and Flotta.
- One complaint relating to the Prior Permission Required system for Airfields.
- One complaint relating to a claim for Housing Benefit and Council Tax Reduction.
- Five compliments relating to good customer service and support received across different teams.
- One compliment on the painting carried out at Kirkwall Pier.

- One compliment relating to the donation of old equipment for training purposes.

For Further Information please contact:

Gareth Waterson, Director of Enterprise and Resources, extension 2521, Email gareth.waterson@orkney.gov.uk.

Implications of Report

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

List of Background Papers

Council Plan 2023-28.

Council Plan Delivery Plan 2023-28.

Enterprise and Sustainable Regeneration – Directorate Delivery Plan 2023-28.

Risk Management Policy and Strategy.

Annexes

Annex 1 – Directorate Delivery Plan Actions.

Annex 2 – Performance Indicators.

Annex 3 – Risk Register.

Enterprise and Resources Directorate Delivery Plan 2023-28

Progress against ESR Directorate Delivery Plan 2023-28 at 30 September 2025



Title	Description	Intended Outcome	BRAG	Start Date	Target Date
ESR DDP 01a Council Financial Sustainability	Continue to pursue projects which can generate income for the Council, in particular Orkney's Community Wind Farm Project and income related to Tourism	The Council is financially sustainable. We balance our income and the use of reserves to support affordable and sustainable service provision and infrastructure development	GREEN 	01-Oct-2024	31-Mar-2028
Lead	Comment				
Erik Knight	<p>BRAG status at 31 March 2025: Green</p> <p>Visitor levy for Orkney has been paused. Savings proposals/income opportunities have dried up. Public sector funding, including local government, is becoming increasingly tight. Without significant Service redesign, or appetite for varying service delivery, it is clear that the Strategic Reserve Fund will continue to be the balancing figure for Council budgets. It is well noted that this is not a long term solution.</p>				

Title	Description	Intended Outcome	BRAG	Start Date	Target Date
ESR DDP 01b Council Financial Sustainability	New income streams are secured to support Council service provision and infrastructure development.	The Council is financially sustainable. We balance our income and the use of reserves to support affordable and sustainable service provision and infrastructure development	GREEN 	01-Oct-2024	31-Mar-2028
Lead	Comment				

Erik Knight	BRAG status at 31 March 2025: Green Visitor levy has paused. Scapa Deep Water Quay Pre-Construction Services Agreement continuing - further governance and funding required. Turbine project at Quanterness progressing with income anticipated in 2028/29.
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Title	Description	Intended Outcome	BRAG	Start Date	Target Date
ESR DDP 02a Local economy	Review of support mechanisms, action plans and marketing programme to ensure resources are best targeted.	The local economy is sustainable and prosperous.	GREEN 	01-Oct-2024	31-Mar-2028
Lead	Comment				
Sweyn Johnston	BRAG status at 31 March 2025: Green Preliminary work to inform this is underway and a report expected to be taken to Committee in early 2026 setting out recommendations.				

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

Personnel key

Director of Enterprise and Resources – Gareth Waterson
Head of Finance – Erik Knight
Head of Enterprise and Economic Growth – Sweyn Johnston
Head of Marine Services and Transportation – Jim Buck

BRAG key

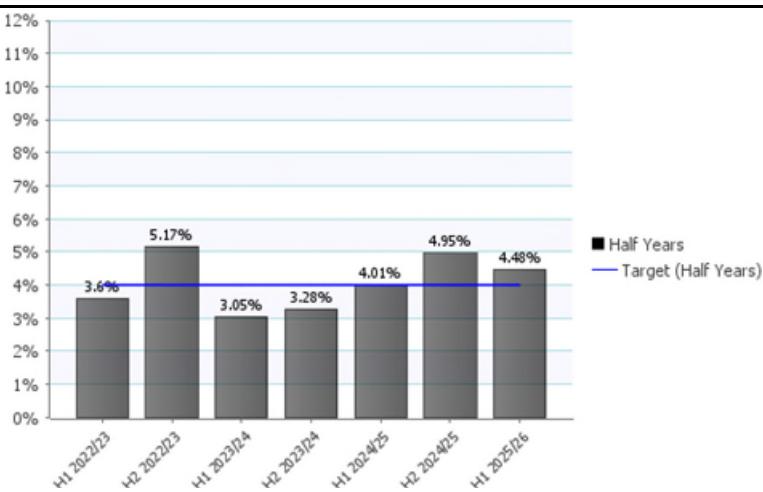
Action BRAG System

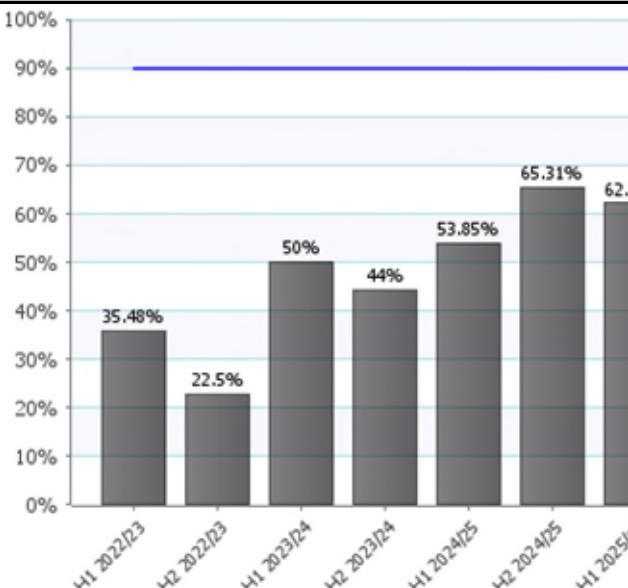
-  The agreed action is experiencing significant underperformance, with a medium to high risk of failure to meet its target
-  The agreed action is experiencing minor underperformance, with a low risk of failure to meet its target
-  The agreed action is likely to meet or exceed its target
-  The agreed action has been progressed to completion

Enterprise and Resources Performance Indicator Report

Service Performance Indicators at 30 September 2025

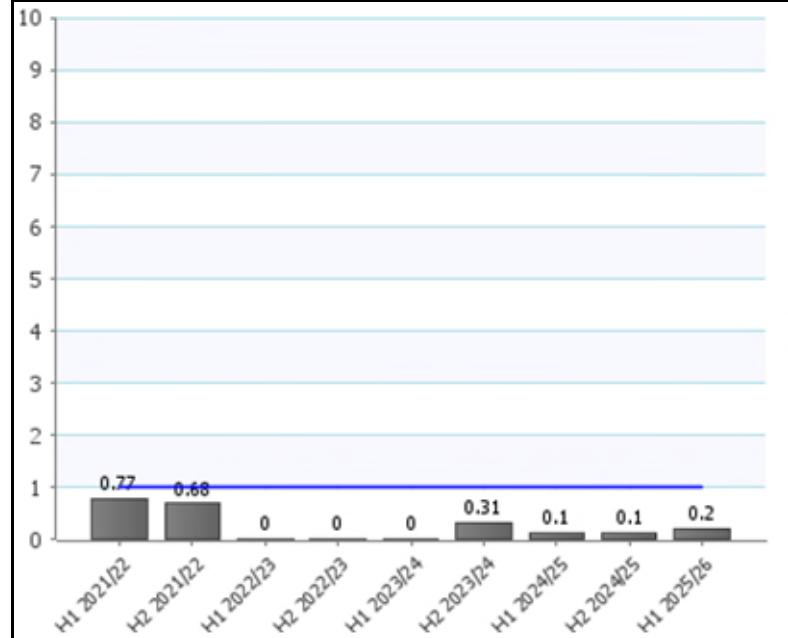


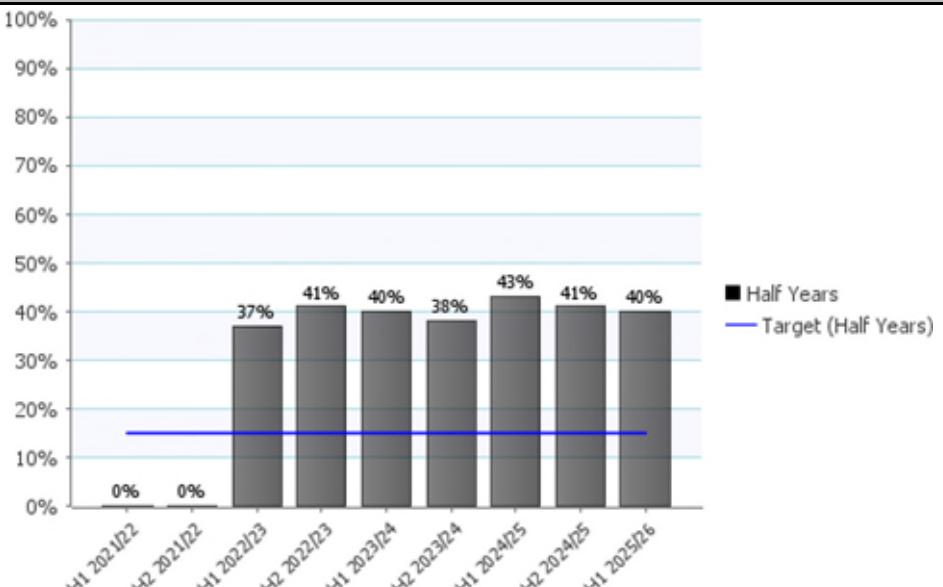
Performance Indicator																				
CCG 01 – Sickness absence – The average number of working days per employee lost through sickness absence, expressed as a percentage of the number of working days available.																				
Target	Actual	Intervention	RAG																	
4%	4.48%	6.1%	AMBER																	
Comment																				
The Enterprise and Resources Directorate management team continues to work closely with the Human Resources team and individual managers to ensure that short and long term sickness absence is addressed as a matter of priority. However, these matters are individually unique and it is difficult to forecast or prevent occasional fluctuations in the performance percentage over reporting periods. A small reduction in the average number of working days lost can be seen in comparison to the last reporting period.																				
Trend Chart																				
 <table border="1"><thead><tr><th>Period</th><th>Actual (%)</th></tr></thead><tbody><tr><td>H1 2022/23</td><td>3.6%</td></tr><tr><td>H2 2022/23</td><td>5.17%</td></tr><tr><td>H1 2023/24</td><td>3.05%</td></tr><tr><td>H2 2023/24</td><td>3.28%</td></tr><tr><td>H1 2024/25</td><td>4.01%</td></tr><tr><td>H2 2024/25</td><td>4.95%</td></tr><tr><td>H1 2025/26</td><td>4.48%</td></tr></tbody></table>					Period	Actual (%)	H1 2022/23	3.6%	H2 2022/23	5.17%	H1 2023/24	3.05%	H2 2023/24	3.28%	H1 2024/25	4.01%	H2 2024/25	4.95%	H1 2025/26	4.48%
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H1 2025/26	4.48%																			

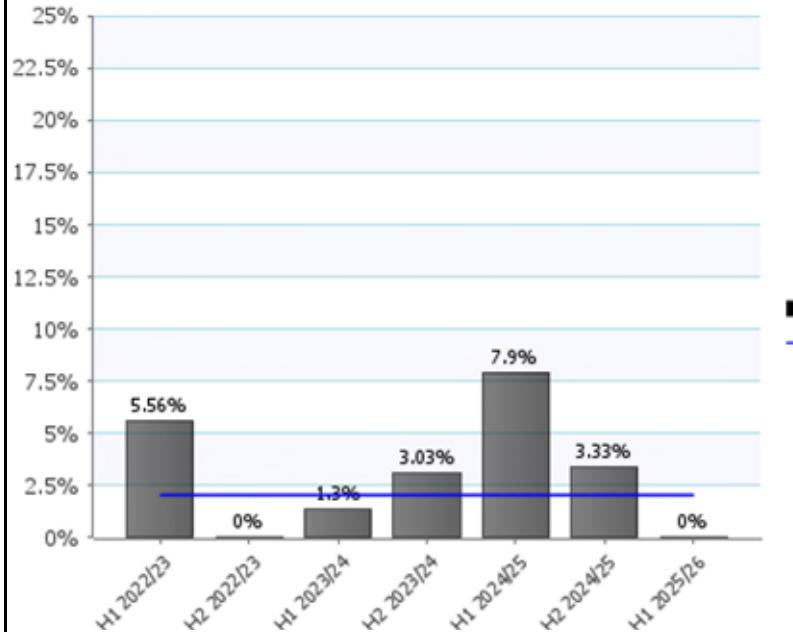
Performance Indicator																												
CCG 02 – Sickness absence – Of the staff who had frequent and/or long-term sickness absence (they activated the sickness absence triggers), the proportion of these where there was management intervention.																												
Target	Actual	Intervention	RAG																									
90%	62.16%	79%	RED																									
Comment																												
The Enterprise and Resources Directorate management team continues to work with Human Resources and individual managers to ensure that active intervention takes place at the appropriate times. Signposting to the resources and support available as well as a reminder of the responsibility of line managers in carrying out these duties will be issued, with interim monitoring put in place in an effort to improve the performance against this indicator.																												
Trend Chart																												
 <table border="1"> <thead> <tr> <th>Half Year</th><th>Actual (%)</th><th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>H1 2022/23</td><td>35.48%</td><td>90%</td> </tr> <tr> <td>H2 2022/23</td><td>22.5%</td><td>90%</td> </tr> <tr> <td>H1 2023/24</td><td>50%</td><td>90%</td> </tr> <tr> <td>H2 2023/24</td><td>44%</td><td>90%</td> </tr> <tr> <td>H1 2024/25</td><td>53.85%</td><td>90%</td> </tr> <tr> <td>H2 2024/25</td><td>65.31%</td><td>90%</td> </tr> <tr> <td>H1 2025/26</td><td>62.16%</td><td>90%</td> </tr> </tbody> </table>					Half Year	Actual (%)	Target (%)	H1 2022/23	35.48%	90%	H2 2022/23	22.5%	90%	H1 2023/24	50%	90%	H2 2023/24	44%	90%	H1 2024/25	53.85%	90%	H2 2024/25	65.31%	90%	H1 2025/26	62.16%	90%
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H1 2025/26	62.16%	90%																										

Performance Indicator				
CCG 03 – Staff accidents – The number of staff accidents within the service, per 30 staff per year.				
Target	Actual	Intervention	RAG	
1	0.2	2.1	GREEN	
Comment				
<p>Enterprise and Resources is demonstrating a small increasing trend of accident reporting for the 12-month rolling period report in this quarter.</p> <p>Over the past 12 months, there have been two notable safety-related incidents. The first involved a dangerous occurrence caused by a mechanical fault, which presented a serious risk despite no injuries being sustained. The equipment was immediately isolated, and a full investigation was carried out, resulting in technical repairs, updated inspection routines, and staff briefings. The second incident was a near miss as work was undertaken without appropriate safety PPE. Although no harm occurred, the event highlighted the need for improved coordination, leading to procedural updates to mitigate future risks.</p> <p>There is a growing awareness across the Services regarding the importance of reporting safety concerns, near misses, and equipment issues. This cultural shift is supported by ongoing communications, training, and leadership engagement. As a result, it is anticipated that reporting levels may increase in future periods, reflecting a more proactive and transparent approach to safety management. This is viewed positively, as it enables earlier intervention and continuous improvement in risk control measures.</p> <p>RIDDOR: During this reported 12-month period there has been 0 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable accidents for Enterprise and Resources.</p>				

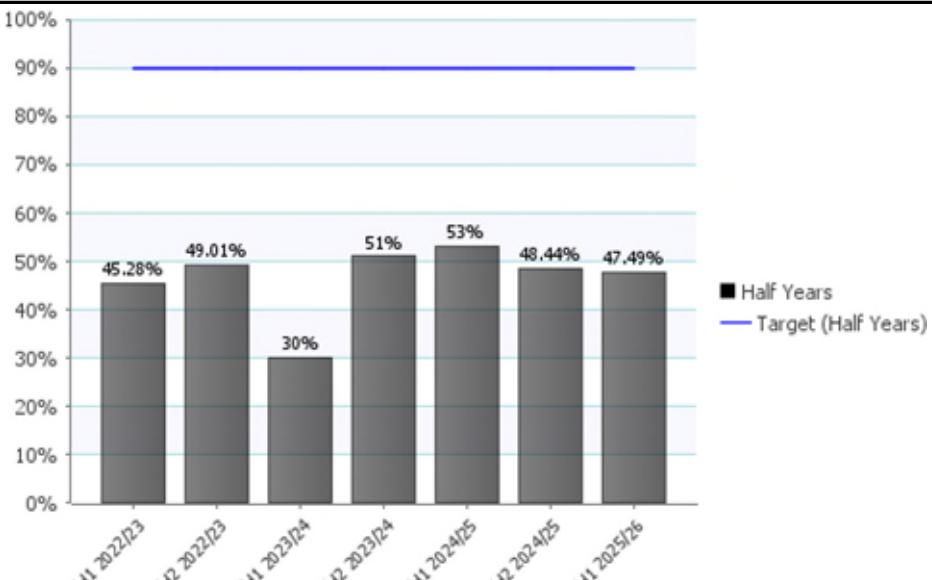
Trend Chart



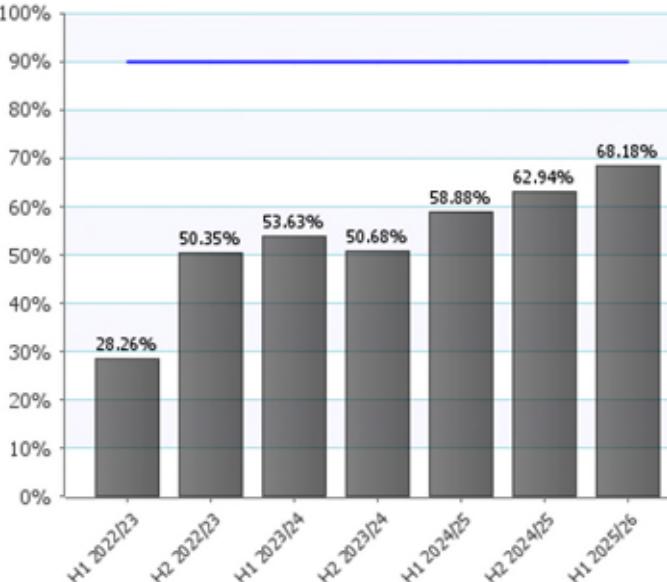
Performance Indicator																								
CCG 04 – Budget control – The number of significant variances (priority actions) generated at subjective group level, as a proportion of cost centres held.																								
Target	Actual	Intervention	RAG																					
15%	40%	31%	RED																					
Comment																								
The Enterprise and Resources Directorate management team continues to contribute to the Revenue Expenditure Monitoring Report (REMR) process and flag up areas of concerns and difficulties. The profiling of operational budgets is challenging, given the reactive nature of the work. Therefore, whilst attempts are made to appropriately profile cost centres at the start of the year, there will be inevitable variances throughout the financial reporting period which do not, in general, represent significant budget challenges.																								
Trend Chart																								
 <table border="1"> <thead> <tr> <th>Period</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr> <td>H1 2021/22</td> <td>0%</td> </tr> <tr> <td>H2 2021/22</td> <td>37%</td> </tr> <tr> <td>H1 2022/23</td> <td>41%</td> </tr> <tr> <td>H2 2022/23</td> <td>40%</td> </tr> <tr> <td>H1 2023/24</td> <td>38%</td> </tr> <tr> <td>H2 2023/24</td> <td>43%</td> </tr> <tr> <td>H1 2024/25</td> <td>41%</td> </tr> <tr> <td>H2 2024/25</td> <td>40%</td> </tr> <tr> <td>H1 2025/26</td> <td></td> </tr> </tbody> </table>					Period	Actual (%)	H1 2021/22	0%	H2 2021/22	37%	H1 2022/23	41%	H2 2022/23	40%	H1 2023/24	38%	H2 2023/24	43%	H1 2024/25	41%	H2 2024/25	40%	H1 2025/26	
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H2 2023/24	43%																							
H1 2024/25	41%																							
H2 2024/25	40%																							
H1 2025/26																								

Performance Indicator																												
CCG 05 – Recruitment and retention – The number of advertised service staff vacancies still vacant after six months from the time of advert, as a proportion of total staff vacancies.																												
Target	Actual	Intervention	RAG																									
2%	0%	4.1%	GREEN	GREEN																								
Comment																												
In this period, no advertised posts remained unfilled after six months from the time of advertisement.																												
Trend Chart																												
 <p>The chart displays the percentage of advertised service staff vacancies still vacant after six months from the time of advert, as a proportion of total staff vacancies, from H1 2022/23 to H1 2025/26. The Y-axis represents the percentage from 0% to 25% in 2.5% increments. The X-axis shows the time periods. The 'Half Years' data is shown as grey bars, and the 'Target (Half Years)' is shown as a blue line. The chart shows the following data points:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Half Years (%)</th> <th>Target (Half Years) (%)</th> </tr> </thead> <tbody> <tr> <td>H1 2022/23</td> <td>5.56%</td> <td>2.5%</td> </tr> <tr> <td>H2 2022/23</td> <td>0%</td> <td>2.5%</td> </tr> <tr> <td>H1 2023/24</td> <td>1.3%</td> <td>2.5%</td> </tr> <tr> <td>H2 2023/24</td> <td>3.03%</td> <td>2.5%</td> </tr> <tr> <td>H1 2024/25</td> <td>7.9%</td> <td>2.5%</td> </tr> <tr> <td>H2 2024/25</td> <td>3.33%</td> <td>2.5%</td> </tr> <tr> <td>H1 2025/26</td> <td>0%</td> <td>2.5%</td> </tr> </tbody> </table>					Period	Half Years (%)	Target (Half Years) (%)	H1 2022/23	5.56%	2.5%	H2 2022/23	0%	2.5%	H1 2023/24	1.3%	2.5%	H2 2023/24	3.03%	2.5%	H1 2024/25	7.9%	2.5%	H2 2024/25	3.33%	2.5%	H1 2025/26	0%	2.5%
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Performance Indicator																				
CCG 06 – Recruitment and retention – The number of permanent service staff who leave the employment of Orkney Islands Council – but not through retirement or redundancy – as a proportion of all permanent service staff.																				
Target	Actual	Intervention	RAG																	
5%	2.82%	10.1%	GREEN																	
Comment																				
Turnover within the Enterprise and Resources directorate remains low.																				
Trend Chart																				
<table border="1"> <thead> <tr> <th>Period</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr> <td>H1 2022/23</td> <td>1.55%</td> </tr> <tr> <td>H2 2022/23</td> <td>2.53%</td> </tr> <tr> <td>H1 2023/24</td> <td>6.43%</td> </tr> <tr> <td>H2 2023/24</td> <td>1.46%</td> </tr> <tr> <td>H1 2024/25</td> <td>2.8%</td> </tr> <tr> <td>H2 2024/25</td> <td>0.9%</td> </tr> <tr> <td>H1 2025/26</td> <td>2.82%</td> </tr> </tbody> </table>					Period	Actual (%)	H1 2022/23	1.55%	H2 2022/23	2.53%	H1 2023/24	6.43%	H2 2023/24	1.46%	H1 2024/25	2.8%	H2 2024/25	0.9%	H1 2025/26	2.82%
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H1 2024/25	2.8%																			
H2 2024/25	0.9%																			
H1 2025/26	2.82%																			

Performance Indicator																				
CCG 07 – Good Conversations – The number of staff who receive (at least) an annual face-to-face Good Conversations (GC) meeting, as a proportion of the total number of staff within the service.																				
Target	Actual	Intervention	RAG																	
90%	47.49%	79%	RED																	
Comment																				
The Enterprise and Resources Directorate management team continue to work closely with line managers to provide support and to ensure that meetings are carried out on an annual basis but recognise that there is work to do to improve performance in this area. A plan to encourage higher annual completion rates will be made over the next period.																				
Trend Chart																				
 <table border="1"> <thead> <tr> <th>Period</th><th>Actual (%)</th></tr> </thead> <tbody> <tr><td>H1 2022/23</td><td>45.28%</td></tr> <tr><td>H2 2022/23</td><td>49.01%</td></tr> <tr><td>H1 2023/24</td><td>30%</td></tr> <tr><td>H2 2023/24</td><td>51%</td></tr> <tr><td>H1 2024/25</td><td>53%</td></tr> <tr><td>H2 2024/25</td><td>48.44%</td></tr> <tr><td>H1 2025/26</td><td>47.49%</td></tr> </tbody> </table>					Period	Actual (%)	H1 2022/23	45.28%	H2 2022/23	49.01%	H1 2023/24	30%	H2 2023/24	51%	H1 2024/25	53%	H2 2024/25	48.44%	H1 2025/26	47.49%
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H1 2024/25	53%																			
H2 2024/25	48.44%																			
H1 2025/26	47.49%																			

Performance Indicator						
CCG 08 – Invoice payment – The number of invoices that were submitted accurately, and paid within 30 days of invoice date, as a proportion of the total number of invoices paid.						
Target	Actual	Intervention	RAG			
90%	92%	79%	GREEN			
Comment						
Staff strive to consistently process invoices without delay.						
Trend Chart						
<p>■ Half Years — Target (Half Years)</p>						

Performance Indicator																				
CCG 09 – Mandatory training – The number of staff who have completed all mandatory training courses, as a percentage of the total number of staff in the service.																				
Target	Actual	Intervention	RAG																	
90%	68.18%	79%	RED																	
Comment																				
Mandatory training course completion continues to be high and well over the overall figure within areas of the Directorate with office-based staff. In areas of the Directorate with front-line staff undertaking roles that require significantly less time on a computer, course completion is lower. Exploration of how to overcome these barriers to course completion where the materials are currently only available in digital format will be made in an effort to improve this performance indicator, nonetheless it should be recognised that performance has been steadily improving over the last few reporting periods.																				
Trend Chart																				
 <p>The chart displays the percentage of staff completing mandatory training over time. The Y-axis represents the percentage from 0% to 100% in 10% increments. The X-axis shows reporting periods from H1 2022/23 to H1 2025/26. The 'Actual' data (dark grey bars) shows values: 28.26% (H1 2022/23), 50.35% (H2 2022/23), 53.63% (H1 2023/24), 50.68% (H2 2023/24), 58.88% (H1 2024/25), 62.94% (H2 2024/25), and 68.18% (H1 2025/26). The 'Target (Half Years)' is a horizontal blue line at 90%.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr> <td>H1 2022/23</td> <td>28.26%</td> </tr> <tr> <td>H2 2022/23</td> <td>50.35%</td> </tr> <tr> <td>H1 2023/24</td> <td>53.63%</td> </tr> <tr> <td>H2 2023/24</td> <td>50.68%</td> </tr> <tr> <td>H1 2024/25</td> <td>58.88%</td> </tr> <tr> <td>H2 2024/25</td> <td>62.94%</td> </tr> <tr> <td>H1 2025/26</td> <td>68.18%</td> </tr> </tbody> </table>					Period	Actual (%)	H1 2022/23	28.26%	H2 2022/23	50.35%	H1 2023/24	53.63%	H2 2023/24	50.68%	H1 2024/25	58.88%	H2 2024/25	62.94%	H1 2025/26	68.18%
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Performance Indicator RAG System

-  The performance indicator is experiencing significant underperformance, with a medium to high risk of failure to meet its target
-  The performance indicator is experiencing minor underperformance, with a low risk of failure to meet its target
-  The performance indicator is likely to meet or exceed its target

Enterprise and Resources Risk Register – October 2025

Strategic Risks

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

Risks by rating

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

Risk Matrix

			IMPACT				
			1.	2.	3.	4.	5.
LIKELIHOOD	5.	Almost Certain.	Medium	Medium	High	High	Extreme
	4.	Likely.	Medium	Medium	Medium	High	Extreme
	3.	Possible.	Low	Medium	Medium	High	High
	2.	Unlikely.	Low	Low	Medium	Medium	High
	1.	Rare.	Low	Low	Low	Medium	High

Risk Title: 01 – Continuity of staffing and knowledge.

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

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

Risk Title: 02 – Staff training and development

Likelihood	3	Impact	3	RAG	Medium	Current Risk Score	9	Target Risk Score	4
Owner	Director of Enterprise and Resources					Cluster	Staffing		
Vulnerability.	Trigger.	Consequences.			Options.		Mitigating Actions.		
Staff may not be fully trained or experienced; staff may not be aware of or may inadvertently breach Council policy or Code of Practice; limited access to training budget. Staff may not feel valued if no investment in continuing professional development is made.	The Directorate and Council are unable to deliver functions effectively; lack of corporate consistency.	Lack of resilience; poor staff morale; legal and financial implications; reputational loss; increased rate of error; unable to meet professional development requirements.			Treat.		02.01 – Development of skills identified through staff Good Conversations. 02.02 – Promote the Council's Learning and Development programmes and resources.		

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

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

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

Risk Title: 04 – Airfield closure or non-conformity

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

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

Risk Title: 05 – Major project delay or failure

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

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

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

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

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

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

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

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

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

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

Likelihood	5	Impact	5	RAG	Extreme	Current Risk Score	25	Target Risk Score	4
Owner	Director of Enterprise and Resources					Cluster	Financial		

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
The Council does not have sufficient funds for Ferry and Terminal maintenance and replacement programme. If Scottish Government funding is not forthcoming the costs of additional essential lifeline services could impact on other service priorities.	The Council cannot maintain or develop its essential assets to provide public services.	<p>Ferries reach end of life with no replacement – rapid service deterioration.</p> <p>Excessive support costs as aged ferries kept running.</p> <p>Excessive running costs of old ferries.</p> <p>No opportunities to achieve expected service levels.</p> <p>Crisis purchase of new ferries – loss of bargaining power.</p>	Treat.	<p>08.01 – Contact with Scottish Government, Orkney Inter Islands Air and Ferry studies and Fair Funding process including beginning discussion on transfer of responsibility and fair funding.</p> <p>08.02 – A revised funding mechanism for revenue elements of ferry service provision has been established with the Scottish Government.</p> <p>08.03 – Establish revised funding mechanism for capital elements of ferry service provision.</p> <p>08.04 – Contribute to Islands Connectivity Plan to ensure appropriate cover for lifeline transport services.</p>