

## News release on behalf of the Accounts Commission - reporting independently on the performance of local government in Scotland.

**Embargoed until 00:01 hours, 30 January 2024**

### Orkney Islands Council delivers excellent services but must focus on the future

Orkney Islands Council delivers high quality services, valued by local communities. Now the council must shift its focus to the future, ensuring services remain financially sustainable.

In a new report, the Accounts Commission says that Orkney Islands Council faces particular challenges in delivering and maintaining services to its island communities. This includes relatively high costs and difficulty recruiting and retaining staff. But the council also has significant opportunities, which it must use to its advantage. These include abundant natural resources as well as very positive relationships with its communities.

The council has a clear strategic direction and priorities, with regular reporting on its performance. But the Commission is concerned there is a significant gap between the council's transformation plans and ambitions, and its ability to deliver on them. It faces a significant funding gap of £27 million between now and 2028. There must be greater urgency in its financial planning, management of capital projects and approach to tackling climate change.

Ronnie Hinds, Chair of the Accounts Commission said:

“Orkney Islands Council benefits from its rich natural resources and the legacy of its significant Strategic Reserve Fund, with money available to benefit the Orkney Islands and its local people. But facing a significant gap between the costs of its services and its annual funding, the council urgently needs to improve the delivery of its plans for transformation, halting the unplanned depletion of its reserves.

“We need to see a robust plan delivered this year on how reserves will be used, to achieve lasting changes for local communities and future generations. A vital part of this will be frank discussion and engagement with island communities.”

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#### Notes to Editor:

1. This report is the fourth to reflect the Accounts Commission's new approach to Best Value. It is fully integrated into annual audit work, reported in Annual Audit Reports, and includes detailed work each year on a national theme. For 2022-23 the national theme is strategic leadership.
2. The Controller of Audit will report to the Accounts Commission on each council's performance on their duty of Best Value at least once over the five-year audit appointment. The Commission will then choose how it wishes to respond.

3. The Accounts Commission last reported on [Best Value in Orkney Islands Council in December 2017](#).
4. The Accounts Commission holds councils and local government bodies in Scotland to account and helps them improve. It operates impartially and independently of councils and of the Scottish Government, and meets and reports in public.
5. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.
6. All reports by the Accounts Commission and Auditor Scotland published since 2000 are available on the [Audit Scotland website](#).