

Minute

Policy and Resources Committee

Tuesday, 25 February 2025, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Heather N Woodbridge, Alexander G Cowie, Graham A Bevan, Stephen G Clackson, David Dawson, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask, W Leslie Manson, James R Moar, Raymond S Peace, John A R Scott, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Owen Tierney and Duncan A Tullock.

Present via remote link (Microsoft Teams)

Councillors Janette A Park and Mellissa-Louise Thomson.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Oliver D Reid, Chief Executive.
- Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.
- Karen Greaves, Corporate Director for Strategy, Performance and Business Solutions.
- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- James Wylie, Corporate Director for Education, Leisure and Housing.
- Peter Diamond, Head of Education.
- Frances Troup, Head of Community Learning, Leisure and Housing.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Erik Knight, Head of Finance.
- Gavin Mitchell, Head of Legal and Governance.
- Catherine Diamond, Service Manager (Early Learning and Childcare).
- Shonagh Merriman, Service Manager (Corporate Finance).
- Pat Robinson, Service Manager (Accounting).

In Attendance via remote link (Microsoft Teams)

- Maya Tams-Gray, Committees Officer.

Observing

- Kenny MacPherson, Head of Property, Asset Management and Facilities (for Items 1 to 3).
- Alex Rodwell, Head of Improvement and Performance.
- Glen Thomson, Service Manager (Property and Capital Projects) (for Items 1 to 3).
- Kirsty Groundwater, Communications Team Leader.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Heather N Woodbridge.

1. Capital Programme Affordability

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

Noted:

1.1. The Scottish Government financial settlement for 2025/26 in respect of capital funding comprising £5,541,000 General Capital Grant and specific grants of £10,096,000.

The Committee resolved to **recommend to the Council:**

1.2. That the net loan charges budget be set at £3,100,000 for 2025/26, which equated to headroom for General Fund services to borrow a maximum of £24,800,000 from the Loans Fund over the next 5 years, from 1 April 2025 to 31 March 2030.

2. General Fund Reserves Strategy

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

2.1. The balance and purpose for holding each of the Council's earmarked reserves and the non-earmarked General Fund Balances, as set out in Appendix 1 to the report by the Head of Finance.

The Committee resolved to **recommend to the Council:**

2.2. That the minimum non-earmarked General Fund Balance for 2025/26 be set at 2% of the net revenue budget for 2025/26, with a minimum balance of approximately £2,385,000 as a contingency for in-year pressures.

2.3. That, should the Council return an overspend position for 2024/25, any uncommitted balances held within earmarked funds should be returned to non-earmarked General Fund reserves, to meet in-year overspends and retain the 2% contingency balance for non-earmarked General Fund balances.

2.4. That powers be delegated to the Head of Finance, in consultation with the Chief Executive and Corporate Directors, to make adjustments to reserves balances, taking account of the 2024/25 year-end position and ongoing budget pressures for 2025/26.

3. Strategic Reserve Fund – Budget Review and Long-Term Forecast

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Resolved to **recommend to the Council:**

3.1. That a financial contribution to General Fund Services of up to £20,000,000 from the Strategic Reserve Fund be used as a planning assumption as part of the Council's budget setting process for financial year 2025/26.

3.2. That the Strategic Reserve Fund budget for financial year 2025/26, together with indicative budgets for 2026/27 and 2027/28, attached as Appendix 1 to this Minute, be approved.

3.3. That the long-term 10-year budget forecast for the Strategic Reserve Fund, attached as Appendix 2 to this Minute, be endorsed as a financial planning document.

3.4. That powers be delegated to the Head of Finance, in consultation with the Chief Executive and Corporate Directors, to make any adjustments to the Strategic Reserve Fund contribution to the General Fund, taking account of the 2024/25 year-end position and ongoing budget pressures for 2025/26.

4. Budget and Council Tax Level for 2025/26

After consideration of a joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Head of Finance, together with Equality Impact Assessments and Island Communities Impact Assessments, copies of which had been circulated, on the motion of Councillor Heather N Woodbridge, seconded by Councillor Alexander G Cowie, the Committee:

Resolved:

4.1. That the public be excluded from the meeting in respect of discussion of the matters contained in Appendices 3 and 4 of the joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Head of Finance, on the grounds that it involved the disclosure of exempt information as defined in paragraphs 1, 4, 6 and 8 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

Officers responded to questions from elected members on the detail contained within Appendices 3 and 4 to the joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Head of Finance regarding proposed efficiency savings and unavoidable service pressures.

Upon conclusion of discussion of the matters contained in Appendices 3 and 4 to the joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Head of Finance and, thereby, the exclusion of the public, Councillor Heather N Woodbridge, seconded by Councillor Alexander G Cowie, moved that Option 2, namely an 11% increase in Council Tax for 2025/26, increasing Band D liability to £1,519.82, be approved.

Councillor Kristopher D Leask, seconded by Councillor Rachael A King, moved an amendment that Option 3, namely a 15% increase in Council Tax for 2025/26, increasing Band D liability to £1,574.60, be approved.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, David Dawson, P Lindsay Hall, Rachael A King, Kristopher D Leask, Janette A Park, John A R Scott, Gwenda M Shearer, Jean E Stevenson, Mellissa-Louise Thomson and Duncan A Tullock (11).

For the Motion:

Councillors Graham A Bevan, Alexander G Cowie, Steven B Heddle, W Leslie Manson, James R Moar, Raymond S Peace, Gillian Skuse, Ivan A Taylor, Owen Tierney and Heather N Woodbridge (10).

The Amendment was therefore carried and became the Motion.

Councillor David Dawson, seconded by Councillor Duncan A Tullock moved a further amendment, notice of which had been given, that Option 4, namely a 20% increase in Council Tax for 2025/26, increasing Band D liability to £1,595.53, be approved.

The result of a recorded vote was as follows:

For the Amendment:

Councillors David Dawson and Duncan A Tullock (2).

For the Motion:

Councillors Graham A Bevan, Stephen G Clackson, Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask, W Leslie Manson, James R Moar, Janette A Park, Raymond S Peace, John A R Scott, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson, Owen Tierney and Heather N Woodbridge (19).

The Motion was therefore carried and the Committee thereafter:

Resolved to **recommend to the Council:**

4.2. That service budget savings and/or income targets for 2026/27 and 2027/28 be reviewed.

4.3. That the unavoidable service pressures and uprating assumptions, as set out in Appendices 3 and 4 respectively to this Minute, be included in the 2025/26 budget.

4.4. That Option 3, a 15% increase in Council Tax for 2025/26, increasing Band D liability to £1,574.60, be approved.

4.5. That the savings proposals detailed in Appendix 5 to this Minute, be approved, with the exception of the following, where significant opposition was evident from the budget consolidation feedback:

- Papdale Halls of Residence – Charging for extra-curricular trips – £1,700.
- Papdale Halls of Residence – Charging for placing requests – £600.
- Dounby recycling centre – £12,000.
- Skip emptying on Saturday – £12,000.
- Black bags in isles – £6,000.

4.6. That the General Fund revenue budget for 2025/26 be set at £119,205,000, as detailed in Appendix 6 to this Minute.

4.7. That the policy of presumption against new commitments should continue to remain in force across General Fund services, with the following conditions:

- Exceptions might be considered for new commitments which are 100% funded by external bodies – proposals involving the Council in partnership funding shall require compensatory savings to be identified.
- The Council should consider undertaking new statutory duties or any case where it was considered that statutory duties were not being fulfilled, however, such duties having financial implications should first be reported to the relevant Committees for approval.
- The Council should consider new commitments where compensatory savings could be identified – any Committee considering such recommendations should, in the first instance, seek to identify savings from within its revenue budget.

4.8. That Corporate Directors should review and increase existing charges by a minimum of 10%, from 1 April 2025, if possible to do so, or as early as possible thereafter, apart from the undernoted exceptions, where alternative arrangements were required:

- Building warrant and planning fees.
- Harbour charges.
- Ferry fares.
- Car park and electric vehicle charges.
- Residential care and home care.
- Very Sheltered Housing.
- Supported Accommodation.
- Meals at Home service.
- Licensing fees.
- Ship sanitation certification.
- Marriage/Civil Partnership fees.

- Roads inspection fees.
- Trade waste charges.
- Homelessness rents.
- Selected quarry product sales.

4.9. That powers be delegated to the Head of Finance, in consultation with the Corporate Director for Enterprise and Sustainable Regeneration and the Chief Executive:

- To determine further variations in charges during 2025/26 where it was deemed expedient to do so.
- To allocate any General Fund underspend from 2024/25 to the setting of the General Fund revenue budget for 2025/26.
- To determine where any General Fund overspends from 2024/25 would be funded from General Fund earmarked reserves balances, while ensuring that the non-earmarked General Fund reserves balance, amounting to 2% of the overall revenue budget for 2025/26, was in place.
- To prepare and distribute a detailed budget incorporating all the budget adjustments agreed by the Council, and any settlement updates and/or clarifications unknown at the date of this meeting.

5. Conclusion of Meeting

At 13:42 the Chair declared the meeting concluded.

Signed: (Chair).

SRF Draft 3 year budget - 2025/28	2024/25 Budget Estimate £000's	2024/25 Budget Outturn £000's	2025/26 Budget Estimate £000's	2026/27 Budget Estimate £000's	2027/28 Budget Estimate £000's
Investment Activities - local investments	(162)	(400)	(350)	(300)	(300)
- managed funds	(13,142)	(13,519)	(19,480)	(18,024)	(18,230)
- loans fund	789	832	686	520	493
- other, including strategic projects	1,591	1,279	953	932	885
Property Investments	(841)	(934)	(934)	(934)	(934)
Renewable Energy	(276)	0	(138)	(138)	(138)
Scapa Flow Oil Port	0	(700)	(200)	(200)	(200)
County Fund	0	(2,400)	(2,400)	(2,400)	(2,400)
Loan Charges - interest and debt management	(46)	(52)	(52)	(52)	(52)
Loan Charges - CFCR	119	268	119	119	119
Other	10	9	9	9	9
Net budget surplus	(11,958)	(15,617)	(21,787)	(20,468)	(20,748)
	3.6%	3.2%	2.3%	2.0%	1.9%
less allocation to protect value of fund @ CPI	7,999	7,550	4,709	4,137	3,884
Balance available for disbursement	(3,959)	(8,067)	(17,078)	(16,331)	(16,864)
Disbursements:					
General Fund Services	20,000	20,000	18,000	15,000	11,000
County Fund - passenger harbour dues	0	0	2,000	2,000	2,000
Community Development Fund (CDF)	333	333	333	334	0
Contribution to capital projects - General Fund	8,070	0	0	0	0
Contribution to the Island Games	747	747	392	0	0
North Isles Landscape Partnership Scheme	0	0	0	0	0
Islands Deal	266	266	266	100	100
Contribution to other projects, incl. revenue strategic projects	1,000	1,260	1,000	351	0
	30,416	22,606	21,991	17,785	13,100
Deficit/(Surplus) on SRF (in real terms)	26,457	14,539	4,913	1,454	(3,764)
Deficit/(Surplus) on SRF (actual)	18,458	6,989	204	(2,683)	(7,648)
Cashflow - Opening Balance	(17,530)	(18,485)	(15,964)	(17,331)	(16,425)
Surplus/(Deficit) on year	(18,458)	(6,989)	(204)	2,683	7,648
Less: Non-cash - Managed Funds Income	(13,142)	(13,519)	(19,480)	(18,024)	(18,230)
Fund Transfers - Inflow/(Outflow)	31,600	20,508	19,684	15,341	10,582
Other Movements	1,566	1,328	(1,367)	906	859
Cashflow - Closing Balance	(15,964)	(17,157)	(17,331)	(16,425)	(15,566)
	2024/25 Budget Estimate £000's	2024/5 Budget Outturn £000's	2025/26 Budget Estimate £000's	2026/27 Budget Estimate £000's	2027/28 Budget Estimate £000's
SRF Balance Sheet					
Investment Properties	19,346	22,241	19,465	19,584	19,703
Local Investments	8,862	9,784	8,822	8,782	8,742
Managed Funds Investments	234,277	252,990	234,073	236,756	244,404
OIC Loans Fund Deposit/(Advance)	(15,964)	(17,157)	(17,331)	(16,425)	(15,566)
Provisions	(43,625)	(41,256)	(42,209)	(43,066)	(43,876)
Net Accruals	966	2,613	966	966	966
Net Assets	203,862	229,215	203,786	206,597	214,373
Less: Unusable Reserves	9,755	13,939	9,883	10,011	10,139
	194,107	215,276	193,903	196,586	204,234
Represented by: Useable Reserves					
Strategic Reserve Fund	175,699	197,719	172,786	175,150	182,489
Flotta Terminal Decline Fund	6,359	5,754	8,930	9,111	9,282
Conservation Fund	198	208	198	198	198
Travel Fund	107	112	107	107	107
Talented Performers Fund	63	65	63	63	63
Orkney Memorial Fund	434	449	434	434	434
Talented Young Persons Fund	9	7	9	9	9
Renewable Energy Fund	10,073	9,797	10,211	10,349	10,487
Capital Receipts Reserve	1,165	1,165	1,165	1,165	1,165
	194,107	215,276	193,903	196,586	204,234
Target Minimum Balance or "Floor" for SRF	263,439	262,422	269,524	274,995	280,165
Useable Headroom	(69,332)	(47,146)	(75,621)	(78,409)	(75,931)
	-35.7%	-21.9%	-39.0%	-39.9%	-37.2%

SRF Draft 10 year budget projection - 2025/35

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Investment Activities - local investments	(350)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
- managed funds	(19,480)	(18,024)	(18,230)	(18,819)	(19,826)	(20,914)	(22,088)	(23,354)	(23,354)	(24,719)
- loans fund	686	520	493	311	281	250	232	213	213	194
- other, including strategic projects	953	932	885	903	921	939	958	977	997	1,017
Property Investments	(934)	(934)	(934)	(953)	(972)	(991)	(1,011)	(1,031)	(1,031)	(1,052)
Renewable Energy	(138)	(138)	(138)	(141)	(144)	(146)	(149)	(152)	(152)	(155)
Scapa Flow Oil Port	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
County Fund	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)
Loan Charges - interest and debt management	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)
Loan Charges	119	119	119	119	119	119	119	119	119	119
Other	9	9	9	(1)	0	0	0	0	0	0
Net budget surplus	(21,787)	(20,468)	(20,748)	(21,533)	(22,573)	(23,695)	(24,891)	(26,180)	(26,160)	(27,548)
	2.3%	2.0%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
less allocation to protect value of fund @ RPI	4,709	4,137	3,884	4,085	4,346	4,629	4,934	5,263	5,263	5,617
Balance available for disbursement (in real terms)	(17,078)	(16,331)	(16,864)	(17,448)	(18,227)	(19,066)	(19,957)	(20,917)	(20,897)	(21,931)
Disbursements:										
General Fund Services	18,000	15,000	11,000	6,350	6,350	6,350	6,350	6,350	6,350	6,350
County Fund - Passenger Harbour Dues	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Community Development Fund	333	334	0	0	0	0	0	0	0	0
Contribution to the Island Games	392	0	0	0	0	0	0	0	0	0
North Isles Landscape Partnership Scheme	0	0	0	0	0	0	0	0	0	0
Islands Deal	266	100	100	100	100	100	100	100	100	0
Contribution to other projects, incl. revenue strategic project	1,000	351	0	0	0	0	0	0	0	0
Total Planned Disbursements	21,991	17,785	13,100	8,450	8,450	8,450	8,450	8,450	8,450	8,350
Deficit/(Surplus) on SRF (in real terms)	4,913	1,454	(3,764)	(8,998)	(9,777)	(10,616)	(11,507)	(12,467)	(12,447)	(13,581)
Deficit/(Surplus) on SRF (actual)	204	(2,683)	(7,648)	(13,083)	(14,123)	(15,245)	(16,441)	(17,730)	(17,710)	(19,198)
Cashflow - Opening Balance	(15,964)	(17,331)	(16,425)	(15,566)	(14,048)	(12,513)	(11,600)	(10,669)	(10,669)	(9,719)
Surplus/(Deficit) on year	(204)	2,683	7,648	13,083	14,123	15,245	16,441	17,730	17,710	19,198
Less: Non-cash - Managed Funds Income	(19,480)	(18,024)	(18,230)	(18,819)	(19,826)	(20,914)	(22,088)	(23,354)	(23,354)	(24,719)
Fund Transfers - Inflow/(Outflow)	19,684	15,341	10,582	5,737	5,703	5,669	5,647	5,624	5,643	5,521
Other Movements	(1,367)	906	859	1,518	1,535	913	931	950	950	969
Cashflow - Closing Balance	(17,331)	(16,425)	(15,566)	(14,048)	(12,513)	(11,600)	(10,669)	(9,719)	(9,719)	(8,750)
Fund Transfer Inflow	19,684	35,025	45,607	51,344	57,047	62,716	68,362	73,986	79,630	85,150
Lost Invest Income	551	2,149	3,270	3,984	4,480	4,956	5,428	5,898	6,368	6,834
										43,919

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SRF Balance Sheet										
Investment Properties	19,465	19,584	19,703	19,822	19,941	20,060	20,179	20,298	20,298	20,417
Local Investments	8,822	8,782	8,742	8,102	7,462	7,462	7,462	7,462	7,462	7,462
Managed Funds Investments	234,073	236,756	244,404	257,487	271,610	286,855	303,296	321,026	321,006	340,224
OIC Loans Fund Deposit/(Advance)	(17,331)	(16,425)	(15,566)	(14,048)	(12,513)	(11,600)	(10,669)	(9,719)	(9,719)	(8,750)
Provisions	(42,209)	(43,066)	(43,876)	(44,754)	(45,649)	(46,562)	(47,493)	(48,443)	(48,443)	(49,412)
Net Accruals	966	966	966	966	966	966	966	966	966	966
Net Assets	203,786	206,597	214,373	227,575	241,817	257,181	273,741	291,590	291,570	310,907
Less: Unusable Reserves	9,883	10,011	10,139	10,258	10,377	10,496	10,615	10,734	10,734	10,853
	193,903	196,586	204,234	217,317	231,440	246,685	263,126	280,856	280,836	300,054
Represented by: Useable Reserves										
Strategic Reserve Fund	172,786	175,150	182,489	195,246	209,036	223,941	240,036	257,412	257,392	276,250
Flotta Terminal Decline Fund	8,930	9,111	9,282	9,468	9,657	9,850	10,047	10,248	10,248	10,453
Conservation Fund	198	198	198	198	198	198	198	198	198	198
Travel Fund	107	107	107	107	107	107	107	107	107	107
Talented Performers Fund	63	63	63	63	63	63	63	63	63	63
Orkney Memorial Fund	434	434	434	434	434	434	434	434	434	434
Talented Young Persons Fund	9	9	9	9	9	9	9	9	9	9
Renewable Energy Fund	10,211	10,349	10,487	10,628	10,771	10,918	11,067	11,220	11,220	11,375
Capital Receipts Reserve	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165
	193,903	196,586	204,234	217,317	231,440	246,685	263,126	280,856	280,836	300,054
Target Minimum Balance or "Floor" for SRF	269,524	274,995	280,165	285,768	291,483	297,313	303,259	309,324	309,324	315,510
Useable Headroom	(75,621)	(78,409)	(75,931)	(68,451)	(60,043)	(50,628)	(40,133)	(28,468)	(28,488)	(15,456)
	-39.0%	-35.7%	-37.2%	-31.5%	-25.9%	-20.5%	-15.3%	-10.1%	-10.1%	-5.2%

Appendix 3.

Unavoidable Services Pressures

Pages 2251 to 2254.

Resolved that, under section 50A(4) of the Local Government (Scotland) Act 1973, the public were excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 1, 4, 6 and 8 of Part I of Schedule 7A of the Act.

This constitutes a summary of the Appendix in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Local Government (Scotland) Act 1973 – Schedule 7A

Access to Information: Descriptions of Exempt Information

- Paragraph 1. Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office holder, former office-holder or applicant to become an office-holder under, the authority.
- Paragraph 4. Information relating to any particular applicant for, or recipient or former recipient of, any financial assistance provided by the authority.
- Paragraph 6. Information relating to the financial or business affairs of any particular person (other than the authority).
- Paragraph 8. The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Budget Uprating Assumptions - Percentages

Budget Element.	2023 to 2024.	2024 to 2025.	2025 to 2026.
Staff Costs Non-Teaching.	7.0%.	2.0%.	3.0%
Pension Costs Non-Teaching.	0.0%.	0.0%.	0.0%
Staff Costs Teaching.	8.0%.	2.0%.	3.0%
Pension Costs Teaching.	0.0%.	0.0%.	0.0%
Property Costs (specifically energy costs).	15.0%.	3.0%.	2.0%
Supplies and Services	0.0%.	3.0%.	2.0%
Transport Costs.	0.0%.	3.0%.	2.0%
Administration Costs	0.0%.	3.0%.	2.0%
Third Party Payments	0.0%.	3.0%.	2.0%
Transfer Payments	0.0%.	3.0%.	2.0%
Third Sector	0.0%.	3.0%.	2.0%
Other Costs	0.0%.	3.0%.	2.0%
Trading Organisations and Orkney Ferries.	0.0%.	3.0%.	2.0%
Internal Transport	0.0%.	3.0%.	2.0%
Sales.	10.0%.	6.7%.	10.0%
Fees and Charges.	10.0%.	6.7%.	10.0%
Other Income.	10.0%.	6.7%.	10.0%

Budget Movement – Monetary values

Budget Element	£	£
Staff Costs	6,689,500	
Property Costs	299,300	
Supplies and Services	785,800	
Transport Costs	302,000	
Administration Costs	155,400	
Apportioned Costs	323,000	
Third Party Payments	4,788,300	
Transfer Payments	209,900	
Other Costs	927,900	
		14,481,100
Government Grants	(14,200)	
Other Reimbursements	(6,217,000)	
Rents and Lettings	(49,600)	
Sales	(80,000)	
Fees and Charges	(776,500)	
Apportioned Income	(427,900)	
Other Income	(13,900)	
		(7,579,100)
Total Net Uplift		6,902,000

Budget Uprating Assumptions – Additional information

Budget Element.	+/-	£
Staff Costs	1.0%	875,200
Property Costs	1.0%	111,300
Supplies and Services	1.0%	72,700
Transport Costs.	1.0%	83,700
Administration Costs	1.0%	17,600
Apportioned Costs	1.0%	94,200
Third Party Payments	1.0%	309,300
Transfer Payments	1.0%	77,600
Other Costs	1.0%	81,500

Appendix 5.

Budget Savings

Pages 2258 to 2259.

Resolved that, under section 50A(4) of the Local Government (Scotland) Act 1973, the public were excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 1, 4, 6 and 8 of Part I of Schedule 7A of the Act.

This constitutes a summary of the Appendix in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Local Government (Scotland) Act 1973 – Schedule 7A

Access to Information: Descriptions of Exempt Information

- Paragraph 1. Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office holder, former office-holder or applicant to become an office-holder under, the authority.
- Paragraph 4. Information relating to any particular applicant for, or recipient or former recipient of, any financial assistance provided by the authority.
- Paragraph 6. Information relating to the financial or business affairs of any particular person (other than the authority).
- Paragraph 8. The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Financial Settlement 2025 to 2026

Financial Settlement Details.	2024 to 2025	2025 to 2026
	£	£
Total Estimated Expenditure.	104,054,000	115,571,000
Funded by:		
Assumed Council Tax.	8,458,000	8,462,000
Ring-fenced Grants.	16,314,000	21,054,000
Non-Domestic Rates.	12,176,000	11,759,000
General Revenue Funding.	67,871,000	74,296,000
Totals.	104,819,000	115,571,000
Government Grants:		
Ring-fenced Grants.	16,314,000	21,054,000
Non-Domestic Rates.	12,176,000	11,759,000
General Revenue Funding.	67,871,000	74,296,000
Totals.	96,361,000	107,109,000
Grant Movement.	6,425,000	10,748,000
Grant Movement.	7.1%	11.1%
Council Budget Calculation:		
Non-Domestic Rates.	12,176,000	11,759,000
Revenue Support Grant.	67,871,000	74,296,000
Council Tax.	11,786,000	12,663,000
Use of Strategic Reserve Fund.	20,000,000	20,000,000
Use of Other Reserves	470,000	487,000
Use of General Fund Reserve	0	0
Totals.	112,303,000	119,205,000
Budget Movement.	11,525,400	6,902,000
Budget Movement.	11.4%	6.1%

Settlement Increase Breakdown

Description	Total.
	£.
2024/25 GAE (Grant Aided Expenditure) plus SINA (Special Islands Needs Allowance)	9,851,000
2008-25 Change	3,716,000
Loans and leasing charges	(1,985,000)
Former ring-fenced grants	(21,000)
Baselined Redeterminations and in year funding	(5,444,000)
The Floor	702,000
New Money*	3,934,000
Other Minor Adjustments	(5,000)
	10,748,000

New Money Breakdown

New Money 2025/26	£.
Early Learning and Childcare	99,000
Teachers Pay	208,000
Teachers Pension	510,000
Teacher Support	803,000
School Meals	35,000
Casework and Related Admin: Children	97,000
Children & Young People Community Mental Health	68,000
Nursing Care	21,000
Real Living Wage	577,000
Island Cost of Living	855,000
Local Authority Pay	552,000
Additional Support Needs	109,000
	3,934,000