

Local Government, Housing and Planning Committee

Report on Committee visit to Orkney Islands Council, June 2023

Background

1. During Session 6 the Committee is visiting a number of local authorities to learn first hand about the issues they face, in order to take them into account throughout its work.
2. In June 2023, members of the Local Government, Housing and Planning Committee visited Orkney to speak with Councillors and officials about the challenges and opportunities that Orkney faces as an island local authority and as Scotland's smallest council (with a population of less than 23,000).
3. This brief report notes the key issues that were discussed during the Committee's visit.

Issues raised

4. Orkney Islands Council faces many issues common to other local authorities across Scotland such as tight budgets and pressures on housing supply, but experiences others which are particularly unique to its situation. Poverty for example can often be more hidden in small localities, far less visible than in areas of our large cities but nonetheless very present.
5. Members heard about the challenges of delivering services to a small population that is scattered across many islands, and the work going on to revisit an idea dating back to 2011 to establish a 'single island authority model' which could bring together Orkney's public services. With the political and governance landscape having changed significantly since then the council wants to work with communities to develop its ideas about how that model could work.
6. Orkney's remote populations by necessity have to work collectively to get things done, and organisations like Community Councils, Development Trusts and charities are often key to that. The Committee had recently completed an [inquiry in Community Planning](#), which is a requirement of the Community Empowerment Act, and Orkney Islands Council described its particularly strong relations with the third sector and the public collaboration that goes into creating its plans.
7. In addition to typical services local authority services such as schools, social care, refuse, and housing, Orkney Islands Council also owns and manages Orkney's ports and harbours. Committee members heard that as an island authority the sea presents it with distinct advantages; it benefits from a large number of visits from cruise ships which bring thousands of tourists in one day along with their holiday spending, but also significant congestion on normally

quiet roads. The Scottish Government's new legislation to introduce a [Visitor Levy](#) proposes that local authorities are given the powers to charge a levy on overnight visits. The tourist industry highlighted to Members during the visit that the Bill doesn't though include visitors staying on docked cruise ships.

8. During the visit Members heard that the islands are strategically placed to benefit from the large volume of shipping that goes past, lying as it does between mainland Scotland and northern Europe and beyond. The council is actively looking at how it might be more connected in the future with the UK and beyond.
9. The population on Orkney's mainland has been increasing, presenting it with housing challenges that can sometimes deter people from settling there permanently. The Committee heard about examples of public sector workers arriving from far afield to start new jobs and lives, only to leave after struggling to find a home. The costs of constructing new homes in a remote location are more expensive, presenting additional challenges. As elsewhere, the population (although growing) is ageing and the proportion of people of working age is declining, leading to concerns about how to maintain a workforce which can sustain services well into the 21st century.
10. Like all local authorities in the current climate, Orkney's finances are very stretched. Fifteen percent of this year's budget came from its reserves, and just 10% from council tax, a position the council believes isn't sustainable, and it feels that it has already pursued all possible spending efficiencies.