

Sustainable Orkney

Alistair Buchan CBE – Chief Executive
Orkney Islands Council

Darren Richardson – Head of
Infrastructure and Strategic Projects



Sustainable
Orkney

Austerity Busting through Innovation

The Orkney Way

Alistair Buchan

Delivering Austerity Busting Solutions

Darren Richardson

Orkney Islands Council In Context

Established in 1975

One of the three oldest Councils
in Scotland

- Local Act powers through the Orkney County Council Act 1974
- Port Authority
- Key Economic Development Agency
- Holder of Strategic Reserve Funds
- Internal Transport Provider – air and sea
- Orkney College

The Political Dimension

21 Elected Members

Mainly independent with representation from two political parties, The Orkney Manifesto Group and the Green Party

Combined Senior Councillor and Senior Management Team

All Councillor seminar approach to policy development

Shared Leadership the Orkney Way

Guiding Principles Adopted by the Elected Members

Provide effective political leadership

Apply best practice in decision making

Scrutinise, but also empower officers

Contribute to good member/officer relationships

Be efficient, cost effective and contribute to savings targets

Ensure transparency and accountability to the community and all relevant stakeholders

Balance risk and opportunity

In the most general sense, add value to the work of the Council as a corporate body

Community Conversations June 2018

Support for.....

Increased Charges

Council led enterprise in the public interest

Devolution to communities/empowerment

Preventative Spend

Strategic use of reserves

The Orkney Community Planning Partnership

Key Priorities

- Strong
Communities
- Living Well
- Vibrant
Economy



The Orkney Partnership

Working together for a better Orkney

Orkney Community Plan

Incorporating Orkney's

Local Outcomes Improvement Plan

2017 to 2020

The Council Plan: Key Priorities

Connected Communities

Caring Communities

Thriving Communities

Enterprising Communities

Quality of Life



The Challenge!

Static Revenue Budgets – Circa £81m last 5 years

Rising costs – directorate cost pressures health, education and development £6m baseline pressures

Customer demand increasing, expectations not falling

Unique island geography limiting economies of scale through partnership and collaboration

Ageing workforce and population

Fuel and financial poverty impacting on long term economic stability

But Many Positives!

Vibrant growing tourist industry

Largest Cruise destination in the UK after Southampton – 2018/19 sees 168 ships visiting

Strong indigenous Agriculture and Aquaculture industries, Oil and Gas, Craft and Distilling

World heritage sites and strong archaeological history

Year on year population growth and housing demand

World centre for marine renewable R&D

Robust trading accounts





History of prudent financial management

Strong reserves investment returns balancing revenue budget and providing additionality

Recent increase in the commercial performance of marine operations

Demand for capital development sustaining local construction market and thereby OIC quarrying businesses.

Income being generated from commercial activities

OIC's financial reserves "headroom" used to support strategic projects that look to reduce cost, mitigate increases and/or generate income

Sustainable Orkney

Shared leadership in action



The Orkney Way

A Learning Organisation

Outward looking

Forward Thinking

Enterprising

Collegiate

Respecting good governance



Delivering
Austerity
Busting
Solutions

Energy and Alternate Fuels

Marine Enterprise

What are we solving?

Can we manage the peaks and troughs of energy demand in the council cheaper?

Can we offset fuel oil consumption with electricity in our buildings?

Can we provide an alternate energy supply to new development?

Can we export for income to national grid via **new interconnectors** if we can't consume locally?

Can we supply extra capacity commercially to large adjacent businesses?

Can we involve and encourage our SME's into the market to reduce capital costs (e.g. Waste – Circular Economy)?

Can we use our returns to support our local communities?

Principles behind the solutions

Not necessarily individually innovative, more about the combined impact offsetting fuel, financial and economic poverty in the long term.

Maximising income generation and cost mitigation/ reduction now and into the future through what they produce/generate.

Promoting external management through local SME's or new operating models (LLP's, SPVs etc.)

Reducing current curtailment in green energy production, coordinating the works to see the jigsaw pieces fall together seamlessly!

Principles behind the solutions

Recognising individually the projects are not of a scale to create island changing solutions separately



Recognising we have a track record of commercial success (e.g. Cruise, Harbours & Quarrying)



Recognising we have above the norm natural assets, natural environment including wind and sea resources strengthening business cases.



Recognising the need to set practical, realistic deliverable timescales despite budget cut pressures



Recognising therefore the need to “cash-flow” development stages in the face of risk of failure as much as risk of success.



Wind!

Generating Energy for Income
and Local Use

Achieving a scale solution!



KEY

- Site Boundary
- X Indicative turbine layout
- T1 Turbine identifier



Hoy Wind Farm Site Plan

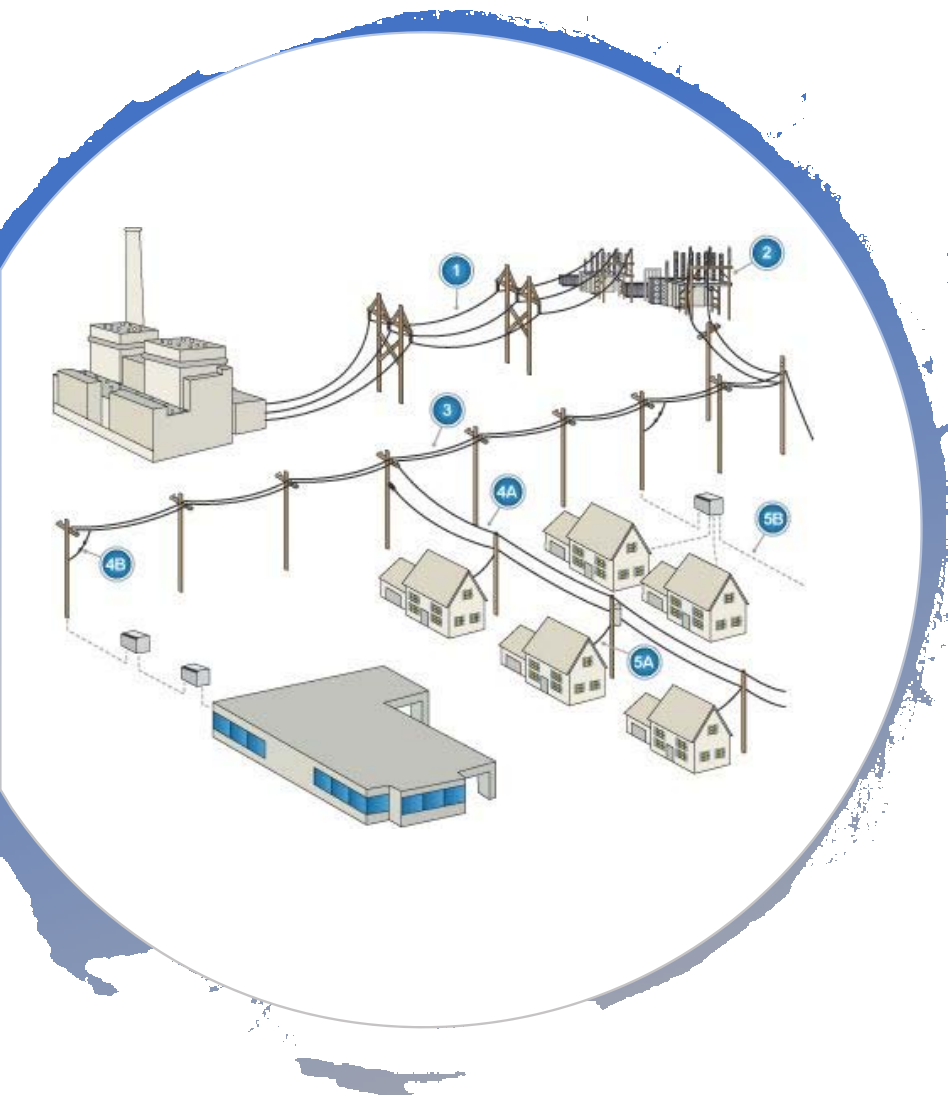


Hoy Wind Farm
EIA Scoping Report

Figure 2
Site Layout Plan

2022	01/04/22	04/03/24	10/04/24	20	01/04/24
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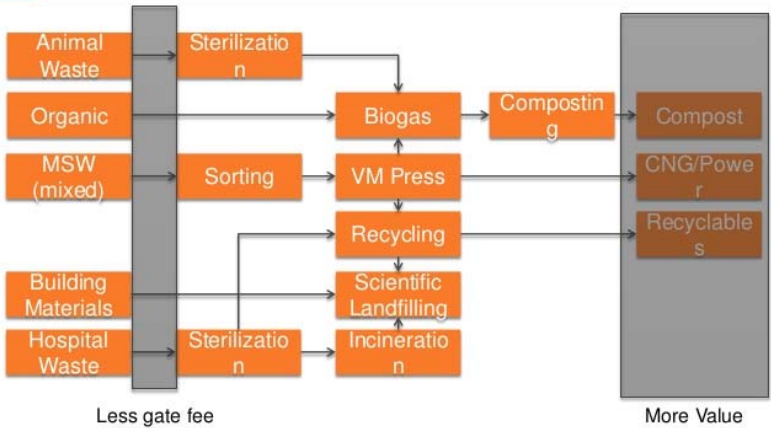
Wire!

**Private energy supply
network**

An alternate to fuel Oil
dependency



Integrated waste management solutions



Waste!

Managing disposal linking up shared benefits

Waste – not new just more holistic!

- Using our linked energy technologies to reduce “plant” running costs?
- Equally using products to provide a potential fuel source for energy generation?
- Thereby strengthening resilience to support the Private Wire network demands when it is not generating itself.
- Thereby also having the flexibility to support electrolysation for hydrogen production.
- Working with local SME’s to remove waste streams and use them to produce products (i.e. glass into “shot” and coastal protection – ZWS Circular Economy initiatives).
- Working with the communities to create facilities/opportunities to extract several reusable waste streams before they enter the process for local use (e.g. wood as fuel, furniture, white goods etc.)
- The space to providing a hub location for E.V. Vehicle Charging (private and OIC Fleet).
- Consolidation of services and buildings from aged facilities into new 25 year bespoke depot for roads, fleet, waste and other linked services – freeing development sites.
- In plant processing terms improving our recycling performance significantly and thereby opportunities for income.



Hydrogen!

An alternate transport fuel and energy producer



BIGHIT
Building Innovative Green Hydrogen
Systems in Isolated Territories

ITM POWER
Energy Storage | Clean Fuel

Hydrogen – BIG HIT





Marine Enterprise

Scapa Flow Ship to Ship Transfer of LNG



- World's first LNG Ship to Ship Transfer in 2007
- LNG is the low carbon marine fuel of choice for the next generation of ships
- UK very poorly placed to fuel LNG vessels – 40% cruise ships under construction are LNG50

Cruise



- UK's No. 1 port for cruise ship visits
- Europe's No2 port for customer satisfaction (Disney)
- £2m in Harbour Revenues – circa £46 per passenger spend
- Challenges – **border controls; Brexit (customs etc); volume tourism management**



Sustainable Orkney!

- We will be the sum of these parts
- Enabled by national energy provision
- All delivery timescales align to the MTRS
- Its Pro-risk but evidence based decision making
- The Council delivers as one team
- Shared Strategic Leadership in action!