

The Audit of Best Value and  
Community Planning

---

# Orkney Islands Council



Prepared for the Accounts Commission  
June 2008

# The Accounts Commission

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

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £16 billion of public funds a year.

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. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

# Contents

## **The Audit of Best Value**

**Page 2**

## **Commission findings**

**Page 4**

## **Overall conclusions**

**Page 6**

## **Part 1. Does the council have clear strategic direction?**

**Page 9**

The local context

Leadership and culture

**Page 10**

Setting a clear direction

**Page 12**

Responding to the community

**Page 13**

Openness and accountability

**Page 14**

## **Part 2. Is the council organised to deliver better services?**

**Page 15**

Working with partners

**Page 16**

Managing performance

**Page 17**

Scrutiny

**Page 18**

Managing resources

**Page 19**

Continuous improvement and competitiveness

**Page 21**

Equal opportunities

**Page 22**

## **Part 3. How are services performing?**

**Page 23**

Statutory performance indicators

**Page 24**

Education

**Page 25**

Community social services

**Page 26**

Housing

**Page 27**

Waste management

**Page 28**

Sustaining communities

**Page 29**

Transport

**Page 30**

## **Part 4. What needs to improve?**

**Page 32**

Orkney Islands Council's improvement agenda

**Page 33**

# The Audit of Best Value



This report is made by the Controller of Audit to the Accounts Commission under section 102(1) of the Local Government (Scotland) Act 1973. After considering it the Commission may do any or all of the following:

- direct the Controller to carry out further investigations
- hold a hearing
- state its findings.

The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The scope of Best Value and Community Planning is very broad but, in general terms, a successful council will:

- work with its partners to identify a clear set of priorities that respond to the needs of the community in both the short and longer term
- be organised to deliver those priorities
- meet and clearly demonstrate that it is meeting the community's needs
- operate in a way that drives continuous improvement in all its activities.

The challenge for local government is to find new ways of working across services and with other bodies to achieve the best results for citizens and service users. The key objectives of this audit were to:

- assess the extent to which Orkney Islands Council is meeting its duties under the Local Government in Scotland Act 2003
- agree planned improvements with the council. These will be reviewed by the council's external auditor over the next three years.

As Best Value and Community Planning encompass, all the activities of a council it is not realistic to audit everything in depth, so we plan our detailed work in two ways:

- Where possible, we draw on the findings of other scrutiny processes, such as the work carried out by the council's external auditors and by inspectorates. These are incorporated in our report.
- We select certain aspects of the council's performance for detailed audit investigation. A wide range of sources, including the council's own assessment of its performance, reports issued by external audit and inspections, and national statutory performance indicators (SPIs), informs this selection.

The report reflects this selective approach, with detailed commentary on some areas and limited or no coverage in others. While we have made some comparisons with other councils, our overall approach has focused on performance trends and improvement within Orkney Islands Council. The report also reflects the picture available at the time our main audit work was conducted – between September and October 2007.

We gratefully acknowledge the co-operation and assistance provided to the audit team by Orkney Islands Council, particularly the councillors and officers contacted during the audit. We would specifically like to thank councillor Stephen Hagan, the convener of the council; Alistair Buchan, the chief executive; and Gillian Morrison, project manager (Corporate Change and Development).

# Commission findings



**1.** The Commission accepts this report on the performance of Orkney Islands Council's statutory duty to secure Best Value and to initiate and facilitate the community planning process. The Commission recognises that the report gives a broad picture of the council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.

**2.** The Commission recognises the challenges faced by Orkney Islands Council arising from its remote and dispersed geography. We acknowledge the council's good leadership and its performance in a number of areas, and the innovative approach which it has adopted in response to its circumstances, in particular in its partnership arrangements with NHS Orkney and its joint working with community councils.

**3.** We particularly welcome:

- the council's level of self awareness
- its culture of openness
- the extent of community engagement
- the council's financial planning and sustainability.

**4.** With regard to areas where the council needs to make progress we would highlight the following:

- The council needs to adopt innovative approaches to building capacity, particularly to support corporate functions.
- There is a need for effective corporate performance management arrangements.

- The community and corporate plans need to be supported by clear action plans with specific, measurable targets and milestone dates.
- A number of the basic systems and processes to support and demonstrate Best Value are not yet in place.

**5.** The Commission notes that the council carries out benchmarking with the other islands councils and would encourage it to benchmark with a wider range of councils, to enable benefits to be achieved from best practice elsewhere in Scotland. We look forward to receiving an improvement plan with measurable and achievable outcomes, which will build on the good work being done by the council.

# Overall conclusions





Orkney Islands Council faces many challenges arising from its remote and dispersed geography. Its small scale makes it difficult to build the capacity to make the transformational change needed to fully embed best value processes and modernise services. The council can demonstrate good performance in a number of key service areas, including education and social work. It is strongly focused on the survival of its fragile communities and engages well with local community groups. It provides good leadership to the Community Planning Partnership (CPP) and works effectively with a variety of partners.

However, the council has not fully recognised the role of Best Value in helping it to achieve its strategic aims. Elected members and the Corporate Management Team (CMT) have a clear commitment to the area but have not effectively fostered a culture focused on Best Value. As a result, the council lacks some of the fundamental processes to support continuous improvement.

The council needs to make rapid progress to establish systems to support Best Value. In particular, corporate performance management arrangements are weak and this limits the effectiveness of scrutiny and public performance reporting. Strategic resource management is under-developed.

By promoting and developing a best value culture, supported by systematic performance management, the council will be better placed to ensure it makes the most of limited resources in delivering responsive services across its communities.

- 1.** Orkney Islands Council is Scotland's smallest local authority, serving a population of approximately 20,000 people dispersed over 19 of its 70 islands. Its geography and demographics are challenging. Social and economic sustainability feature highly as council priorities. The council has a workforce that is rooted in the community and is highly motivated to improve the quality of life for local people. However, its small size and low budget base make it difficult to attract and retain appropriately skilled and experienced staff, particularly to support corporate development.
- 2.** Elected members and senior officers are prominent in the community and the council's role in providing community leadership is strong. The convener and chief executive provide effective leadership for the council and have a constructive working relationship. Elected members and the CMT are committed to providing good quality, responsive services for local people. However, elected members and CMT need to implement the systems and processes required to support Best Value to enable the council to demonstrate continuous improvement in service delivery.
- 3.** The council's strategic vision is strongly focused on the sustainability issues facing its communities and it leads the CPP effectively. It works well with partners in identifying strategic priorities. However, the council and its partners lack clarity about the actions and activities which will contribute to the achievement of strategic goals. The community and corporate plans need to be supported by clear action plans with specific, measurable targets and milestone dates. This will assist the council in allocating resources to priorities and will improve transparency and accountability.
- 4.** The council has a range of improvement activities in place, including best value reviews, responses to audit and inspection results, and reacting to trends in Statutory Performance Indicators (SPIs). However, improvement activity is not coordinated effectively. This significantly limits the council's ability to demonstrate continuous improvement in services. The council has recently developed an improvement framework to address this but it has not yet been fully implemented. Key elements, such as an effective performance management system, have yet to be initiated and as a result corporate performance management is weak.
- 5.** Elected members need to take a more active role in promoting Best Value. They would benefit from additional training and support in Best Value and in developing their role in scrutinising performance. They need better performance information to enable them to carry out this role. Members currently engage well in scrutinising policy decisions and in challenging alternative proposals. This process would be strengthened by better information on the costs and benefits of alternatives.
- 6.** The corporate management team work well together. The team needs to focus more on the quality and cost-effectiveness of services, and on monitoring the impact of activity to deliver strategic priorities. This will help to promote a performance-focused culture and establish the team's role in leading Best Value.
- 7.** The council does not have a strategic approach to resource management. It is establishing a more strategic approach to financial management but this is not linked effectively with asset management and service planning. Strategic

management of information and communications technology (ICT) requires further development and needs to be linked to a vision for service modernisation and workforce planning to underpin the development of more flexible and user-focused services. The council faces recruitment and capacity issues and needs to implement its human resources strategy to help address these issues more effectively. Sickness absence data has been unreliable for several years, and the council should take urgent action to establish accurate information on this.

**8.** There is evidence of flexible and innovative approaches to providing services and support to remote communities. There is a mixture of in-house and private sector provision of services. For example, grounds and building maintenance are carried out by the private sector and some refuse collection is subcontracted to the private sector. However, the council could do more to increase the level of challenge to existing ways of doing things. The council recognises that best value reviews would benefit from a greater degree of external challenge and is exploring more systematic ways of doing this. The council has already demonstrated a willingness to open itself to external challenge, through commissioning consultants to undertake a review of its base budget and to look at its shared services agenda with the local NHS and other agencies.

**9.** SPIs show a mixed picture. In 2006/07, 25 SPIs were in the top quartile and 21 in the bottom quartile. Recent inspection reports of education and social work were positive and identified many elements of good practice. Educational attainment is high. The council has a well-developed local housing strategy which focuses on the need to ensure an adequate supply of affordable housing. However, it performs less well in its housing landlord service. Communities Scotland's inspection found the management of the housing service was 'fair', while they rated the repairs and homelessness services as 'poor'.

**10.** The council has done much to support fragile island communities and build the economy of Orkney. However, there are no mechanisms in place to record, monitor or measure the effectiveness of this activity in contributing to its overall strategic aims. The council also needs to improve transparency by identifying and analysing the costs of supporting its various communities. This will enable elected members to make more informed choices about the balance between cost, quality and level of service provision across communities.

**11.** The council is aware of where there is a need for improvement and this is reflected in its improvement plan. The council now needs to ensure that detailed project plans are drawn up for each improvement activity to drive this forward.

# Part 1. Does the council have clear strategic direction?



Elected members and senior officers are prominent in the community and provide strong community leadership. The council leads the CPP well and has worked effectively with the partners to set clear objectives and identify priorities for action. The strategic priorities reflect the major issues facing local people, primarily the need to sustain fragile communities, preserve the natural and cultural environment and maintain good transport links. However, the council needs to do more to set out how success will be measured and articulate a clearer picture of what the area and services will look like in the future.

The convener and chief executive provide good leadership and work well together. But elected members and the CMT have not clearly demonstrated the capacity to promote Best Value and continuous improvement.

The CMT needs to further develop its corporate and strategic focus. While senior officers demonstrate a clear commitment to the area, they have not been successful in fostering a performance-oriented culture throughout the organisation.

### The local context

The most significant contextual issues the council faces are sustaining fragile communities and providing services to sparsely populated, remote islands. Maintaining good transport links is also essential to ensure social and economic viability.

**12.** Orkney Islands Council is the smallest council in Scotland, serving a population of 20,000 (Exhibit 1). The council covers an archipelago of over 70 islands, of which 19 are inhabited. The main island – referred to as the Mainland – is home to 16,500 people, mostly living in the two towns of Kirkwall (7,500) and Stromness (2,200).

**13.** The area's geography presents a particular challenge. The council has responsibility for major harbour operations at Scapa Flow, together with a number of harbours and piers serving its island communities. It also operates ferry services and works in partnership with service providers and the Scottish Government to maintain lifeline air services. These responsibilities present significant challenges in addition to the logistical problems of providing day-to-day council services to its dispersed communities.

**14.** The area has high employment figures, with 84 per cent of the working age population employed compared with a figure of 75 per cent nationally. This is the second-highest employment rate in Scotland. The unemployment rate at three per cent is the lowest in Scotland. While weekly wage levels of £385.20 are the fourth-lowest in Scotland, deprivation levels are generally low. Crime levels in the area are the lowest in Scotland.

**15.** People in Orkney have the highest life expectancy in Scotland at 76.5 for men and 80.5 for women. The area has an ageing population, with figures for the increase in population numbers by 2024 being the fourth-highest in Scotland for the over-65 age group. With a projected seven per cent decline in the working age population over the same timescale, this presents a challenge in providing sustainable services.

**16.** In 2006/07, the council's gross cost of services was £100 million (Exhibit 2) and its net expenditure was £67 million. The average spend per head of population in 2006/07 was second-highest at £5,205 compared with the Scottish average of £3,135. The council's band D council tax for 2007/08 is £1,037, which is the second-lowest in Scotland and well below the Scottish average of £1,149.

### Exhibit 1 Map of Orkney Islands



Source: Audit Scotland

### Leadership and culture

The convener and the chief executive provide good leadership for the council and have a constructive working relationship. They have successfully built a professional culture within the council and maintained a focus on corporate priorities, particularly in terms of supporting fragile communities. The council leads the CPP well.

Elected members are focused on delivering services that meet local needs but both they and the CMT need to significantly improve leadership of Best Value and do more to establish a performance-oriented culture throughout the organisation.

**17.** Orkney has a tradition of electing a fully independent council. Around 50 per cent of the 21 independent elected members are new to the council, having been elected in May 2007. The council has an open culture. Decision-making at meetings of the full council and of committees is transparent, with debates taking place in meetings open to the public.

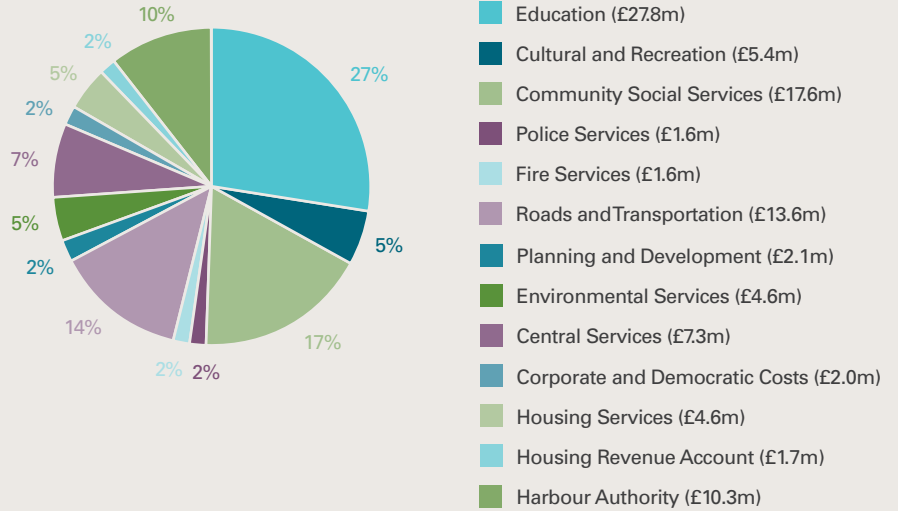
**18.** The council provides good leadership to the CPP. The convener of the council demonstrates clear commitment to Community Planning and provides confident leadership to the partnership steering group, which he chairs.

**19.** Members operate consensually to deliver strategic projects and to ensure that services are delivered consistently and in a sustainable manner across the area's dispersed communities. However, elected member leadership of Best Value has been less evident and the council needs to address this. The recent induction programme for members did not specifically include training on Best Value. This creates a risk that members may not recognise their role in leading Best Value. External training on Best Value has subsequently been arranged to address this.

**20.** Relationships between officers and elected members are direct, open and professional. The relationship is characterised by a high degree of mutual respect. The convener of the council is held in high regard by elected members and officers, and fulfils his leadership role well within both the council and the wider community. He is effective at ensuring the views and interests of the council and its area are represented nationally. He was recently appointed to serve a second term as convener. The convener and chief executive are working well together seeking to ensure the council clearly identifies its strategic objectives.

**Exhibit 2**

Gross cost of services 2006/07 (£100 million)



Source: Audit Scotland

**21.** The council is organised along traditional lines with committees for each of the major service areas (Exhibit 3). Committees have limited decision-making powers, meaning all major issues are referred to the full council for debate and decision. This demonstrates the inclusive culture of the council where all members have equal access to information and are involved in major decisions.

**22.** The council has a traditional, function-based management structure (Exhibit 4, overleaf) which is broadly aligned with the political structure.

**23.** The CMT comprises the chief executive, assistant chief executive and six directors. The chief

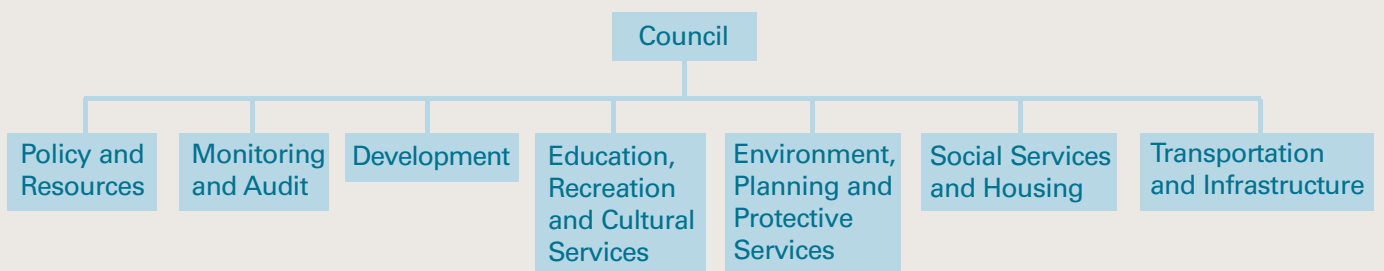
executive has successfully fostered a professional and committed management team, which operates in a cooperative, consensual manner.

**24.** The CMT discusses the major issues facing the council and pressing operational matters, but it needs to address the council's strategic agenda in a more consistent and structured manner. There is limited discussion of Community Planning at the CMT despite the strategic significance of Community Planning activity and the chief executive's commitment to the partnership.

**25.** The council is very responsive to the findings of audit and inspection regimes and uses these

**Exhibit 3**

Council service areas



Source: Orkney Islands Council

## Exhibit 4

### Management structure



Source: Orkney Islands Council

as an impetus for improvement. However, the team has not focused systematically on performance management and has a limited corporate focus on strategic resource management. As a result, the CMT cannot demonstrate that it is effectively leading Best Value.

**26.** The CMT is now addressing development and capacity issues which it has identified as limiting the council's ability to drive forward Best Value and service modernisation. The team has begun the process of identifying people in its existing workforce with the skills required to support it in embedding best value processes and delivering the council's improvement programme. It has also established an extended management team involving all second-tier managers to increase the level of engagement with Best Value throughout the organisation.

**27.** Members of the CMT would benefit from leadership development

to support them in improving the strategic focus of the team. The council could also mitigate the effects of the recruitment difficulties it faces due to its remote location and small scale by investing in staff development.

### Setting a clear direction

The council has established a vision and high-level priorities which closely reflect the major issues facing local people. In particular, the council has focused on sustaining fragile communities, preserving the natural and cultural environment, and maintaining good transport links. However, the council lacks a clear process for measuring success and it needs to articulate a clearer picture of what the area and services will look like in the future. This will enable the council and local people to judge how successful it has been in meeting its stated objectives.

**28.** The council shares its strategic objectives with its Community Planning partners and these are set out in the community plan. The CPP's vision and aims for Orkney are shown in [Exhibit 5](#).

**29.** The council is developing a new corporate plan, which is due for launch in the spring of 2008. The current corporate plan, produced in 2005, reflects the community plan priorities. The council's aims and priorities ([Exhibit 6](#)) clearly reflect local issues, and demonstrate an awareness of Best Value. However, the priorities represent a series of aspirational statements rather than a list of clearly prioritised and measurable actions.

**30.** The lack of measurable targets and defined priorities has restricted the ability of the corporate plan to drive service improvement and to enable the council to monitor, review and report progress against its priorities. It is therefore difficult to assess how successful the council has been.

**31.** The council has improved support for elected members in setting the priorities for the new corporate plan. These priorities, together with community plan objectives, will form the basis of the new plan. The inclusion of more specific actions and outcome targets will enable the council to focus its resources and measure its effectiveness. The approach to the development of the new plan, with the full engagement of elected members and widespread community consultation, represents a significant improvement in strategic planning.

### Responding to the community

There is a strong culture of community involvement in Orkney and the council benefits from being rooted in the community it serves. It has consulted widely with its communities on specific issues but it lacks a systematic and coordinated approach to consultation. The council's approach to customer service is largely based on a traditional model and needs to become more flexible.

**32.** The small population of the Orkney Islands means council members and officers live within, and are highly accessible to, the communities they serve. This connection with local needs and issues is evident in strategic plans. The council has a record of consulting communities on specific issues, for example, on transport strategy and with business groups on the most effective use of reserve funds for economic development.

**33.** However, the council lacks a systematic and coordinated approach to consultation. It is engaged in a best value review of consultation practices across the CPP. This will assist in further developing the partnership's joint community engagement strategy. This review and the proposed residents' survey on the new corporate plan will support a broader approach to consultation.

## Exhibit 5

### *Orkney 2020 – Our Vision*

#### *Vision, mission statement, key principles and priority themes*

#### Vision

An Orkney where we all have a place within a caring community, living in a healthy environment and supported by a thriving economy.

#### Mission statement

To ensure that local organisations work together and with communities to improve the quality of people's lives, provide better services, and create a shared vision for the future to which we can all subscribe.

#### Key principles

- Promoting survival
- Promoting sustainability
- Promoting equalities
- Working together
- Working with communities
- Working to deliver better services

#### Priority themes

- Health and well-being
- Housing
- Transport and travel
- Our environment
- Our economy
- Learning
- Culture
- Keeping Orkney safe

Source: *Orkney 2020 – Our Vision*, Orkney CPP

## Exhibit 6

### Corporate Priorities 2005/08

Council priorities:

- Campaign for an equitable financial settlement to secure the resources needed to meet Orkney's present and future needs.
- Pursue the development of an integrated transport infrastructure which is economically, socially and environmentally sustainable.
- Promote the diversification of industry in Orkney to achieve dynamic and sustainable growth in the global market.
- Further develop joined-up public services within the Community Planning framework and promote local control of local services.
- Manage sustainable development of renewable energy while protecting Orkney's natural environment.
- Enable the council to attract, develop and retain the staff it needs, working to achieve equality of opportunity.
- Support the development of sufficient, suitable and affordable housing.
- Prepare for demographic change through engaging with young people and anticipating the growing needs of older people.
- Progress modernisation of services in pursuit of continuous improvement in efficiency and best practice.

Source: *Corporate Strategic Plan 2005-2008*, Orkney Islands Council

**34.** The CPP has established a strong approach to consulting the community. The partnership engaged Voluntary Action Orkney to undertake public consultation to inform the aims of the new community plan (published in 2007). The work involved consultation sessions in all island and Orkney mainland communities. The plan uses illustrative examples to show the link between comments from the consultation and the aims identified in the plan. Communities Scotland assessed the consultation process against the 'National Standards for Community Engagement' and found it met all of the criteria, with the exception of providing feedback from the consultation to participants.

**35.** The council is improving its level of engagement with the voluntary sector and is working well with Voluntary Action Orkney to achieve this. The council engages well with community groups, building on the traditionally strong level of commitment from local communities within Orkney. Community councils, local development trusts and community associations are particularly active in their respective communities. Elected members are closely involved in working with these groups. The council supports local community groups in a range of ways, including financial support, identifying funding opportunities for projects and bringing together different interested parties. There is a broad range of successful projects across the Islands that have resulted from the work of very dedicated community groups and individuals, with assistance from the council.

**36.** The chief executive's department provides support to the 20 community councils in Orkney. Not only are the community councils an important consultation channel, they also provide a number of local services on behalf of the council. These include looking after local burial grounds, monitoring and reporting road and drainage defects, and monitoring coastal erosion. This is an innovative approach to joint working to provide services

to local communities and assists the council in providing services across its dispersed area.

**37.** Customer services approaches are developing slowly. The council established a one-stop shop, its customer services centre, in 2003. However, only a few services are currently provided from this central point in the Kirkwall council headquarters:

- bill payment
- benefits and housing enquiries
- application for travel cards
- collection of job application packs
- general advice and information about the council and services.

**38.** The council could make better use of this approach to build operational capacity in other service areas where routine activity could be managed more efficiently through a central point.

**39.** Council services mainly operate on a traditional '9 to 5' basis and some council services close from 1 to 2pm for lunch. Increasing the flexibility of working arrangements, including the use of ICT for remote working, would assist in making services more responsive to users and supporting employment opportunities for people in more remote locations.

### Openness and accountability

The council has an open culture, but public performance reporting (PPR) is underdeveloped. The council relies heavily on SPIs. The local press and radio are the main reporting conduits between the council and the islanders, and the council makes good use of the media to publicise significant projects and issues.

**40.** The council has an open and transparent culture. Decisions are taken in public meetings and papers

are publicly available. The council's website contains some useful information about council services but it could be improved to provide easier access to performance information. While committee minutes and agendas have been available on the website for some time, the council has only recently made committee reports available. The council is currently in the process of redesigning its website to provide better targeted information and easier navigation.

**41.** The council currently lacks a comprehensive, balanced approach to PPR. The council and the CPP report progress against their respective plans, and a small number of services also report publicly. The council needs to do more to make performance information more appropriate and accessible to its communities, service users and other stakeholders.

**42.** SPI results form the backbone of the council's Annual Performance Reports. These are available online and copies are available at council outlets. Summarised leaflets have been widely distributed via a local newspaper insert. These include details of how to obtain a full copy of the report. The council makes good use of the local press and radio to inform people about significant issues and projects.

**43.** Some departments publicise information for specific audiences. The department of education and recreation services publishes an annual Standards and Quality Report, detailing its performance against the Scottish Government's five national priorities for Scottish education. The report also includes performance information, targets and comparative data for the previous three years which are printed for distribution to schools, and published on the council's website. The council would benefit from recognising and promoting this example of good practice in performance reporting across all its departments. Corporate quality standards for PPR should be established and applied consistently across all council departments.



# Part 2. Is the council organised to deliver better services?



The council is working effectively with a variety of partners to provide good support to its dispersed communities.

The council has been slow to introduce basic systems and processes to support Best Value, and elements of its strategic planning and improvement framework need development. It is only beginning to develop effective performance management arrangements and has not taken a sufficiently strategic approach to the management of resources.

Scrutiny of service performance needs to be developed in line with improved performance management information. The roles of committees and the full council in scrutiny are not clearly defined.

The council has recently developed an improvement framework to harness and focus improvement activity. It needs to assess its capacity for managing and delivering its improvement agenda and develop short and medium-term plans accordingly. It also needs to strengthen its approach to best value reviews and develop more systematic approaches to options appraisal and testing the competitiveness of its services.

### Working with partners

The council works well with partners. The CPP has set a challenging vision for the area and for integrated public services. However, it is unable to demonstrate progress against its objectives because much of its activity is not systematically measured, captured and reported.

**44.** Orkney Community Planning Partnership (OCP) was established in 2000. The partnership published its second community plan in May 2007, covering the period 2007 to 2020. The partners recognise the importance of Community Planning and joint

working in maintaining sustainable public services for Orkney.

**45.** While the council has taken a leading role in Community Planning it has not dominated the processes. The OCP steering group works well, with good engagement from partners. Strategic working has improved over the past 18 months. There is now better engagement with partners, in particular NHS Orkney and the voluntary sector (through Voluntary Action Orkney). Community Planning has to date been serviced predominantly by the council but NHS Orkney is now contributing financial resources to assist in taking forward a number of strands of work.

**46.** Elected members' engagement with Community Planning is varied. Awareness training was provided as part of the member induction arrangements following the May 2007 election, but further work to heighten members' understanding of Community Planning could assist in promoting greater levels of engagement.

**47.** Commitment to Community Planning is also mixed among officers and there is some way to go before it is fully embedded within the council. There is evidence of good engagement from a number of officers involved in operational activities linked to Community Planning.

**48.** The partnership is founded on good joint working between public agencies, the private sector and community groups. There are many strong examples of this:

- Joint capital projects between Orkney Islands Council and NHS Orkney for schools and health facilities.
- Establishing a common housing application for the council, the local housing association and another landlord, working towards a common housing register.

- Developing local data sharing and standards, which has had an initial focus on single shared assessment for adult care and sharing information for child protection.
- Joint best value reviews between the council and NHS Orkney on, for example, assessment and care management services.
- Jointly provided services with NHS Orkney for community mental health, occupational therapy, rapid response care at home, assessment and care management, and learning disability services.

**49.** OCP benefits from the co-terminosity of the council and NHS Orkney. This has helped to develop a challenging vision for shared support services, including finance, legal, procurement and ICT. Of the proposed joint arrangements, the council and NHS Orkney already share communications and emergency planning services and have appointed a joint head of human resources.

**50.** The partnership has successfully bid for efficient government funding to take forward joint working arrangements. Plans to establish a programme board and appoint a project manager were approved by NHS Orkney and the council in autumn 2007. An external consultant is developing the initial planning for this pathfinder project for public sector reform. A major challenge will be building the capacity to support implementation of the project.

### Strategic planning

The council has recently developed a strategic planning framework which incorporates mechanisms to promote continuous improvement. However, the framework is not yet being fully applied and some elements remain under development.

**51.** In March 2007, the council produced a Strategic Planning Framework (SPF) document that

outlines the relationship between Community Planning, corporate planning and service planning (Exhibit 7).

**52.** The SPF sets out roles and responsibilities, and provides clear accountabilities and timelines for corporate and service planning activities. It incorporates mechanisms to promote continuous improvement, such as best value reviews, recommendations from external inspectorates and performance management reports.

**53.** The framework is not yet fully effective. Performance against strategic objectives is not being systematically monitored and reported, and systems for this need to be developed and incorporated into the framework. In the absence of this, it is difficult to demonstrate systematically how the community and corporate plans are driving service activity.

**54.** The current community and corporate plans lack specific targets and measurable goals that set out what success will look like. This has made it difficult to develop performance management, monitoring and reporting arrangements, and hinders the development of appropriate measurable targets in subordinate plans. The council recognises that the development of the new corporate plan provides an opportunity to address this.

**55.** The links between the corporate strategic plan and service plans are weaker than those between the community plan and the corporate strategic plan. While each department produces and uses service plans, these have not been integrated into the planning framework as set out in the council's SPF. Service plans refer to the community plan and corporate plan objectives, but do not make clear links between strategic commitments and service activities. There is little evidence of specific targets for service priorities.

## Exhibit 7

### Orkney's Strategic Planning Framework



Source: *Strategic Planning Framework*, Orkney Islands Council, March 2007

**56.** The absence of a clear relationship between corporate and service-level commitments, in conjunction with weak performance management arrangements, makes it very difficult for the council to demonstrate whether individual services and the council collectively are achieving their objectives.

### Managing performance

Corporate performance management arrangements are weak. This is significantly hindering the council in achieving continuous improvement and means that scrutiny and accountability arrangements are not effective in relation to service performance. The council is in the early stages of developing a corporate approach. More needs to be done to establish performance management and foster a culture of continuous improvement.

**57.** The council's approach to the management and use of

performance information needs significant development. While there is evidence of existing good practice within individual services areas, there is no structured, council-wide performance management framework (PMF) to measure and monitor progress against objectives. Performance reporting predominantly focuses on finance, completion of projects or activities, and SPIs, and there is a lack of comprehensive information on service performance and the achievement of corporate and service objectives. This weakens the effectiveness of scrutiny and accountability arrangements.

**58.** The council is developing a PMF based on the 'balanced scorecard' approach. Each department is developing its own service-specific scorecards. The council hopes that this will promote ownership of the process among operational staff, but the disadvantage of this approach is that progress is variable and there is no consistent corporate standard being applied. The council needs

to ensure that comprehensive performance measures and specific measurable targets are identified across the range of its services, and that the departmental scorecards are clearly linked to strategic objectives.

**59.** There is no standard mechanism for monitoring the progress of strategic priorities within the evolving PMF. The early service level scorecards do not reflect community planning or corporate priorities. Across the council, and among both officers and elected members, there is a variable level of understanding and engagement with the balanced scorecard approach. The development of a new corporate plan is a good opportunity for the council to develop a corporate level balanced scorecard. This would give departmental scorecards a clearer corporate focus.

**60.** The council acknowledges the need to improve, but it is not clear that it has the capacity to achieve these goals as an urgent priority. The council needs to determine how it will harness the specialist skills, knowledge and experience necessary to establish and embed effective performance measurement and management across the council. It recognises the need to identify and use internal capacity as well as engaging external support for specific tasks.

**61.** In developing performance information, the council needs to identify measures of success for its specified aim of sustaining fragile communities. The council does not currently have information about the costs of supporting its various communities. It is important that this information is established across the full range of its services and funding agreements, to ensure that members can make decisions based on full information about the costs involved and the level and quality of services provided. Comparative cost analysis would also put the council in a better position to identify the additional costs associated with its geography and demographics.

## Scrutiny

While elected members are well engaged in scrutinising strategic decisions and individual projects, scrutiny of service performance is significantly underdeveloped. This can be partly attributed to the absence of good performance information. The roles of committees and full council in scrutiny need to be more clearly defined. Elected members need to engage more fully with the development of good-quality performance information to support them in driving continuous improvement.

**62.** The committee structure is well aligned with the managerial structure, meaning accountability lines should be clear. However, neither the council's scheme of delegation, nor the council and committee remits, set out clearly and consistently the respective roles of committees and the full council in relation to scrutiny activity.

**63.** The independent nature of the council means that there is a high level of debate on issues and projects of local importance, providing effective scrutiny of these matters within committees and at full council meetings. Service plans are monitored annually, and progress on action plans from external inspections is reported to service committees and the council. However, with the exception of SPIs, service performance is not routinely or systematically considered at either council or committee level.

**64.** The scheme of administration is unclear about where responsibility lies for monitoring and taking action on individual service performance and the precise role of committees in reviewing and approving service plans. Only the transportation and infrastructure committee has an explicit delegated power for the annual review of service plans, and this is limited to the roads function. The full council is responsible for the *'establishment and review of*

*the council's corporate plans'*, but this does not specifically include a reference to service plans or to the community plan. The council needs to clearly set out the lines of accountability and responsibility for the scrutiny of service performance.

**65.** Community Planning performance is reported to the council annually. However, there remains a need to increase the level of member engagement with Community Planning and enable more systematic scrutiny of the council's contribution to Community Planning objectives.

**66.** The council's audit committee arrangements are in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) good practice guidelines. The monitoring and audit committee has responsibility for coordinating the best value regime and a sub-group of the committee (the best value working group) considers best value reviews. The committee is also responsible for making arrangements for monitoring performance. The council should consider whether the resources available to support this committee are adequate to progress the development of performance management within the council.

**67.** While members have had access to training on their scrutiny role, they would benefit from ongoing support to develop their ability to challenge, and to ensure they have the appropriate information for decision-making. Officers need to provide better information to members to support them in their scrutiny role. In particular, options appraisal information needs to be more robust and fully costed, and performance information requires significant development for most services.

## Managing resources

### Finance

The council needs to make further progress in developing a strategic approach to financial management, building on the review of its base budget. Budgetary control has improved but accountability arrangements for arms' length bodies funded by the council need to be strengthened.

**68.** Orkney Islands Council had a general fund surplus of £14 million for the year 2006/07, increasing the cumulative surplus on the general fund to £15.884 million at 31 March 2007. The surplus for the year consisted mainly of a transfer of the balance on the Relevant Services Contingency Fund to the General Fund.

**69.** The Relevant Services Contingency Fund holds income from the operator of the Flotta Oil Terminal, which was paid to the council during the 1970s and 80s. This fund has regularly been used to support general service expenditure, at the level of £2 million for 2007/08. To ensure sustainability and as part of its medium-term financial strategy, the council intends to eliminate the use of this money in setting a balanced budget.

**70.** The council is developing a five-year financial strategy which it intends to implement from the 2008/09 budget round. The financial strategy needs to be linked to an overall resource management strategy and integrated with corporate and service planning. To date, the council has taken a largely traditional, incremental approach to setting its budget. It has faced budgetary pressures in recent years, particularly in social work (discussed in [Part 3](#) of this report). In response to the pressures identified by the council in the 2006/07 budget round, it commissioned a base budget review across all services. This identified the compulsory and discretionary services provided by the council and highlighted potential

areas for achieving savings and reconfiguring services to make more efficient use of resources.

**71.** The base budget review raised challenging questions for the council about how it allocates resources, particularly in relation to discretionary services. The council needs to build on the review by systematically and fundamentally challenging the level of base budgets for each service.

**72.** The review also highlighted the need to increase the level of challenge to accepted ways of doing things, and the increasing importance of options appraisal and best value reviews (discussed further below). The outcome of the review should be a key factor in determining the council's ongoing best value review programme.

**73.** The SPIs demonstrate sustained good performance in the percentage of council tax collected; the council has been ranked first in Scotland for this indicator for the last three years. Conversely, the council demonstrates poor performance in the cost of collecting council tax and the percentage of invoices paid within 30 days. Both indicators have ranked in the lowest quartile over the last two reporting years.

**74.** The council has a significant financial relationship with a number of arms' length bodies. These include Orkney Ferries, Orkney Towage, and the Pickaquoy Leisure Trust. The council's appointed auditors have highlighted weaknesses in governance and accountability arrangements where the council provides funds to arms' length bodies. The auditors have recommended that the council ensures it has a clear strategy for its involvement with the external bodies it funds, and that appropriate governance and accountability arrangements exist to protect its financial interests and ensure continuity of service.

### Managing assets

Orkney Islands Council does not have a strategic approach to asset management. Despite adopting a corporate approach to asset management in 2002, there are a number of areas which the council has still not addressed effectively.

**75.** Orkney Islands Council does not currently have a clear and overarching asset management strategy which links to asset plans for services. The council has identified this as a priority for development in its corporate improvement plan. A considerable amount of work still needs to be done to ensure that all assets are properly documented and to produce asset management plans.

**76.** The council is working with departments, partners and stakeholders to assess the current use of properties, identify surplus assets, and identify ways of improving the use of properties. The council cannot currently demonstrate that it has identified all surplus assets within its asset portfolio.

**77.** The council maintains a record of its assets on two systems: a property maintenance database held by technical services, and a fixed asset register maintained by the finance department. The council does not regularly reconcile the information held on these two databases. The absence of regular reconciliations could result in inconsistencies in the records held on each database and therefore the potential for misstatement in the financial statements. The technical services department is now working to implement regular reconciliations between the two databases.

**78.** The council's external auditors have raised concerns over the accounting treatment for common good assets. The council does not maintain a comprehensive common good asset register, and in many cases it could not locate title deeds. The council has allocated funding in

the 2007/08 budget to recruit staff and upgrade asset management systems to address this.

### Information and communications technology (ICT)

The council needs to further develop its ICT strategy to link with a clear vision for service modernisation.

**79.** The council has an Information Services Programme Board which meets regularly to match the cycle of the policy and resources sub-committee to which it reports. The board's role includes supporting business transformation and providing strategic direction for information services. The board comprises the chief executive, the assistant chief executive and the director of finance and housing. The senior membership of this board indicates the council is aware of the significance of ICT in delivering modernised services.

**80.** The council has had an ICT strategy in place since 2005. This would benefit from being refreshed to ensure the strategy supports the new corporate plan and sets out clearly the council's vision for the impact on services of the proposed joint arrangements with the local NHS.

**81.** The council has selected a set of key performance measures for information services to support the council's development of the balanced scorecard approach to performance management. These are based on measures developed by the Society of Information Technology Management (SOCITM). This enables the council to use national averages published by SOCITM as a benchmark to compare the performance of the information service. Recent results of this exercise have shown the council to be above the national average on six out of nine indicators.

### Managing people

The council has a committed workforce but it is not making the most of the skills of its staff. It has a sound strategy for workforce planning and management but this has not been implemented. It needs to improve its management of sickness absence. It has not yet conducted a full staff attitude survey.

**82.** The council needs to improve the way it manages its staff to ensure it makes the most of the available skills and experience. The personnel section has been focused on operational activities and delivering pay modernisation arrangements, which were viewed as a priority for the council. As a result, more strategic human resource initiatives have not been delivered. This has added significance for the council given the recruitment difficulties it faces. The council has recognised the need to develop the capacity of the personnel function to address this and is working towards a shared service arrangement with NHS Orkney. The head of personnel is currently a joint post with the NHS.

**83.** The SPIs that measure the council's corporate sickness absence have been reported as unreliable for a number of years due to weaknesses in the systems for collecting the data. The council needs to address this urgently. The council has policies and procedures in place for managing absence but these are not applied consistently across all areas.

**84.** The council has a well-constructed Human Resource Strategy document, produced at the end of 2005, which provides a sound basis for workforce planning. However, the strategy has not been implemented and the council lacks systematic and embedded arrangements for a number of fundamental workforce management areas. For example, while there is evidence of good practice in services such as education and social work, the corporate approach to training and development is weak and inconsistent; there is no

systematic approach to leadership development or succession planning; and, basic personnel information systems are not in place.

**85.** The council has found recruitment an ongoing challenge, particularly in attracting candidates for middle management and professional posts. It has found it difficult to attract high response rates to recruitment exercises and many short-listed candidates drop out of the process. Repeated recruitment exercises can make the cost of filling a post very high. Contributing factors include the remote location, remuneration levels in a small authority, increasing house prices and limited employment opportunities for candidates' partners.

**86.** This is a difficult challenge for the council to address and it has taken a number of steps to improve its arrangements:

- It has engaged consultants to review recruitment advertising and has subsequently refreshed the approach.
- Together with NHS Orkney, it is piloting an electronic recruitment portal.
- It has a number of 'grow your own' schemes where it is investing in developing staff to meet the needs of roles that are difficult to fill.

**87.** The council needs to be more systematic in its general approach to training and development. Currently, individual managers are responsible for undertaking personal development planning. The council is unable to demonstrate how consistently, and how well deployed, staff appraisal and development processes are. This means it cannot assess the impact of these processes. The absence of systematic individual assessment and development planning means the council lacks basic information about its staff training and development needs, organisational capacity and areas for development.

**88.** Joint arrangements with NHS Orkney have recently included the appointment of a learning and development manager, but the council lacks a structured approach to leadership and management development. Although the chief executive has undertaken a performance assessment with external challenge, his assessment of members of his management team has not been undertaken systematically.

**89.** The council has not yet undertaken any corporate staff attitude surveys.

### Managing risk

Risk management is not well progressed in the council.

**90.** Following a review in 2006/07, the local auditors noted that the council has made limited progress in implementing risk management arrangements. Since the review, the council has appointed a company to assist in the development of risk management and a risk register. The company conducted risk management workshops with key strategic officers in August 2007, which enabled the council to identify its key risks. It is important that the council builds on this work to ensure that risk management is embedded within strategic and service planning processes.

### Continuous improvement and competitiveness

The council does not have effective processes in place to support continuous improvement. It needs to develop capacity to take this forward. The approach to best value reviews needs to be more challenging. Options appraisal, benchmarking and market testing need to be done more systematically.

**91.** The council does not currently have a fully embedded improvement framework to harness and focus improvement activity. The council

has recognised this in drawing up its improvement programme and has used the opportunity to begin to develop a systematic approach to continuous improvement. Its strategic planning framework incorporates processes such as service planning and best value reviews to drive and embed continuous improvement through all its activities, but elements of this need further development for it to be fully effective. These include performance management and the approach to best value reviews.

**92.** The council is short of skills and experience to support the improvement programme required to fully address the challenges of Best Value and service modernisation. It has begun to identify staff with the required skills and experience, and intends to realign responsibilities to support and deliver its improvement agenda. The council recognises its capacity issues and has previously engaged external support to assist in areas such as consultation, reviewing its base budget and taking forward its shared services agenda. It should also consider whether it requires external support to assist it to deliver its best value improvement programme.

**93.** The council is responsive to recommendations made by audit and inspection teams, recognising that this represents additional capacity in identifying improvement actions. It systematically includes audit and inspection recommendations into service plans and uses them to inform its best value review programme.

**94.** The council has undertaken a systematic programme of best value reviews, beginning in 1998. Reviews conducted under this programme did not result in any major changes to the way in which services are delivered, but instead focused on improving existing ways of doing things. No political barriers exist to considering all options for service delivery, including outsourcing and partnership arrangements. A more systematic evidence-based approach to options appraisal would ensure that all options

for service delivery are identified and properly evaluated. The council has developed a risk-based model for identifying services for review and is committed to ensuring arms' length scrutiny of best value reviews and increasing expertise in options appraisal.

**95.** While the council is making continued efforts to ensure robust challenge exists within its best value review process, it would benefit from a greater degree of external challenge in the form of a 'critical friend'. This would increase the level of challenge to accepted ways of thinking and help to identify more creative solutions.

**96.** The council has a mixed economy in those services which were formerly subject to compulsory competitive tendering (CCT). Grounds and building maintenance are carried out by the private sector. In situations where the council is the main provider of the service, such as refuse collection, there is also an element of subcontracting to the private sector. The council has identified former CCT activities as an area for best value review to ensure it can demonstrate competitiveness.

**97.** Orkney Islands Council has consistently benchmarked its performance against the performance of Shetland Islands Council and Comhairle nan Eilean Siar, with mixed results. The council benchmarks financial performance, levels of funding and SPIs. The council does not regularly benchmark against other local authorities as these are not viewed as being comparable.

**98.** Best value reviews provide evidence that the council has benchmarked with external bodies, including industry leaders or private sector organisations, but the approach to this is not consistent across the council. The council should ensure that an appropriate range of benchmarking indicators is systematically included in best value reviews.

## Equal opportunities

The council does well in providing equal access to services for those in remote locations. Approaches to other equalities issues need to be more fully developed.

**99.** The council recognises the importance of tackling rural deprivation and social exclusion in remote communities which can be significant barriers to equality of opportunity. The community plan and the corporate priorities reflect these issues well.

**100.** The council has a well-embedded ethos of trying to ensure all of its communities have appropriate access to services. Strategic planning and service provision across all of the departments reflect this commitment. The geography and sparsity of populations mean that the logistics, costs and availability of individuals to provide services can make this difficult. The council makes good use of community capacity to support the provision of some service areas, but could make more use of technology to enhance or make the provision of services to remote areas more cost-effective.

**101.** In the 2001 census Orkney had the lowest proportion of black and ethnic minority people in Scotland at 0.4 per cent, compared to a national average of two per cent. The council has statutory schemes and policies on race, disability and gender equalities in place, but it recognises that further work is required to improve its response to equalities issues and embed these in service activity. The council is also aware of shifts in its population, such as inward migration of people from accession countries, to which it needs to respond.

**102.** In terms of employment, SPIs for the percentage of the highest paid two per cent and five per cent of earners among council employees that are women consistently rank towards the bottom of the 32 Scottish authorities. In 2006/07, the council ranked 30th and 29th respectively for these indicators.



# Part 3. How are services performing?



Orkney Islands Council provides good services in a number of areas, but some aspects of services need significant improvement. SPIs confirm this mixed picture. In 2006/07, 25 SPIs were in the top quartile, while 21 were in the bottom quartile.

Recent inspection reports of education and social work have identified many elements of good practice, and educational attainment is high. In contrast, Communities Scotland's inspection rated the management of the housing service as 'fair' and the repairs and homelessness services as 'poor'.

The council has done much to achieve its strategic aim of supporting fragile communities and building the economy of Orkney. It is also beginning to address the need to better integrate and update its transport infrastructure. However, there are no mechanisms in place to record, monitor or measure the effectiveness of this strategic activity.

### Statutory performance indicators

Overall, Orkney Islands Council's performance, as measured by SPIs, is a picture of extremes. In 2006/07, 25 SPIs were in the top quartile but 21 were in the bottom quartile. Areas of good SPI performance include cultural and community services, and some areas of housing and social work. Areas of weaker performance include corporate management, development services, some areas of social work and homelessness.

**103.** Each year local authorities are required to report and publish information about their performance through SPIs specified by the Accounts Commission. While these indicators do not provide a comprehensive picture of performance across all services, they do allow some comparisons to

be made with the national average, other local authorities and trends over time. Some caution is required in interpreting SPIs given the small scale of the council, particularly where percentage measures may be based on small numbers.

**104.** In 2006/07, Orkney Islands Council was ranked in the upper quartile (eight or above out of 32 councils) on 25 performance indicators and was ranked first in ten indicators. It was in the lowest quartile

(25 or below) on 21 indicators, with 26 indicators in the middle quartiles ([Exhibit 8](#)).

**105.** Twenty indicators have improved by at least five per cent since 2004/05 and fourteen have declined by at least five per cent since 2004/05, as demonstrated in the performance change in SPIs between 2004/05 and 2006/07 ([Exhibit 9](#)). The ratio of improvement to decline is 1.4, just under the Scottish average of 1.5, and 16th out of 32 local authorities.

### Exhibit 8

Council profile of SPIs 2006/07: Number in each quartile by service area

	Upper quartile	Middle quartile	Lower quartile	No service	Failure to report/unreliable
Adult social work	6	9	6	0	0
Benefits administration	1	1	0	0	0
Education and children's services	1	5	1	1	0
Corporate management	2	1	4	1	4
Cultural and community services	6	2	0	0	2
Development services	0	0	2	0	0
Housing	5	3	3	0	0
Protective services	0	3	2	1	0
Roads and lighting	2	0	1	1	0
Waste management	2	2	2	0	0
<b>Total</b>	<b>25</b>	<b>26</b>	<b>21</b>	<b>4</b>	<b>6</b>
Scottish average	21	47	14		

Source: Audit Scotland

### Exhibit 9

Performance change between 2004/05 and 2006/07

	Measures that worsened by:			Measures that improved by:		
	>15%	10-14%	5-9%	5-9%	10-14%	>15%
Scotland	7	3	4	5	4	11
Orkney Islands	8	2	4	1	1	18

Source: Audit Scotland

## Education

The council provides a good education service which is producing high attainment levels.

**106.** Orkney has a school pupil population of just over 3,000. There are two senior secondary schools, located in the main towns of Kirkwall and Stromness, four junior high schools and 17 primary schools. The junior high schools provide education from nursery up to secondary school fourth year.

**107.** The education functions of the council were inspected by HMIE in 2005. The inspectors reported 'good' performance in ten of the quality indicators, with the remaining indicator (consultation) deemed 'very good'. The inspection concluded: *'Orkney Islands Council demonstrated a strong commitment to providing a high-quality educational service for its children and young people. The work of education and recreation services was clearly focused on implementing its priorities to promote social inclusion, lifelong learning and the education of the 'whole person' through the media of sports, arts and cultural activities'*. A follow-up report was issued by HMIE in 2007. This judged progress to be 'good' or 'very good' in identified improvement areas.

**108.** The key strengths of the education service identified by HMIE were the:

- approaches taken by the director and his team to address the demands of providing education across Orkney's widely dispersed island communities
- leadership demonstrated by the director in his commitment to improving the quality of pupils' attainment and achievements, supported by a highly regarded and industrious directorate team
- overall strong performance in attainment

- wide range of opportunities for pupils to demonstrate achievement in areas of sports, arts, and culture, including the right of each pupil to experience outdoor education
- arrangements for consultation across a wide range of stakeholders
- very good provision for continuous professional development for teaching and non-teaching staff.

**109.** Over the period 2002 to 2006, attainment in reading, writing and mathematics for primary pupils gradually increased from a very high baseline. Attainment levels in secondary schools are above that of comparator authorities (Scottish Borders, Highland, Comhairle nan Eilean Siar) and the national average (Exhibit 10).

**110.** HMIE found that the overall effectiveness of leadership and management in education and recreation services was 'good'. The inspectors also found a performance-oriented culture which was good at securing continuous improvement.

**111.** Occupancy levels in the council's primary schools are around the

national average, with around 30 per cent having occupancy levels of 60 per cent or less. There is some overcapacity in secondary schools but this is difficult to manage due to the nature of the school estate and the low pupil numbers. The council recognises that it must balance school occupancy levels with its strategic objective of sustaining fragile communities. The council encourages wide community use of the school estate, recognising school buildings as a valuable community asset. Of the council's 17 primary schools, 15 are designated as community schools. There are examples of joint use of school buildings with the NHS.

**112.** The council is pursuing plans to modernise its school estate. The initial business case identified three projects, including Kirkwall Grammar School, a new primary school in Stromness and halls of residence at Kirkwall. The plans also include options for joint working with NHS Orkney. Discussions have been ongoing with the Scottish Government on how to deliver this project. The council is seeking to deliver these projects through an arms' length company model which is being developed by Comhairle nan Eilean Siar.

### Exhibit 10

#### Secondary school attainment 2006/07

Attainment	Orkney Islands Council	Scottish average	Comparator authorities' average
Percentage of S4 roll gaining 5+ awards at level 5 or better by end of S4	40	34	38
Percentage of S4 roll gaining 3+ awards at level 6 or better by end of S5	28	22	26
Percentage of S4 roll gaining 5+ awards at level 6 or better by end of S6	25	19	24

Source: Scottish Executive

## Community social services

The council's social work services were inspected by the Social Work Inspection Agency (SWIA) in 2006, with generally positive results. A recent inspection of child protection services produced similar findings and an inspection report on the council's criminal justice services was favourable. Budgetary pressures have been an issue for the department and budgetary control has improved.

**113.** The council faces challenges in providing equal access to good quality social care to vulnerable and disadvantaged people across the range of social services. It recognises that this is an essential factor in meeting its corporate objectives of sustaining fragile communities and promoting social inclusion.

**114.** Budgetary pressures have been an issue for social work in past years. Despite significant increases in budgets over the past seven years, from £7.3 million in 2000/01 to £12 million in 2007/08, the department has consistently overspent, due to the demand-led nature of the service and the absence of a robust approach to budget setting and budgetary control. Budgetary control has improved within the department but there remains scope for this to be tightened further. Poor links between service planning and budgeting are also contributing to overspend. The service experienced an overspend of £120,000 in 2006/07. This is equivalent to approximately one per cent of its budget of £11 million for the service. The most significant factor contributing to this was the need to finance off-island placements for children. The latest unaudited figures indicate a small under-spend against the 2007/08 budget for the service.

**115.** In light of budgetary pressures, the council commissioned independent consultants to undertake

an assessment of current and future service needs. This is a positive step and the council now needs to develop better information on the base costs of meeting assessed need and any additional costs associated with maintaining services for remote and sparsely populated island communities. This will assist in establishing a base budget and in benchmarking cost and service levels with other councils.

**116.** The council is working to ensure it can provide care at home or in homely settings to an increasingly ageing population. It has reconfigured its homecare service following a best value review in 2006 and is addressing issues of staff pay and conditions in line with the review recommendations. It is also developing a number of options, together with the NHS, to provide residential care for older people, including additional places for people with dementia, supported housing and respite care.

**117.** The council's social work services were inspected by SWIA in 2006 and the report was published in March 2007. The inspectors reported: *'The department was providing good outcomes for most people who use services. The department is generally well regarded within the community and contributes to wider community issues.'*<sup>1</sup>

**118.** SWIA evaluate ten areas under their performance inspection model, using a six-point evaluation scale ranging from 'excellent' (level 6) to 'unsatisfactory' (level 1). The council was awarded a rating of 'good' (level 4) in eight of the categories and 'adequate' (level 3) in the remaining two.

**119.** The inspectorate team found evidence of strong leadership within the department. The inspectors also noted that the department was well regarded within the council, making a contribution at corporate level. SWIA

also identified a number of areas for improvement in the service delivered by the council. The council has incorporated actions arising from the inspection into its current service plan.

**120.** SPIs for social services show a mixed picture, with the council performing well on SPIs for criminal justice, but poorly on some indicators relating to residential and respite places. The council ranks 29th and 32nd respectively on SPIs for ensuite facilities in residential home places for older people and for other adults. It also ranks in the lower quartile for respite care provided in residential homes or day facilities.

**121.** The council recognises the need to provide additional care home places for older people to meet existing and anticipated demand. It is looking at ways of providing and funding future provision to ensure that people can stay on the Islands, rather than having to be placed on the Scottish mainland. The council is responding to the need for more flexible, local-based units providing a variety of care services, as demonstrated by developments at Kalisgarth ([Exhibit 11](#)) and Smiddybrae House, Dounby – a purpose-built facility providing residential places for older people, including those with dementia, which also incorporates a GP surgery.

**122.** Orkney has a small number of children looked after away from home. Most are looked after away from home in community placements, rather than in residential accommodation. The Care Commission inspected the fostering service in 2006 and made a number of recommendations for improvement. SWIA noted that progress in implementing these recommendations had been slow due to increased demands placed on the service caused by a significant increase in child protection referrals. These referrals have resulted in numbers on the child protection register increasing from 14 in 2005/06 to 34 in 2006/07.

## Exhibit 11

### Kalisgarth – a community approach to developing very sheltered housing

The Kalisgarth centre on Westray is an example of effective partnership working, listening and responding to local residents and involving the community in delivering a project contributing to the council's aims of survival and sustainability. The project started with an 'Initiative at the Edge' conference in Westray. 'Initiative at the Edge' is supported by the Scottish Government and is designed to promote sustainable remote rural communities. The conference attracted a significant number of delegates from a wide variety of organisations. It was set up because local residents had expressed concern about sustainability and depopulation. One of the issues raised was the need for a facility for the island's older residents who were in need of care and support.

The community worked with the council, principally the department of community social services, to quantify need and to identify the kind of development which would best suit Westray. It was decided that a 'housing model' of care was required and Orkney Islands Property Developments Ltd (OIPDL), was invited to build a project which had been designed by the community, the council's social work department and NHS Orkney, working closely together.

The community was consulted about the development of the care centre, including the design and layout, and there was a public vote on the design of the stained-glass window. The result was a single roofed structure which contains five individual properties and a respite facility. It provides care, up to 24 hours per day, for those living there and also acts as a centre for a range of community activities. The centre offers accommodation for younger people with disabilities as well as older people, retaining people in their own community in Westray.

Those who live at Kalisgarth are tenants of OIPDL, not residents like in a residential care home. Funding for the project came from Communities Scotland, which provided a grant to OIPDL, and private borrowing. This covered the housing elements. The non-housing elements were paid for by the council. The project is proving very popular and now has a waiting list. The council's scheme to train local home helps as potential staff won a runner-up award in the first ever national care accolades.

Source: Orkney Islands Council

**123.** In 2007, a joint inspection by HMIE and SWIA of multi-agency services to protect children and young people in the Orkney Islands Council area identified six key strengths, including prompt action by professionals in response to concerns raised about children's safety and the ways in which young people were listened to and involved in developing services. The inspectors identified

the need for the agencies involved to improve the way information is recorded and shared, and the need to make more use of monitoring and management information. The inspection uses a six-point scale to rate services ranging from 'excellent' to 'unsatisfactory'. The service was rated 'very good' on two indicators (level 2), 'good' on eleven (level 3) and 'adequate' on five (level 4).

**124.** The number of looked-after children is small and educational attainment of looked-after children is very good, with 100 per cent of all care leavers obtaining at least one qualification at SCQF level 3 or above. This is well above the national average of 45 per cent for those children looked after at home and 57 per cent for those looked after away from home.

**125.** The council's criminal justice service was inspected by SWIA, which published its report in February 2007.<sup>2</sup> The report concluded that, overall, the service was robustly managed and sought to measure its performance and improve on it. The inspectors described the council's performance in adhering to national standards as 'impressive.'

## Housing

The council needs to improve its housing service. The service was subject to inspection by Communities Scotland in 2006, which identified 'poor' performance in the property maintenance and homelessness services and 'fair' performance in housing management. The council has a clear action plan to address identified weaknesses. The council's local housing strategy focuses on the need to ensure an adequate supply of affordable housing to sustain communities.

**126.** Supporting the development of sufficient, suitable and affordable housing is identified as a key priority for the council. Orkney has a total housing stock of around 9,900 properties, of which around 800 are owned by the council. The level of owner-occupied properties, at 72 per cent, is higher than the Scottish average of 64 per cent.

**127.** The housing service has 17 staff who are responsible for both the strategic housing function and the

council's landlord service. Gross expenditure on council housing for 2006/07 was £1.7 million, which is met from rents and other income. Net expenditure on other housing functions for the same period was around £300,000, mainly relating to homelessness services. The council has fully paid off its capital housing debt.

**128.** The council's housing service was subject to inspection by Communities Scotland in 2006 (Exhibit 12). The inspection rated housing management as 'fair', identifying some strengths but also a number of areas for improvement, a small number of which are significant weaknesses. The significant weaknesses related to housing allocations and the lack of effective planning, performance management and reporting.

**129.** The council's property maintenance service was graded as 'poor' with major areas where improvement is needed. These included poor performance in completing repairs on time, a lack of tenant involvement in shaping the repairs service, and the absence of both a clear strategy for developing the service and a robust approach to assessing performance. Demand on the construction sector in Orkney has created difficulties in securing improved performance from local repairs contractors and the council has been unable to secure additional internal or external capacity. Despite this, it is making some progress, with planned improvement actions including combining housing and general property maintenance functions.

**130.** The inspection found weaknesses in the council's planning and performance management framework for the homelessness service. Overall, the homelessness service was assessed as 'poor' for the following reasons:

- Access to the homeless service is poor.

## Exhibit 12

Results from Communities Scotland inspection of the council's housing service

Housing management	C	Fair
Property maintenance	D	Poor
Homelessness service	D	Poor

Source: Inspection Report, Orkney Islands Council, Communities Scotland, October 2006

- Delays in assessing homeless applications and inappropriate closing of homeless cases.
- Homeless people are having to stay in temporary accommodation for very long periods.
- The council is not making use of its own housing or maximising the opportunities from the local housing association in securing permanent accommodation.

**131.** The council responded to the report by producing an action plan to address identified weakness. Improvement actions are also incorporated into service plans. A subsequent inspection of the homelessness service by the Care Commission identified a number of strengths in the service. Areas for development included more systematic approaches to staff training.

**132.** The SPIs relating to housing indicate a mixed picture of performance. The council performs well in terms of tenancy changes, rent arrears and rent management (often ranking in the top quartile), however, it performs very poorly in relation to the homelessness SPIs.

**133.** The biggest strategic issue facing the council in terms of its housing function is the need to provide affordable housing to encourage local people to stay in the area, contributing to the corporate objective of sustaining communities, and to attract people who are seeking employment

in Orkney. The council's local housing strategy (LHS) recognises this key issue and the need for the council to work in partnership to revitalise the housing stock and provide a mix of tenures to meet the needs of communities. In commenting on the LHS, Communities Scotland recognised the council's inclusive approach to involving partner agencies in the LHS process through its housing development forum, and subgroups.

## Waste management

The council is making good progress in achieving the community plan objective of 'promoting the waste hierarchy of reduce, reuse and recycle'. It is implementing a range of initiatives and service developments to improve waste management.

**134.** The council is working well to increase the level of recycling. Since 2004/05, the proportion of municipal waste collected by the council that was recycled has increased from 18.1 per cent to 27.6 per cent. This exceeds the national target of 25 per cent but is below the national average of 28.4 per cent. Kerbside recycling collection services provide a fortnightly service in main towns and villages, collecting paper and glass. The council also provides a service for bars, restaurants and hotel businesses, collecting glass, cans and vegetable oil.

**135.** The council has low landfill rates as the bulk of its waste is shipped to the Shetland Islands for incineration at the Greenhead waste-to-energy plant. It aims to reduce the volume of waste sent to Shetland; the councils have agreed a minimum of 5,000 tonnes per annum as the incineration plant would not be viable below this level. Tonnage shipped increased from 8,545 tonnes in 2001/02 to 9,982 tonnes in 2006/07, but has decreased recently as the council's waste strategies have started to have an impact.

**136.** In 2006, the Westray Development Trust won an Eventful Scotland award for its initiative using collected cooking oil refined to bio-diesel to fuel its community bus. The council has encouraged and assisted this initiative. The council has introduced a green cone scheme to reduce the volume of food waste that requires collection and transportation as general refuse.

**137.** In 2004/05, the council was ranked 29th at £67.65 for the net cost per property of refuse collection. By 2006/07, the council had improved this cost to £65.80 and is placed 18th of the 32 authorities. The cost of refuse disposal remains high. In 2004/05, the council was ranked 30th at £86.12 for the net cost per property for refuse disposal. In 2006/07, the council is still in the lower quartile of authorities and is placed 27th, with an increase to £87.89. The geography, population spread of the Islands and the cost of shipping waste to the Orkney mainland and then to the Shetland Islands make it a particularly costly process. The council performs well in relation to street cleanliness and is ranked fourth in Scotland on this indicator.

### Sustaining communities

Sustaining fragile communities is a key strategic priority for the council and its partners. The council undertakes a range of activities to support this objective. However, this activity is not systematically coordinated, managed and monitored to ensure resources are appropriately targeted and desired outcomes are achieved.

**138.** Sustainability is an acutely important issue for the Orkney Islands due to the remoteness and sparsity of many communities. There is a trend of people moving from the remoter island and rural areas towards the larger communities on the Orkney mainland. Between 1991 and 2001, the population of Orkney's smaller islands declined by between two and 36 per cent (2001 Census). The council and its partners are strongly engaged with tackling sustainability issues.

**139.** The council aims for all communities to have access to the services they require. Many services, such as homecare or waste collection, do not compare favourably on cost with other authorities or the private sector, and often there are limited alternative providers. The council seeks approaches that are proportionate and practical for the provision of services, and supportive of communities. For example, there is an innovative approach to engaging community councils in monitoring and reporting road maintenance requirements and coastal erosion.

**140.** The council and its partners undertake a wide range of activities which contribute to maintaining fragile communities. This includes promoting economic development and publicising the area's archaeological and cultural heritage. However, this work is not coordinated or systematically monitored. The council is beginning to develop a more coordinated approach, including drawing up a sustainable development

strategy and establishing a shared inter-agency database of relevant performance indicators.

**141.** The Islands' culture and historic and archaeological sites are important to both the social vibrancy of communities and the economic sustainability of the Islands through tourism and the arts business sector. The council and the CPP promote the protection and development of the arts and heritage of Orkney, and its communities. The community plan, corporate strategic plan, draft arts strategy and heritage strategy all relate the value of arts and heritage to social and economic prosperity. The council reflects the importance of the arts and the Islands' heritage to sustainability in its service structure, with arts and heritage placed within the development services team.

**142.** The council works closely with Highlands & Islands Enterprise Orkney (HIE Orkney) on projects and initiatives to promote economic development and economic diversification. The two agencies work well together using their different strengths to best advantage. Joint initiatives include the 'Orkney the Brand' (OtB) scheme, which has been a successful marketing approach supporting businesses from different sectors across the islands ([Exhibit 13, overleaf](#)).

**143.** The council and HIE Orkney also work closely and successfully on supporting major regeneration and economic diversification. This has included investigating the viability and promoting the development of a container ship transshipment port in Scapa Flow ([Exhibit 14, overleaf](#)). Use of the Flotta Oil Terminal by the North Sea oil industry is declining and this will have a significant impact on the local economy. The importance of this development has been recognised by the Scottish Government, which has identified the project as a significant national development in the draft National Planning Framework.

### Exhibit 13

#### Orkney the Brand

Orkney Enterprise and the council developed a programme of marketing and promotional projects under the overall banner of Orkney the Brand (OtB).

The scheme predominantly promotes and markets Orkney as a location and publicises Orkney businesses through initiatives such as displays at major agricultural and consumer shows. Other activities have included encouraging media visits. The scheme has been well received and widely adopted by local businesses. Industry groups such as Orkney Quality Food & Drink, Orkney Craft Industries Association and Orkney Renewable Energy Forum are involved in the programme.

OtB supports projects which contribute to the development of Orkney as a brand. The overall aim is to promote confidence in the business community and encourage investment in new business opportunities. The operational objectives are:

- increase collective marketing, particularly focusing on key growth sectors of food and drink, tourism and jewellery
- further develop joint marketing by Orkney businesses and organisations through press visits, buyer visits and consumer promotions
- implement a brand-building programme for Orkney, both locally and internationally; and, external to Orkney
- improve the marketing capacity of businesses and trade organisations.

In 2006, a consultation exercise was undertaken with the business sector to gauge support and determine the future direction for OtB. Considerable support was expressed by local businesses. Over the past three years, OIC and HIE Orkney have both contributed £70,000 each annually to the scheme. In 2006/07, this partnership has purchased the company name of 'Orkney the Brand,' which will assist in ensuring control of this valuable marketing tool. An assessment by economic and development consultants estimated in 2002 that the cost-to-benefit ratio of the partners' investment to the economy was then 1:5.

Source: Orkney Islands Council, Audit Scotland

**144.** The council has implemented a number of initiatives to improve energy efficiency in its own buildings, including physical improvements and auditing its energy usage. It recently produced a Carbon Management Strategy to focus on minimising carbon emissions. It has also offered to share its expertise with NHS Orkney, which has responded well, engaging in a number of schemes.

**145.** The council is also, with partners, actively promoting environmental sustainability in a number of ways:

- The highest level of waste diversion from landfill among Scottish authorities.
- Developing specific strategies to address environmental impact, such as biodiversity plans, a Carbon Management Strategy, and an Energy Management Strategy for the council's estate in 2007.
- Establishing a renewable energy projects fund.

- Hosting the Northern and Western Isles Energy Efficiency Advice Centre, which promotes energy conservation.

**146.** The council has not yet embedded systematic consideration of environmental impact in its decision-making. There are, however, at this early stage, some positive signs of progress. The community plan has been through a formal Strategic Environmental Assessment (SEA) process. Subordinate policies, plans and strategies are also now required to go through this formal process. This will include the new corporate strategic plan and local plan. A number of draft strategies have already been through this process, including the draft arts and heritage strategies. A specialist post is in place within the council to take a lead role in SEAs.

#### Transport

The council works well with public and private sector partners to maintain transport links. Lifeline services are operated by sea and air, connecting islands to the Orkney mainland and connecting Orkney to mainland Scotland. The council compares relatively well with others on road condition but performance is deteriorating.

**147.** The council is a member of HITRANS (the Highlands & Islands Regional Transport Authority) and works well in partnership with the Scottish Government to ensure lifeline services are maintained and that people are not disadvantaged from living in remote island locations.

**148.** The council has direct responsibility for the provision of internal ferry and air services between its islands. This presents unique challenges in terms of funding and logistics. The ferry service is provided by a company that is wholly owned by the council. Inter-island air services are provided by a private company under a public service obligation contract. The cost of operating internal



ferry and air services is met by the council with the support of specific grant funding from the Scottish Government.

**149.** The internal and external ferry networks are essential in bringing supplies to the Islands and exporting goods for sale off the Islands, as well as enabling people to travel for business and social purposes. The air service is necessary to maintain daily access to and from the small, remote islands, which improves their economic and social viability. It enables people to travel with reasonable journey times and contributes to maintaining quality of life for those on remote islands. In particular, air transport enables specialist teachers to travel to the larger islands. This makes it possible to sustain the junior high schools, which make a significant contribution to the social fabric of the Islands.

**150.** The council has drawn up a local transport strategy for 2007-10. This recognises the key role of integrated transport to support people travelling between the Islands and the mainland without over-reliance on cars. The number of cars carried on internal ferries has grown steadily since 1999, although the figure dipped slightly in 2006, reflecting that ferry services are reaching capacity on some routes.

**151.** All transport projects require to be appraised using guidance issued by the then Scottish Executive. The council produced a preliminary appraisal report in 2006 which identified a number of options for supporting its strategic objectives of sustaining fragile communities and ensuring social inclusion.

**152.** The council also acts as harbour authority with responsibility for maintaining and operating harbours and piers throughout the Islands, including the major harbour undertaking at Scapa Flow oil port. In connection with the oil port, the council operates pilot and towage services, the latter through a wholly owned company. The harbour

## Exhibit 14

### Scapa Flow Container Transshipment Project

Scapa Flow is a natural deep-water harbour with established marine facilities. Since 1976, the Flotta Oil Terminal has been receiving up to ten per cent of North Sea oil by pipeline, where it is stabilised then loaded onto tankers. The council and the local economy have benefited greatly from this but the council recognises that oil revenues are set to decrease in coming years. The council is seeking alternative uses for the natural resource of Scapa Flow.

The council is currently working with partner agencies and the private sector to develop Scapa Flow as a container hub. The project has the potential to generate significant economic activity in Orkney, making use of existing services such as the towage and pilotage provided for the Flotta Oil Terminal. The aim is to grow the hub business at the same time as oil-related employment is contracting.

From the start, it was understood that this project would have to be undertaken by the private sector. The Crown Estate has expressed interest in the possibility of investing in infrastructure, and a willingness to contribute to the cost of some of the preparatory studies. Currently two important pieces of work are under way, paid for jointly by the council, HIE, and the Crown Estate. The first is a scoping study for the Environmental Impact Assessment (EIA); the second is a major market study, commissioned from experienced shipping consultants, to assess the validity of the concept.

To date, the project has demonstrated partnership between the public authorities (the council and HIE) in promoting the project, with private sector help where possible. There is a clear understanding that the development and operation of the terminal have to be undertaken, or at least led, by the private sector, and therefore the public partners are directing their efforts at attracting private sector interest.

Source: Orkney Islands Council, Audit Scotland

department benchmarks charges with commercially operated ports and balances this with ensuring wider economic viability, for example, in attracting cruise liners to dock in the area.

**153.** The road network is a fundamental part of the overall transport infrastructure of the Islands, providing essential links to ferry and air services. It therefore contributes significantly to the sustainability of the Islands. The council compares well with other councils on the SPI that indicates the condition of the road network, ranking eighth. However, the SPI shows a steady decline over the past three years, with the percentage

of the network that should be considered for maintenance rising from 21.1 per cent in 2004/05 to 42.1 per cent in 2006/07.

**154.** The council faces difficult decisions in prioritisation of its financial resources, and the long-term management of its road network features in this. However, if the decline in the road condition is not quickly arrested, the council risks a rapidly increasing cost to bring the roads back up to standard.

# Part 4. What needs to improve?



Orkney Islands Council is making good progress with corporate improvement planning and has a sound track record of responding positively and effectively to audit and inspection recommendations. The council displayed a high level of awareness of the areas that need to improve. In particular it recognises that corporate best value processes need to be embedded to drive service improvement. The council also recognises the need to significantly develop corporate performance management and strategic resource management.

**155.** Continuous improvement in public service and governance lies at the heart of Best Value and Community Planning. Local authorities must develop an improvement culture across all service areas. Elected members and officers have to focus on policy objectives and the needs of service users and communities. They must be driven by a desire to achieve the highest possible standards in service delivery. This requires a culture where areas in need of improvement are identified and openly discussed, and in which service performance is constructively challenged.

**156.** Orkney Islands Council provided an accurate self-assessment which recognised the need to improve significantly its approach to Best Value. The council has much to do to establish and improve systems to support Best Value and to develop more customer-focused approaches to service delivery. It has a committed workforce but it needs to do more to identify and harness the skills available to it. It also needs to identify and address shortfalls in capacity for delivering its improvement programme.

### Orkney Islands Council's improvement agenda

- Develop a detailed programme with targets and timescales to support the council's improvement agenda.
- Work with partners to develop a strategy to address skills gaps through a structured training and development programme and by identifying where additional temporary capacity would be appropriate.
- Ensure that the new corporate plan contains clear targets and measures of success, and is supported by a detailed action plan to support delivery of key objectives.
- Establish an effective corporate performance management system with measures of cost and quality across the range of council services, including measures of the cost and impact of sustaining fragile communities.
- Develop the role of elected members in leading Best Value, in particular through improving the scrutiny of performance.
- Develop the role of the CMT in providing strategic leadership and monitoring and driving performance improvement.
- Develop strategic resource management to ensure resources, including: finance, assets, workforce and ICT, are focused on delivering key priorities.
- Increase the level of challenge to existing ways of doing things to ensure that services provide best value and are designed around the needs of users.
- With Community Planning partners establish a common set of corporate performance management arrangements to establish a monitoring framework for strategic objectives, ensuring that each partner's contribution is clearly specified and measured.

**157.** The council benefits from having an open culture, enabling it to identify and address areas for improvement. However, it is essential that elected members and the corporate management team lead Best Value more visibly and maintain momentum in implementing the council's improvement agenda.

**158.** The best value improvement agenda sets out the key areas on which the council should focus going forward. It is consistent with the council's self assessment of improvement areas and many of the actions required have already been built into the council's corporate improvement plan.

# Orkney Islands Council

If you require this publication in an alternative format and/or language, please contact us to discuss your needs.

You can also download this document at:  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



Audit Scotland, 110 George Street, Edinburgh EH2 4LH  
T: 0845 146 1010 F: 0845 146 1009  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

ISBN 978 1 905634 98 9

This publication is printed on uncoated paper, made from 100% post-consumer reclaimed material.