

Item: 9

Development and Infrastructure Committee: 26 March 2024.

Enterprise and Sustainable Regeneration.

Directorate Delivery Plan and Risk Register.

Report by Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To present the proposed Directorate Delivery Plan for Enterprise and Sustainable Regeneration for the period to 2028 and the Directorate Risk Register.

2. Recommendations

It is recommended:

2.1.

That the Directorate Delivery Plan for Enterprise and Sustainable Regeneration for 2023 to 2028 and associated Risk Register, attached as Annexes 1 and 2 to this report, be approved.

3. Directorate Delivery Plans

3.1.

The Council Plan 2023-28, approved by Council 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.

3.2.

An outcome driven performance monitoring approach was proposed through 'stretch targets', with regular reporting to show the progress or trend towards achieving them.

3.3.

The Delivery Plan to support the Council Plan 2023-2028, contains a number of priority actions listed to indicate the work which would be undertaken to achieve the identified outcomes.

3.4.

The Council Plan 2023-28 also noted that each directorate will have a delivery plan describing the priorities that they will deliver.

3.5.

The Directorate Delivery Plan, attached as Annex 1 to this report, identifies critical areas that Enterprise and Sustainable Regeneration will focus on for the period 2023 to 2028 and is informed by the Council's priorities. The Directorate Delivery Plan reflects the values and aspirations of the Council, prioritises activity that is of strategic significance and determines clear outcomes with express actions that drive results and measure outputs.

3.6.

Progress with the actions and the status of performance measures contained within the Directorate Delivery Plan will be reported every six months, in accordance with the Council's performance management framework.

4. Risk Management

4.1.

The Risk Management Policy and Strategy requires that all Services maintain a register of risks that are inherent in its activities and the services it provides.

4.2.

The Enterprise and Sustainable Regeneration Risk Register is attached as Annex 2 to this report.

4.3.

Any new risks which arise throughout the year will be added to the Directorate Risk Register when required.

4.4.

The status of risks contained in the Risk Register will be reported every six months, in accordance with Risk Management Guidance.

5. Corporate Governance

Although this report is presented to comply with governance and procedural issues and the Directorate Delivery Plan provides the basis for scrutiny of performance, the Plan is based on the priorities of the Council as articulated in the Council Plan and therefore supports and contributes to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

There are no financial implications arising directly from this report. Delivery of the Plan should be from within approved budget limits.

7. Legal Aspects

Strategic planning helps the Council to secure best value and effective risk management helps the Council to meet its statutory obligations and discharge its legal duties of care.

8. Contact Officers

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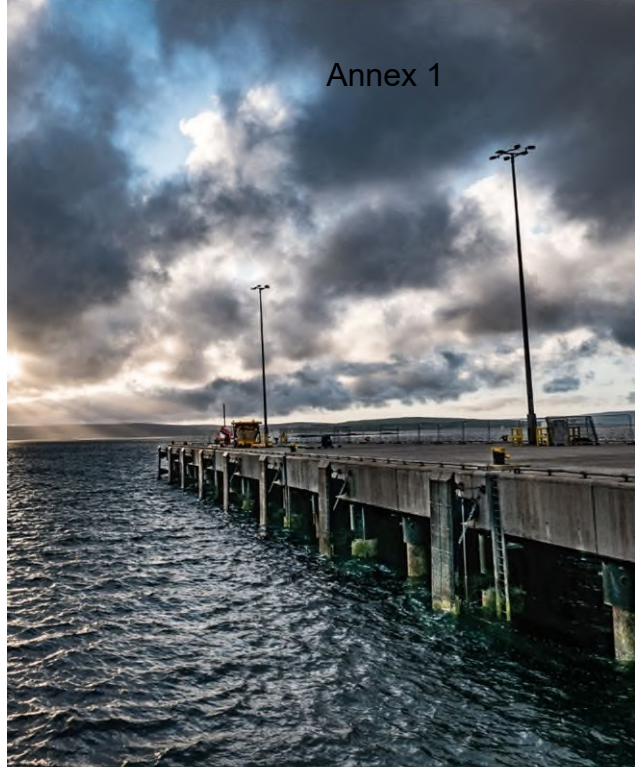
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9. Annexes

Annex 1: Directorate Delivery Plan 2023-28 for Enterprise and Sustainable Regeneration.

Annex 2: Directorate Risk Register for Enterprise and Sustainable Regeneration.



ORKNEY
ISLANDS COUNCIL



Enterprise and Sustainable Regeneration

Directorate Delivery Plan 2023 - 2028

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Overview of the Directorate

Welcome to my Directorate Delivery Plan.

The fundamental purpose of the Enterprise and Sustainable Regeneration directorate covers a wide range of responsibilities and includes the delivery of an Economic Development and Business Gateway service for Orkney; delivery of strategic projects including Orkney's Community Windfarm and the Harbours Masterplan; the delivery of internal Orkney Transport Services including Orkney Ferries, the internal air services operated by Loganair, operation of six island airfields and the public bus services; management of Orkney Harbours including Scapa Flow Oil Port and the many piers and harbours serving transport and other community needs across the county; development of tourism and the cruise liner trade; financial services including payroll and creditors payments; cash collection; administration of Council Tax and Non Domestic Rates, accountancy; treasury management and investment and benefits payments.

This Directorate Delivery Plan highlights a number of projects and priorities which deliver these functions as well as showing how we support the wider Council Plan 2023 to 2028 and how we will monitor and report on those actions.



Gareth Waterson
Corporate Director for
Enterprise and Sustainable
Regeneration

Our People

The total staffing across the Directorate is 231.42 full-time equivalent, with 274 employees including both permanent and temporary staff.

The Organisational diagram in Appendix 2 shows the Directorate structure in more detail.

Key Drivers for the Directorate

The Council Plan 2023-2028 is the primary driver for the Directorate during this period and we will align this delivery plan with the priorities in the Council Plan.

There are also some key drivers when looking at both the national and local context, including:

- Budget constraints.
- Scottish Government net-zero targets and the Climate Emergency.

Finance Service

The following service areas sit within the Finance Service:

- Accountancy
- Corporate Finance
- Insurance
- Payments
- Payroll and Pensions
- Revenues and Benefits



Erik Knight
Head of Service

Enterprise and Economic Growth Service

The following service areas sit within the Enterprise and Economic Growth Service:

- Business Gateway
- Business Support
- Strategic Projects
- Tourism
- Islands Growth Deal
- Digital Connectivity



Sweyn Johnston
Head of Service

Marine Services and Transportation Service

The following service areas sit within the Marine Services

- Airfields
- Harbourmaster
- Inter-island Air service
- Orkney Ferries inter-island services
- Pilotage
- Public Bus services



James Buck
Head of Service

Mission Statement, Core Principles and Staff Values

The Council's **mission statement** is
Working together for Orkney.



The Council's **core principles** are:

- Protecting our environment and combatting climate change.
- Equality, fairness and inclusion, in particular for vulnerable and remote communities like the ferry-linked isles.
- Sustainable and accessible services for all.
- Community wellbeing and mental health.
- Community wealth-building for future generations.



The Council's **staff values** are:

- **People:** We put our colleagues and our communities at the heart of everything we do.
- **Unity:** We are one council and achieve more when we support, encourage and value each other.
- **Trust:** We trust, respect and empower each other and act with honesty and integrity.
- **Ownership:** We take personal and shared responsibility, are transparent and are accountable for our actions and our impact.
- **Creativity:** We embrace innovative solutions with a drive to improve ways of working.



As one of the Council's senior leaders, I want the services which sit within my Directorate to work with our **mission statement**, **core principles** and **staff values** as the basis for all of our decisions and actions.

The Directorate Management Team and I are working hard to ensure that all of our staff have the skills and the tools they will need to progress our plans to deliver for the people of Orkney.

The Delivery Plan

The Directorate Delivery Plan shapes the work of the Enterprise and Sustainable Regeneration Directorate during the period of the current Council Plan and Council Delivery Plan, from 2023 to 2028.

The plan describes how we will support and contribute to the priorities and actions set out in the Council Plan and Delivery Plan, based on the priorities of elected members and performance against targets in previous years, and how we will meet any new external drivers such as changes to legislation.

The aims and outcomes for the Directorate are based on the priority themes set out in the Council Plan and Delivery Plan– **Growing our economy**, **Strengthening our communities** and **Developing our infrastructure**.

These aims and outcomes will be supported by a number of priorities under an overall theme – **Transforming our council** – to provide the foundations for staff to deliver outstanding customer service and performance.

We will regularly review the aims and outcomes in the Council Plan and the Delivery Plan, and report to elected members twice a year, in our report on progress against this Directorate Delivery Plan.

It is important to note that the aims and actions set out in the Directorate Delivery Plan are a starting point based on current priorities, and that the Plan must be flexible enough to adapt to changing priorities. We will therefore regularly review this plan and make changes as they are needed.



Council Delivery Plan Projects

My Directorate is responsible for, or directly provides many of the services which are used on a daily, or regular, basis by Orkney residents and Orkney visitors. My Directorate is responsible for, or directly contributes to, the following delivery projects set out in the Council Delivery Plan:

Support for local business (E2)

Lead(s): Head of Enterprise and Economic Growth

Supporting and investing in businesses across Orkney and working in partnership with our key industry sectors including:

- Addressing primary producer challenges including farming and fishing.
- Developing the blue / green economies and maximising support for innovation.
- Sustainable development of tourism, hospitality and destination management.
- Encouraging SME business start-up and development.
- Supporting internationalisation and marketing for our key sectors.
- Develop mechanisms to support business uptake of renewable energy, smart energy and energy efficiency solutions.
- Enable Orkney to tap into the opportunity presented by renewable energy developments, particularly offshore wind, by supporting development of the local supply chain including research and development and innovation activity.

This includes supporting circular economy and community wealth building principles.

Improve Isles transport links (I1)

Lead(s): Head of Marine Services and Transportation and Harbour Master

Developing integrated, effective, sustainable, and reliable inter-islands connectivity through the development and maintenance of transport infrastructure and links. This modernisation will be considered through the lens of 'net zero'. Areas to be considered include:

- The Churchill Barriers.
- Review level of service and options.
- Consider options like 'fixed links' and 'Sustainable Aviation Test Environment' (SATE).

- Isles Transport Solutions e.g. Ferry replacement or alternative solutions.
- Lobbying for funding.
- Smaller piers and harbours improvements across Orkney as outlined and agreed in the Harbours Master Plan.
- Aircraft.

Free ferry travel for island young people (I2)

Lead(s): Head of Marine Services and Transportation and Harbour Master

Introduce free ferry travel for island young people to allow them to access sport and entertainment opportunities already available to mainland young people. The ferry is the equivalent of the bus to islanders. This will involve exploring how this can be funded, including potential lobbying of Government if required.

Work towards integrating our transport networks (I3)

Lead(s): Head of Marine Services and Transportation and Harbour Master

Integrate our transport networks to improved operational connectivity and reduce vulnerabilities.

Supporting Economic Growth through Harbours Infrastructure (I4)

Lead(s): Head of Marine Services and Transportation and Harbour Master

Ensuring major harbours infrastructure is designed and developed to support economic growth and community benefits across Orkney with a focus on projects as set out and agreed in the Harbours Master Plan. This includes the following proposed developments:

- Deep Water Quay within Scapa Flow: New multi-user deep water pier and quayside facility with laydown area.
- Hatston Pier: New pier and quayside infrastructure, ship lift, fuel facility and land for harbour operations.
- Kirkwall: New quayside infrastructure, marina expansion and waterfront development area.

Stromness: Marina expansion and dedicated cruise tender pontoon

Digital connectivity (I5)

Lead(s): Head of Property, Asset Management & Facilities, Head of Enterprise and Economic Growth

Support and enable the delivery of digital connectivity across Orkney including;

- Implement relevant actions in the Orkney Islands Council Digital Strategy (2022-2026), and input into digital Strategy Delivery Plan as appropriate.
- Facilitate commercial telecoms infrastructure investment and stimulate market demand.
- Raise awareness of available schemes, including the provision of advice and support to individuals, community groups and telecom providers, to support the development of gigabit capable telecom networks for all of Orkney. Milestones will need to adapt to complex funding landscape.

Orkney's Community Wind Farm Project (I8)

Lead(s): Head of Enterprise and Economic Growth

Deliver Orkney's Community Wind Farm Project, maximising community benefit and securing a transmission connection for Orkney. Delivery subject to relevant approvals.

Islands Growth Deal projects (I9)

Lead(s): Head of Enterprise and Economic Growth

Ten-year package of investment with suite of projects that will seek to drive economic growth and the creation of sustainable jobs across Shetland, Orkney and the Outer Hebrides. Key objectives – job creation, leveraging investment and net zero.

Priorities for Delivery

We have prioritised some outcomes for delivery, based on either their strategic importance or our recent underperformance. Information about those outcomes is shown below.

We will report to elected members on these measures as part of my Directorate Delivery Plan Progress Report.

Priority Outcome	Action	Performance Measure(s)	Target	Resource Requirement	Assessments Required
<p>ESR 01. Council Financial Sustainability. The Council is financially sustainable. We balance our income and the use of reserves to support affordable and sustainable service provision and infrastructure development</p>	<p>Continue to pursue projects which can generate income for the Council, in particular Orkney’s Community Wind Farm Project and income related to Tourism.</p> <p>New income streams are secured to support Council service provision and infrastructure development.</p>	<p>Balanced budget which includes a sustainable draw on our reserves.</p>	<p>01 April 2029</p>	<p>Led by the Head of Finance.</p> <p>Within existing resources</p>	<p>EqIA. ICIA. Public consultation.</p>

Priority Outcome	Action	Performance Measure(s)	Target	Resource Requirement	Assessments Required
ESR 02. Local economy. The local economy is sustainable and prosperous.	Review of support mechanisms, action plans and marketing programme to ensure resources as best targeted. Actively support and participate in development of key infrastructure, for example the transmission connection for Orkney.	Support for business start-ups. Creation of new jobs in the private sector.	2027/2028	Led by the Head of Enterprise and Economic Growth. Within existing resources.	EqIA ICIA

Priority Outcome	Action	Performance Measure(s)	Target	Resource Requirement	Assessments Required
ESR 03. International engagement. We have strong international relations that advance the interests of Orkney and its communities.	Deliver on existing commitments contained within Orkney's friendship agreement with Vestland and the Minute of Understanding with the Nordic Atlantic Cooperation.	Number and description of engagements, events and activities held between Vestland, NORA and OIC/ wider community.	March 2025.	Led by the Head of Enterprise and Economic Growth. Within existing resources.	ICIA EqIA
	Develop a plan, aligned to the Council's priorities, that sets out key performance measures, targets, and resource commitments.	Completion of plan within timescale.	November 2024.		
	Increase awareness and opportunities for the wider Orkney community to engage with communities within the Arctic and North Atlantic.	Number and description of other engagements, events, activities held.	March 2025		
	Participate in the Arctic Circle Assembly in October 2024.	Report on outcomes.	November 2024.		

Directorate Performance Measures

We will support the aims set out in the Council Plan and Delivery Plan, to **create a diverse and thriving local economy**, **support communities and deliver what is important to them**, **develop projects to improve our infrastructure**, and attract and retain an effective and engaged workforce.

My Directorate is responsible for, or directly contributes to, the following performance measures. These include measures related to the Council Plan, those recorded and reported on as statutory requirements, such as the Local Government Benchmarking Framework (LGBF) while others are measures we compile and report on voluntarily as they are useful for telling us how well we are delivering services.

I will regularly monitor these performance measures with my Directorate Management Team to ensure we are continuing to deliver our core services.

PI Code	Description	Baseline	Target (2027-28)
CDP 101	Claimant Count as a percentage of Working Age Population	1.6%	2.5%
CDP 102	Employment (16-24 years)	89.1%	90%
CDP 304	Percentage of Orkney Mainland residents whose internet connection at home is fast enough to do what they want online	70%	91%
CDP 305	Percentage of ferry linked isles residents whose internet connection at home is fast enough to do what they want online	45%	84%
CDP 306	Percentage of mainland residents who agree "When I make journeys to or from my home, it is easy connecting between different forms of transport".	46%	60%
CDP 307	Percentage of ferry linked isles residents who agree "When I make journeys to or from my home, it is easy connecting between different forms of transport".	29%	45%
CDP 308	Percentage of Islands Deal Programme delivered	0%	50%
CDP 406	Actual outturn as a percentage of budgeted expenditure	97%	100%

PI Code	Description	Baseline	Target (2027-28)
CCG 01	Sickness absence. The average number of days per employee lost through sickness absence, expressed as a percentage of the number of working days available.	3.05%	2.4%
CCG 02	Sickness absence. Of the staff who activated a sickness absence trigger, the proportion of these where there was management intervention.	50%	100%
CCG 03	Staff accidents. The number of staff accidents within the service, per 30 staff per year.	0	Less than 1%
CCG 04	Budget control. The number of significant variances (priority actions) generated at subjective group level, as a proportion of cost centres held.	40%	15%
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.	1.3%	2%
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.	6.43%	4%
CCG 07	The number of staff who receive (at least) an annual face-to-face performance review and development meeting, as a proportion of the total number of staff within the service.	30%	100%
CCG 08	Invoice Payment. The proportion of invoices that were submitted accurately and timeously to the Payments Service, as a proportion of all invoices.	93.2%	90%
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	53.63%	98%
ESR_SS_11	Pilotage – the proportion of requests where the pilotage was provided within two hours of the request	100%	98%
ESR_SS_13	Percentage of grant applications for business start-ups and expansions determined within 90 days	100%	80%

Risk and Business Continuity

The Council identifies and records threats to its core service and planned developments and improvements through the use of a Corporate Risk Register which sets out the high-level risks identified and what measures will be put in place to mitigate or manage those risks.

My directorate will maintain a Directorate Risk Register which identifies and records specific threats to our core services, and what measures will be put in place to mitigate or manage them.

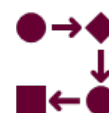
I will present an updated Risk Register to elected members as part of my Directorate Delivery Plan Progress Report.



My directorate will maintain a Workforce Plan to define our workforce requirements based on our key activities and the Council's wider priorities. The Workforce Plan will set out the outcomes we intend to achieve, and what actions we will take to ensure we achieve these outcomes.

My directorate will maintain individual Service Area Recovery Plans which support the Council's Business Continuity Plan and provide contingency arrangements to allow us to plan for incidents and emergencies and ensure we can continue to deliver services in these circumstances.

My Directorate Management Team and I will keep Service Area Recovery Plans under frequent review and ensure they are kept up to date.



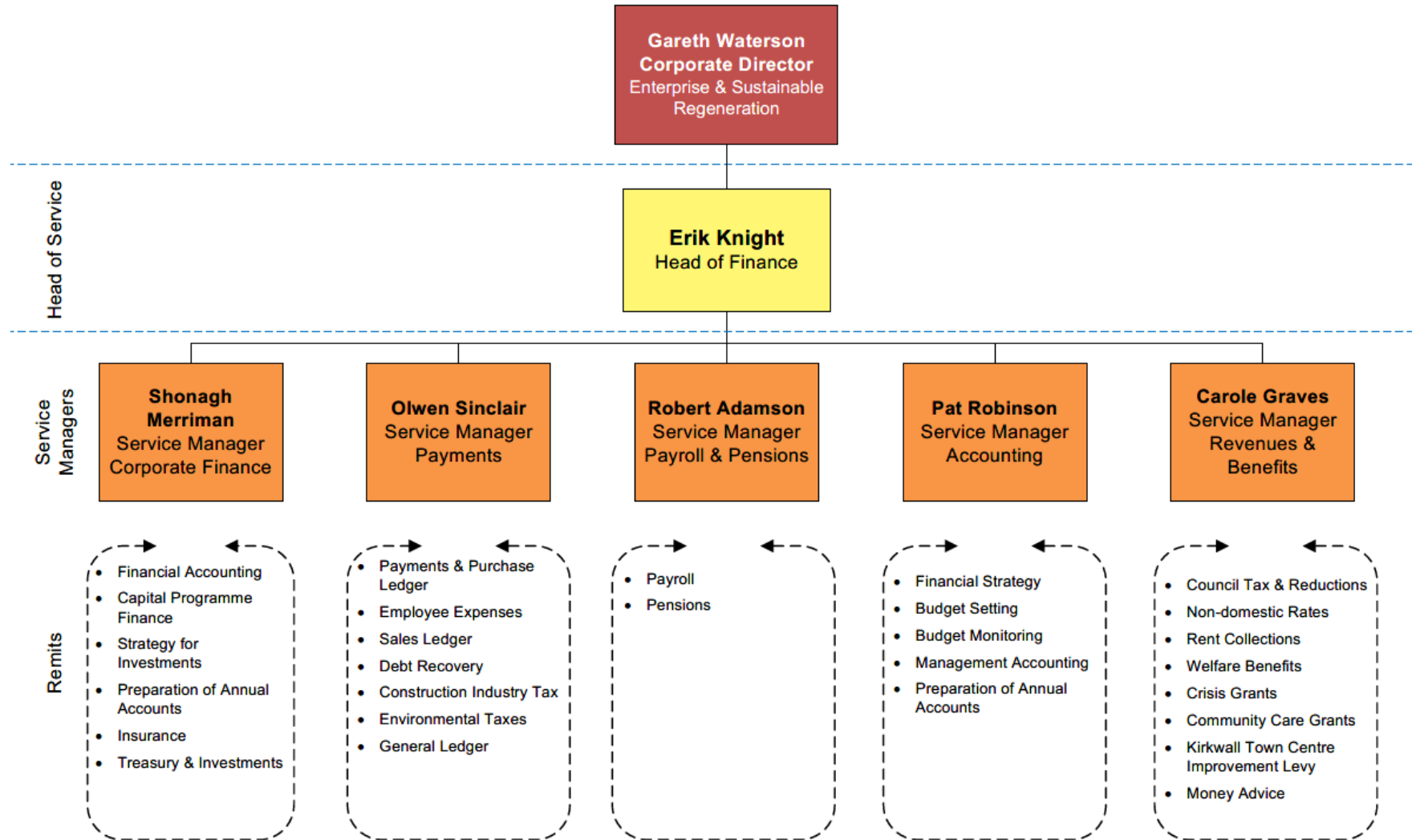
Appendix 1: Other Plans

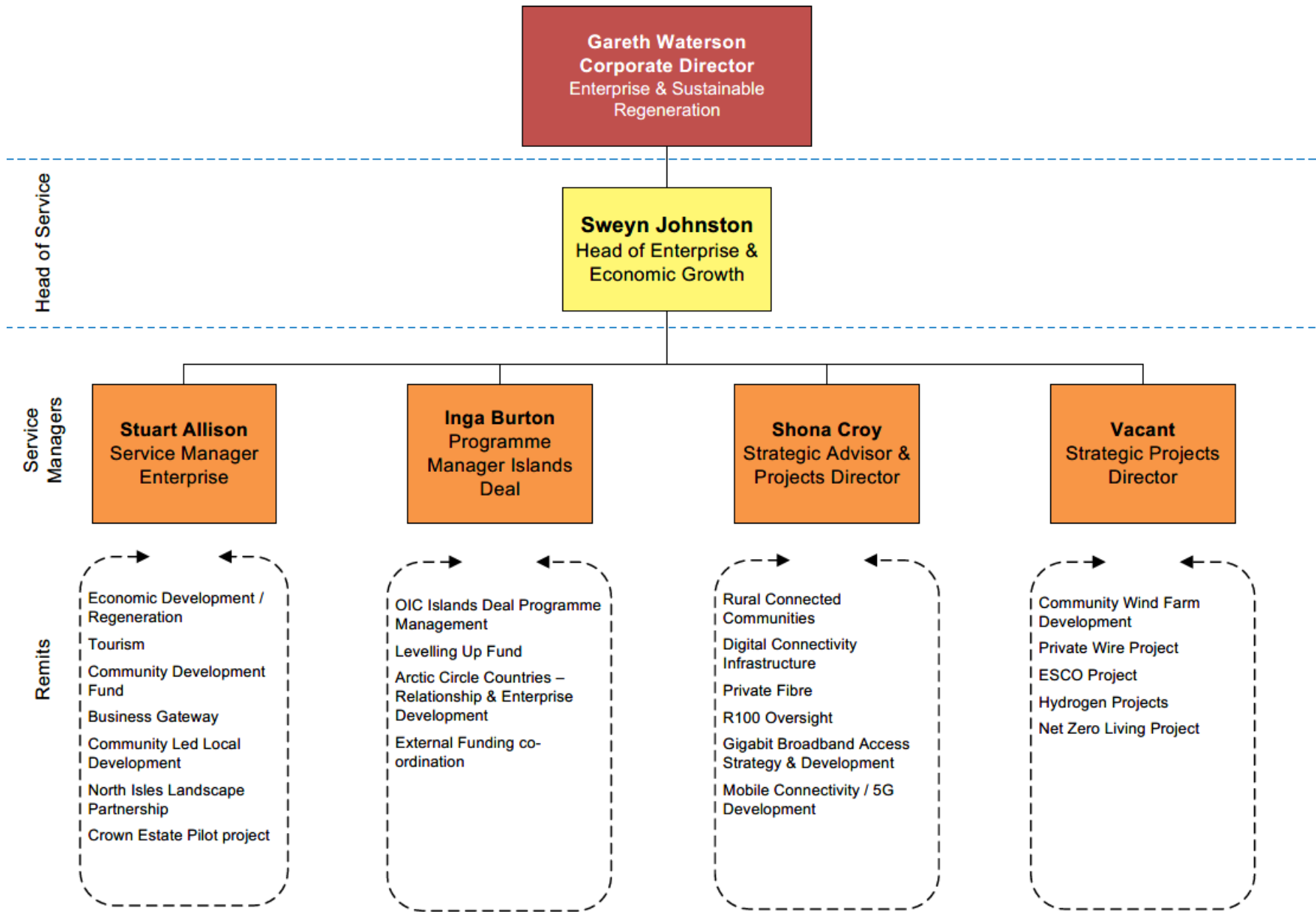
Heads of Service and Service Managers compile a number of plans setting out the work for individual service areas. These plans support the objectives and priorities in the Council Plan and this Directorate Delivery Plan, and inform the work detailed in individual team-level plans.

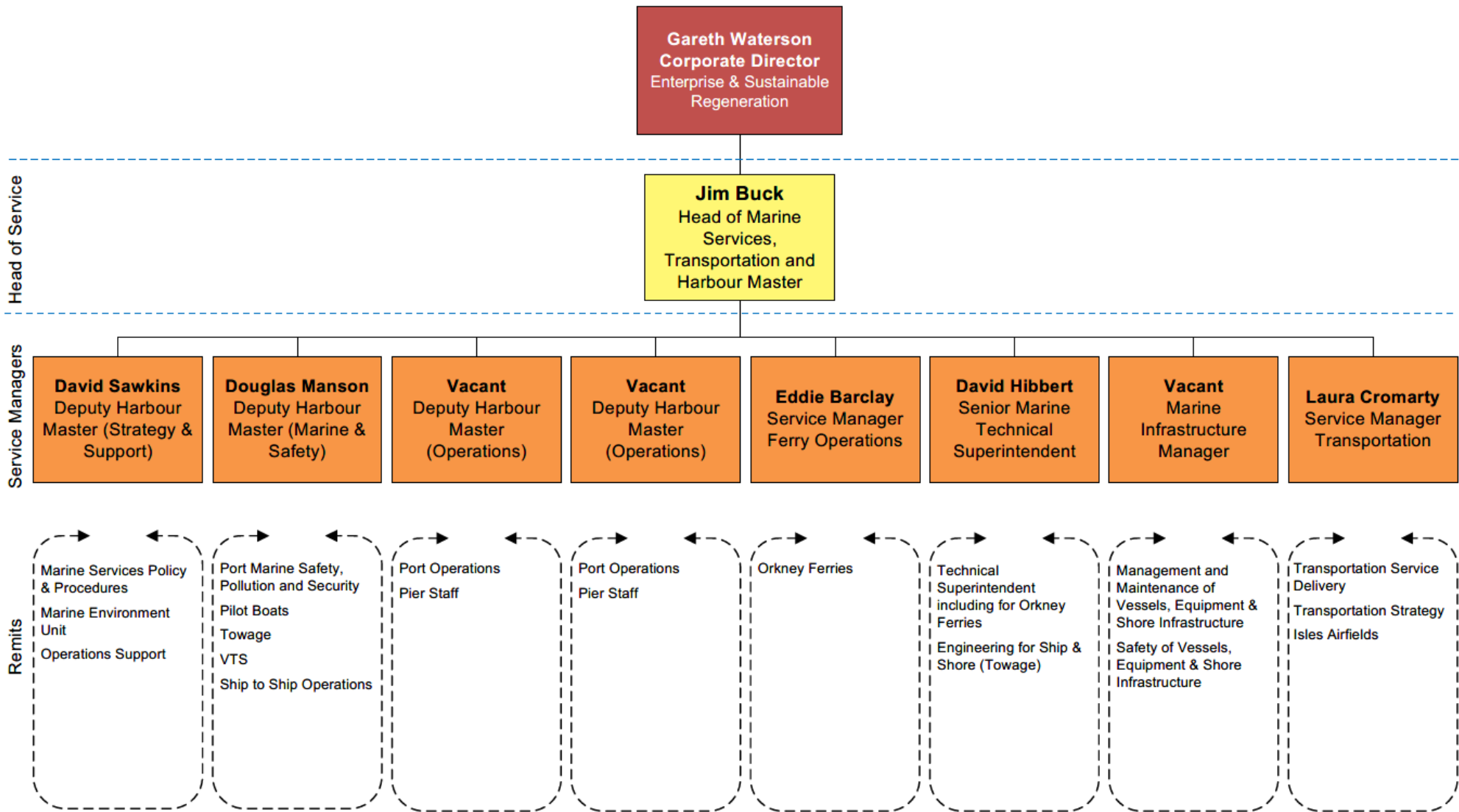
The latest versions of each plan can be accessed on the Council's website.

- Medium Term Financial Strategy
- Treasury Management Strategy
- Investment Strategy
- Orkney Harbours Masterplan
- Local Transport Strategy (draft)

Appendix 2: Organisational Structure







Enterprise and Sustainable Regeneration Risk Register – February 2024

Strategic Risks

Cluster.	Risk Number.	Owner.
Financial.	3. 5. 6. 7. 8.	Head of Finance. Corporate Director for Enterprise and Sustainable Regeneration. Head of Marine Services, Transportation and Harbour Master. Head of Marine Services, Transportation and Harbour Master. Corporate Director for Enterprise and Sustainable Regeneration.
Staffing.	1. 2.	Corporate Director for Enterprise and Sustainable Regeneration. Corporate Director for Enterprise and Sustainable Regeneration.
Governance.		
Legislation.		
Communication.		
Reputational.	4.	Head of Marine Services, Transportation and Harbour Master.
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.	Corporate Director for Enterprise and Sustainable Regeneration.	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.	Corporate Director for Enterprise and Sustainable Regeneration.	Staffing.	1.
15	Major project delay or failure.	Corporate Director for Enterprise and Sustainable Regeneration.	Financial	5.
12	Continued lack of Scottish Government support for costs of concessionary travel on ferries, air and community transport.	Head of Marine Services, Transportation and Harbour Master.	Financial	6.
12	Risk of reduced income from Harbours business activity as the market changes.	Head of Marine Services, Transportation and Harbour Master.	Financial	7.
9	Staff training and development.	Corporate Director for Enterprise and Sustainable Regeneration.	Staffing.	2.
9	Airfield closure or non-conformity.	Head of Marine Services, Transportation and Harbour Master.	Reputational.	4.

Risk Matrix

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

Risk Title: 01 – Continuity of staffing and knowledge.

Likelihood.	3	Impact.	4	RAG.	High	Current Risk Score.	12	Target Risk Score.	8
Owner.	Corporate Director for Enterprise and Sustainable Regeneration.						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;</p> <p>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>	<p>Treat.</p>	<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.	Corporate Director for Enterprise and Sustainable Regeneration.						Cluster.	Staffing.	

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
<p>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.</p> <p>Staff may not feel valued if no investment in continuing professional development is made.</p>	<p>The Directorate and Council are unable to deliver functions effectively; lack of corporate consistency.</p>	<p>Lack of resilience; poor staff morale; legal and financial implications; reputational loss; increased rate of error; unable to meet professional development requirements.</p>	<p>Treat.</p>	<p>02.01. Development of skills identified through staff good conversations.</p> <p>02.02. Promote Council’s Learning and Development programmes and resources.</p>

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. Tolerate.	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, Transportation and Harbour Master.						Cluster.	Reputational.	

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
<p>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.</p> <p>Difficulty of staff recruitment in some areas.</p>	<p>Failure to carry out training of staff.</p> <p>Insufficient resilience of staff – singleton post.</p> <p>Changed standards for runways, facilities and equipment.</p> <p>Material deterioration of runways.</p> <p>Shortage of staff to muster fire team for any island.</p>	<p>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.</p> <p>Failure to monitor health due to lack of supplier or sufficient budget.</p>	<p>Treat.</p>	<p>04.01 – Improved training and exercise programme.</p> <p>04.02 – Plant and vehicle replacement programme.</p> <p>04.03 – Recruitment drive for new employees.</p> <p>04.04 - Airfield inspection and maintenance programme and introduction of Airfields Strategy.</p> <p>04.05 – Delivery of the Airfields investment plans for runways, buildings and plant.</p> <p>04.06 - Regular cycle of Safety Action Group and Safety Review Board meetings.</p>

Risk Title: 05 – Major project delay or failure.

Likelihood.	5	Impact.	3	RAG.	High	Current Risk Score.	15	Target Risk Score.	6
Owner.	Corporate Director for Enterprise and Sustainable Regeneration.						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 eg 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 or failure of being over budget.</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). Challenge has been establishing sufficient management time to progress recruitment process.</p> <p>05.03 - Implement recommendations relevant to the capital programme arising from the external review of the Planning Service.</p>

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

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, Transportation and Harbour Master.						Cluster.	Financial.	

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

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, Transportation and Harbour Master.						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 Sustainable Regeneration 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 eg 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.	Head of Marine Services, Transportation and Harbour Master.					Cluster.	Financial.		

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
<p>The Council does not have sufficient funds for Ferry and Terminal maintenance and replacement programme.</p> <p>If Scottish Government funding is not forthcoming the costs of additional essential lifeline services could impact on other service priorities.</p>	<p>The Council cannot maintain or develop its essential assets to provide public services.</p>	<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>	<p>Treat.</p>	<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>