

## Minute

### Development and Infrastructure Committee

Tuesday, 15 February 2022, 09:30.

Microsoft Teams.



### Present

Councillors Graham L Sinclair, Andrew Drever, Norman R Craigie, Robin W Crichton, David Dawson, J Harvey Johnston, Rachael A King, W Leslie Manson, Stephen Sankey, James W Stockan, Duncan A Tullock and Heather N Woodbridge.

### Clerk

- Angela Kingston, Committees Officer.

### In Attendance

- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services (for Items 1 to 19).
- Roddy Mackay, Head of Planning, Development and Regulatory Services.
- Lorna Richardson, Interim Head of Roads, Fleet and Waste (for Items 1 to 13).
- Shonagh Merriman, Interim Corporate Finance Senior Manager.
- Sheila Tulloch, Solicitor.
- Jackie Thomson, Development and Regeneration Manager (for Items 1 to 19).
- Stuart Allison, Economic Development Manager.
- Laura Cromarty, Transportation Manager (for Items 1 to 21).
- Kane Davidson, Airfields Manager (for Items 1 to 13).
- Jamie Macvie, Planning Manager (Development Management) (for Items 1 to 9).
- Susan Shearer, Planning Manager (Development and Marine Planning) (for Items 1 to 9).
- Kenneth Roy, Roads Support Manager (for Items 1 to 6).
- James Green, Senior Policy Planner (Development and Marine Planning) (for Items 1 to 8).
- Jordan Low, Economic Development Officer (for Items 20 to 23).
- Morag Robertson, Economic Development Officer (for Items 1 to 21).

### Observing

- Kenneth MacPherson, Interim Head of IT and Facilities (for Items 1 to 19).
- John Wrigley, Roads and Environmental Services Manager (for Items 1 to 8).
- Kirsty Groundwater, Communications Team Leader (for Items 1 to 19 and 21).

## **Declarations of Interest**

- Councillor Rachael A King – Items 16 and 18.
- Councillor Heather N Woodbridge – Item 17.

## **Chair**

- Councillor Graham L Sinclair.

## **1. Urgent Item**

In terms of Standing Order 13.3, the Committee:

Noted that the Chair had permitted discussion of the following urgent item:

- Application Number 0/5/2/2081.

## **2. Disclosure of Exempt Information**

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 20 to 22, together with Appendix 1 of Item 17 and Annex B of Item 18, as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **3. Revenue Expenditure Monitoring**

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Interim Corporate Finance Senior Manager, the Committee:

Noted:

**3.1.** The revenue financial summary statement in respect of service areas for which the Development and Infrastructure Committee was responsible, for the period 1 April to 31 December 2021, attached as Annex 1 to the report by the Head of Finance, which indicated a budget overspend position of £547,100.

**3.2.** The revenue financial detail by service area statement in respect of service areas for which the Development and Infrastructure Committee was responsible, for the period 1 April to 31 December 2021, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

**3.3.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

Councillor Stephen Sankey joined the meeting during discussion of this item.

## **4. Road Asset Replacement Programme and Roads Revenue Maintenance Programme**

### **Expenditure Monitoring**

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Interim Corporate Finance Senior Manager, the Committee:

Noted:

**4.1.** The summary position of expenditure incurred, as at 31 December 2021, against the Road Asset Replacement Programme and the Roads Revenue Maintenance Programme for 2021/22, as detailed in section 4.1 of the report by the Head of Finance.

The Committee scrutinised:

**4.2.** The detailed analysis of expenditure figures and programme updates, attached as Appendices 1 and 2 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Road Asset Replacement Programme and the Roads Revenue Maintenance Programme.

## **5. Road Asset Replacement Programme and Roads Revenue Maintenance Programme**

After consideration of a report by the Interim Executive Director of Environmental, Property and IT Services, copies of which had been circulated, and after hearing a report from the Interim Head of Roads, Fleet and Waste, the Committee:

Noted:

**5.1.** That, on 5 May 2021, the Council approved the Road Asset Replacement Programme for 2021/22, together with indicative programmes for 2022/23 and 2023/24.

**5.2.** That, on 2 March 2021, the Council approved a contribution of £2.1 million to the Repairs and Renewals Fund, to be used to improve the Council's network asset with 50% or £1.050 million allocated in each of the financial years 2021/22 and 2022/23, with a programme of works subsequently approved on 5 May 2021.

**5.3.** That a multi-year approach to the replacement of road assets allowed for greater flexibility to vary the timing of individual projects where constraints and/or pressures emerged.

**5.4.** That, in order to improve the governance and accountability surrounding use of the Cycling, Walking and Safer Routes capital grant, all works were reported as part of the Road Asset Replacement Programme for monitoring purposes.

**5.5.** The proposed Road Asset Replacement Programme for 2022/23, together with indicative programmes for 2023/24 and 2024/25, attached as Appendix 1 to the report by the Interim Executive Director of Environmental, Property and IT Services.

**5.6.** The proposed Roads Revenue Maintenance Programme for 2022/23, attached as Appendix 2 to the report by the Interim Executive Director of Environmental, Property and IT Services.

**5.7.** That, although approval was sought for a multi-year programme in respect of Road Asset Replacement, the Interim Executive Director of Environmental, Property and IT Services would continue to submit reports, on an annual basis, presenting updated programmes for subsequent years.

The Committee resolved to **recommend to the Council:**

**5.8.** That the Road Asset Replacement Programme for 2022/23, together with indicative programmes for 2023/24 and 2024/25, attached as Appendix 1 to this Minute, be approved.

**5.9.** That the Roads Revenue Maintenance Programme for 2022/23, attached as Appendix 2 to this Minute, be approved.

**5.10.** That powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Head of Finance, to adjust the Road Asset Replacement Programme and the Roads Revenue Maintenance Programme, referred to at paragraphs 5.8 and 5.9 above, as variations arose and in order to maximise use of budget allocations.

## **6. Proposed Stopping-Up of Section of Scapa Crescent, Kirkwall**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Planning Manager (Development Management), the Committee:

Noted:

**6.1.** That, on 10 November 2020, when considering stopping up part of Scapa Crescent, Kirkwall, in order to facilitate redevelopment of Garden House, the Development and Infrastructure Committee recommended:

- That powers be delegated to the Executive Director of Development and Infrastructure to publish, serve and display the Stopping-Up Order.
- That, should no unresolved representations or objections be received, powers be delegated to the Executive Director of Development and Infrastructure to confirm the Stopping-Up Order in respect of a section of road at Scapa Crescent, Kirkwall.
- That, should unresolved representations or objections be received during the publication period, the Executive Director of Development and Infrastructure should submit a report, to a meeting of the Committee in early 2021, detailing the comments received for further consideration, prior to the proposed Stopping-Up Order in respect of a section of road at Scapa Crescent, Kirkwall, being submitted to the Scottish Government.

**6.2.** That, as a result of the Order being published, served and displayed, as required by The Town and Country Planning (Scotland) Act 1997, as amended, unresolved objections, attached as Appendix 2 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, were received.

The Committee resolved to **recommend to the Council**:

**6.3.** That, as unresolved objections had been received, the proposed Stopping-Up Order in respect of a section of road at Scapa Crescent, Kirkwall, be submitted to the Scottish Government, to allow Scottish Ministers to determine whether to confirm the Order.

Signed: Graham L Sinclair.

## **7. Planning Enforcement Charter**

Due to the Chair, Councillor Graham L Sinclair, experiencing internet connectivity issues and not being present throughout this item, Councillor Andrew Drever, Vice Chair, took the Chair for this item.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Planning Manager (Development Management), the Committee:

Noted:

**7.1.** That, in terms of section 158A of the Town and Country Planning (Scotland) Act 1997, as amended, the Planning Authority was required to prepare and publish an Enforcement Charter which must be kept under review.

**7.2.** That the existing Enforcement Charter, approved by Council in December 2019, was still current with respect to legislation and only minor changes were proposed regarding the provision of updates to complainants and the content of preliminary enforcement investigations, as detailed in section 5 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

The Committee resolved to **recommend to the Council**:

**7.3.** That the Enforcement Charter, attached as Appendix 3 to this Minute, be approved.

Signed: A Drever.

## **8. National Planning Framework 4**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Planning Manager (Development and Marine Planning) the Committee:

Noted:

**8.1.** That, on 10 November 2021, the Scottish Government issued a consultation on the draft National Planning Framework 4, with a closing date of 31 March 2022.

**8.2.** That the Council contributed to two rounds of pre-engagement on the National Planning Framework, namely the Call for Ideas from February to May 2020 and the consultation on the National Planning Framework 4 Position Statement from November 2020 to February 2021.

**8.3.** That, in April 2021, the Council submitted Orkney's Indicative Regional Spatial Strategy to the Scottish Government, to inform the drafting of National Planning Framework 4.

**8.4.** That the Harbour Authority, as a Statutory Harbour Authority, would be submitting a response to the consultation on the draft National Planning Framework 4, as a developer and operator, after due consideration by the Harbour Authority Sub-committee.

**8.5.** The Council's draft response to the consultation on the draft National Planning Framework 4, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

On the motion of Councillor Graham L Sinclair, seconded by Councillor Andrew Drever, the Committee resolved to **recommend to the Council:**

**8.6.** That powers be delegated to the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, in consultation with the Chair and Vice Chair of the Development and Infrastructure Committee, to amend the Council's draft response to the consultation by the Scottish Government in respect of the draft National Planning Framework 4, referred to at paragraph 8.5 above, in light of comments raised by members.

**8.7.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit the amended response, referred to at paragraph 8.6 above, to the Scottish Government, on behalf of the Council, by the deadline of 31 March 2022.

## **9. Review and Performance of Planning Service**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Head of Planning, Development and Regulatory Services, the Committee:

Noted:

**9.1.** That, in Spring 2020, following feedback received from stakeholders regarding aspects associated with planning services, the Interim Chief Executive commissioned an independent review of the Planning Service, which was undertaken by Jim Birrell, an independent and specialist planning consultant.

**9.2.** That, on 8 September 2020, when considering the outcome of the independent review undertaken by Mr Birrell, the Development and Infrastructure Committee noted that a Management Improvement Action Plan, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, had been developed to respond to the recommendations of Mr Birrell's report.

**9.3.** That the Development and Infrastructure Committee subsequently recommended:

- That the report commissioned in respect of the independent review of the Planning Service, be endorsed.
- That the Executive Director of Development and Infrastructure should provide regular updates, through the Planning and Regulatory Services Consultative Group, on delivery of the Management Improvement Action Plan, referred to at paragraph 9.2 above.

**9.4.** That the Head of Planning, Development and Regulatory Services had provided regular updates, through the Planning and Regulatory Services Consultative Group, on delivery of the Management Improvement Action Plan, referred to at paragraph 9.2 above.

**9.5.** That, in terms of the 22 improvement actions detailed in the Management Improvement Action Plan, 11 had been completed, nine were substantially complete and expected to be fully completed by 30 June 2022, and work on the remaining two actions was still to be commenced.

**9.6.** That all planning authorities in Scotland were required to submit an annual Planning Performance Framework (PPF) to the Scottish Government, setting out how they had performed over the previous financial year.

**9.7.** That, in November 2020, the Scottish Minister for Public Finance, Planning and Community Wealth provided feedback on the tenth PPF submitted by the Council in the Performance Markers Report for 2019/20, attached as Appendix 2 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**9.8.** That, in terms of the “traffic light” scoring system used in the Performance Markers Report, referred to at paragraph 9.7 above, the Planning Service had been awarded a green rating in 11 of the performance markers and an amber rating in the remaining two.

The Committee scrutinised:

**9.9.** Progress made in respect of the outstanding improvement actions detailed in the Management Improvement Action Plan, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, and obtained assurance that action had been taken or agreed where necessary.

The Committee thereafter noted:

**9.10.** That, as assurance had been obtained that action had been taken or agreed, where necessary, in respect of the improvement actions detailed in the Management Improvement Action Plan arising from the independent review of the Planning Service, undertaken by Jim Birrell, no further progress updates required to be reported to the Planning and Regulatory Services Consultative Group.

## **10. Proposed New Airfield Terminal Buildings**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Airfields Manager, the Committee:

Noted:

**10.1.** That new airfield terminal buildings with integral garages meeting Civil Aviation Authority (CAA) requirements had been provided at North Ronaldsay and Sanday, with new garages provided at Westray, Stronsay, Papa Westray and Eday.

**10.2.** That the remaining terminal buildings at Westray, Stronsay, Papa Westray and Eday were 30 plus years old and were no longer fit for purpose.

**10.3.** That the North Isles Airfield Strategy, approved by Council in July 2019, included a requirement for new terminal buildings at Westray, Stronsay, Papa Westray and Eday, at an estimated total cost of £760,000.

**10.4.** The Stage 1 Capital Project Appraisal, based on the North Isles Airfield Strategy approved by Council in July 2019, in respect of proposed new terminal buildings at Westray, Stronsay, Papa Westray and Eday, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**10.5.** That, should the project be approved for progression, the Stage 2 Capital Project Appraisal would provide a fully developed appraisal, including updated capital costings for the four terminal buildings and any additional revenue budget requirements.

**10.6.** That the Council had already provided a commitment to the Civil Aviation Authority to upgrade the airfields as part of a continuous improvement programme in accordance with the airfield operating licence.

The Committee resolved to **recommend to the Council:**

**10.7.** That, as an exception to the Capital Project Appraisal process, in order to ensure the safe and resilient operation of the airfield infrastructure, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of proposed new terminal buildings at Westray, Stronsay, Papa Westray and Eday.

## **11. Inter-Island Air Services**

### **Proposed Winter 2022/23 Timetable**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Transportation Manager, the Committee:

Noted:

**11.1.** That the inter-island air services timetable for winter 2022/23 was scheduled to operate from 30 October 2022 to 18 February 2023.

**11.2.** That the draft timetable in respect of air services to be operated by Loganair Limited during winter 2022/23 was presented to the Air Services Consultative Forum for consideration on 12 January 2022, with main comments and representations from transport representatives outlined in section 4 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.



**11.3.** That the proposed timetable, attached at Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, was consistent with that operated during winter 2021/22.

**11.4.** That, in advance of the Council's budget setting process for 2022/23 being concluded, any decision on the proposed timetable in respect of inter-island air services would be subject to an adequate service revenue budget being established.

The Committee resolved, in terms of delegated powers:

**11.5.** That, subject to an adequate service revenue budget for 2022/23 being established, the timetable in respect of inter-island air services, to be operated by Loganair Limited during winter 2022/23, attached as Appendix 4 to this Minute, be approved.

## **12. Inter-Island Ferry Services**

### **Proposed Winter 2022/23 Timetables**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Transportation Manager, the Committee:

Noted:

**12.1.** That the inter-island ferry services timetables for winter 2022/23 were scheduled to operate from 26 September 2022 to 6 May 2023.

**12.2.** That draft timetables in respect of ferry services to be operated by Orkney Ferries Limited during winter 2022/23 were presented to the Ferry Services Consultative Forum for consideration on 12 January 2022.

**12.3.** That, given the continued uncertainty regarding COVID-19 restrictions and staff staying overnight on board the Outer North Isles vessels where they could not socially distance, the Ferry Services Consultative Forum requested that the Outer North Isles winter 2022/23 timetable be deferred meantime.

**12.4.** That, on 27 January 2022, the proposed timetables, together with feedback from the Ferry Services Consultative Forum, were considered by the Board of Orkney Ferries Limited and recommended to the Council for implementation, including the proposed deferral of the Outer North Isles winter 2022/23 timetable meantime.

**12.5.** That the proposed timetables, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, which did not include timetables for the Outer North Isles, remained consistent with those operated in previous years.

**12.6.** That, in advance of the Council's budget setting process for 2022/23 being concluded, any decision on the proposed Orkney Ferries' timetables for winter 2022/23 would be subject to an adequate service revenue budget being established.

The Committee resolved, in terms of delegated powers:

**12.7.** That, subject to an adequate service revenue budget for 2022/23 being established, the timetables, to be operated by Orkney Ferries Limited during winter 2022/23, attached as Appendix 5 to this Minute, be approved.

**12.8.** That, following consultation with communities during summer 2022, powers be delegated to the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, in consultation with the Ferry Services Manager, to determine the winter 2022/23 timetable for the Outer North Isles.

### **13. Review of Orkney Inter-Island Ferry Fare Structure**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Transportation Manager, the Committee:

Noted:

**13.1.** That, as part of the annual financial settlement from Scottish Government for 2021/22, a service specific grant of £7.855 million was allocated to cover the existing deficit gap to operate services, to provide Sunday winter services across the Inner and South Isles and to implement a revised fare structure across inter-island ferry services for the year ahead.

**13.2.** That, on 18 May 2021, when considering a revised fare structure for inter-island ferry services operated by Orkney Ferries Limited, the Development and Infrastructure Committee recommended:

- That a 38% reduction on the existing adult and vehicle fare structure, with a further 25% discount for elderly and disabled passengers, be approved as the new fare structure for inter-island ferry services, to be implemented by Orkney Ferries Limited during June 2021.
- That the sale of multi books of tickets by Orkney Ferries Limited should cease from June 2021, with the exception of the books of 50 tickets, the sale of which should be extended until 31 March 2022.
- That, from June 2021, the discount on the books of 50 tickets should reduce from 50% to 45%.
- That the expiry date for books of 50 tickets sold from June 2021 be reduced from 500 days to 365 days, with the exception of any extensions defined by COVID-19 measures.
- That existing books of 50 tickets should be accepted until the point of expiry, or until extension dates defined by COVID-19 measures.
- That continuation of availability of books of 50 tickets beyond 31 March 2022 be reviewed, by February 2022, following consultation with isles Community Councils and island communities using those services.
- That the concessionary rate applied to passengers be amended from 60 years and above to 65 years and above, increased in increments over a period of five years from 60 to 65, to bring the concession into line with the Local Concessionary Travel Scheme operated by the Council.

- That the Executive Director of Development and Infrastructure should undertake a review of the revised passenger and vehicle fares for inter-island ferry services, post COVID-19 and, once fully established, consider the impact on residents, visitors and businesses, and thereafter submit a report, to the Development and Infrastructure Committee, detailing the findings of the review.
- That, following implementation of the new fare structure in respect of passengers and vehicles for inter-island ferry services, the Executive Director of Development and Infrastructure should undertake a review of the commercial tariff and thereafter submit a report, to the Development and Infrastructure Committee, detailing the findings of that review.

**13.3.** That, on 31 May 2021, the Council resolved to approve the recommendations of the Development and Infrastructure Committee detailed above, with the exception of the discount on the books of 50 tickets, which should remain at 50%.

**13.4.** That, during September 2021, an online survey was carried out to obtain views from residents and key users in respect of the revised fare structure for inter-island ferry services operated by Orkney Ferries Limited, with the outcome attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**13.5.** That, in advance of the Council's budget setting process for 2022/23 being concluded, any decision to continue the sale of books of 50 tickets for passengers and vehicles under 5.5 metres would be subject to an adequate service revenue budget being established.

**13.6.** That, following the wider Scottish Government review of fares, a review of the commercial tariff structure, for vehicles over 5.5 metres, would be undertaken, with the findings presented to Committee in due course.

**13.7.** That, in order to effectively monitor carryings and examine trends in travel behaviour, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services would arrange for passenger, vehicle and commercial carryings for the inter-island ferry services to be included in the Council's annual performance report in relation to services provided by Orkney Ferries Limited.

On the motion of Councillor Heather N Woodbridge, seconded by Councillor David Dawson, the Committee resolved to **recommend to the Council**:

**13.8.** That, subject to an adequate service revenue budget for 2022/23 being established, the sale of books of 50 tickets for passengers and vehicles under 5.5 metres, at an estimated cost of £70,000, should be continued during 2022/23.

**13.9.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should undertake a review of discounted books of tickets, to determine whether to continue current practice or consider implementation of an alternative discount for islanders, and thereafter submit a report, to the Development and Infrastructure Committee, detailing the findings of that review.

**13.10.** That the inter-island fare structure and the cost of multi journey books of tickets should be frozen in 2022/23 until the first anniversary of the introduction of reduced fares in June 2022.

**13.11.** That determination of the level of ferry fares from June 2022 be deferred until the Council had concluded the planned engagement with the Cabinet Secretary for Finance and the Economy on funding for ferry replacement and enhancement to ferry services, which was originally anticipated to have been concluded in January 2022.

**13.12.** That proposals for any increase in ferry fares from June 2022 to March 2023 be reported to the meeting of the Development and Infrastructure Committee scheduled for 7 June 2022.

**13.13.** That, for 2023/24 onwards, ferry fares on services operated by Orkney Ferries Limited, be increased annually in line with the fare uprating assumptions applied on Transport Scotland's supported ferry services.

**13.14.** That, from 2022/23, the banding of the junior passenger fare be extended to cover all passengers under 22 years of age, with the National Entitlement Card (Young Scot card) being a form of acceptable identification for that purpose.

**13.15.** That all costs associated with extending the banding of the junior passenger fare, estimated at £10,000 per annum, be met from Orkney Ferries' existing budget.

## **14. Orkney Inter Island Transport Study**

### **Outline Business Case**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Transportation Manager, the Committee:

Noted:

**14.1.** That, in Autumn 2016, an Orkney Inter Island Transport Study Strategic Business Case was completed, which included capital and revenue options for all 13 islands connected by inter-island air and ferry services, and a timeline for progressing specific elements of the Strategic Business Case to Outline Business Case stage, which would determine a preferred option and the means by which it should be funded, procured and delivered.

**14.2.** That, at a seminar held on 12 January 2021, Members were provided with an update on the emerging conclusions from the Outer North Isles and Rousay, Egilsay and Wyre Outline Business Cases Phase 2 work and given the opportunity to provide feedback prior to presenting the work to communities.

**14.3.** That, on 18 May 2021, when considering progress on work carried out as part of the Orkney Inter Island Transport Study Outline Business Case Phase 2 and the proposed consultation process with communities, the Development and Infrastructure Committee recommended:

- That the Executive Director of Development and Infrastructure should undertake a further period of engagement with the relevant communities and key stakeholders in respect of the Outline Business Case Phase 2 and thereafter submit, to the Development and Infrastructure Committee, the final Outline Business Case report detailing the recommended vessel and infrastructure requirements for the Outer North Isles and Rousay, Egilsay and Wyre.

**14.4.** That, during summer 2021, consultants Stantec undertook a further period of engagement with the relevant communities and key stakeholders in respect of the Outline Business Case Phase 2.

**14.5.** The objectives and main findings of the Outline Business Cases for the Outer North Isles and Rousay, Egilsay and Wyre, as detailed in sections 4 and 5 respectively of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**14.6.** That, on 27 October 2021, the Outline Business Case Phase 2 reports and possible next steps were presented to the Senior Management Team.

**14.7.** That, at a seminar held on 17 January 2022, Members considered the findings of the Outline Business Case Phase 2 reports and next steps.

**14.8.** The Outline Business Case Phase 2 report considering the Outer North Isles network, attached as Appendix 1 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**14.9.** The Outline Business Case Phase 2 report considering the Rousay, Egilsay and Wyre network, attached as Appendix 2 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**14.10.** The presentation by officers, attached as Appendix 3 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, presented to the seminar held on 17 January 2022, which recommended further feasibility work relating to Papa Westray connectivity, a fixed link between Egilsay and Rousay and the possible relocation of the Stronsay ferry terminal.

The Committee resolved to **recommend to the Council:**

**14.11.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should arrange for further feasibility work to be carried out in respect of the following matters:

- Papa Westray connectivity, including links to Westray and onwards to Kirkwall, vessel suitability and infrastructure requirements, considering both Pierowall and Rapness connectivity and vessel implications to North Ronaldsay.
- Relocating the Stronsay ferry terminal to the west side of the island, on environmental, sustainability and operational grounds.
- A fixed link between Egilsay and Rousay on environmental, connectivity and sustainability grounds.

**14.12.** That, during 2022/23, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should arrange for an evaluation of hull form and all fuel options to be undertaken and thereafter progress vessel designs to Outline Design Specification stage, at an estimated cost of £95,000, to aid procurement of the Design and Build of the Outer North Isles and Rousay, Egilsay and Wyre vessels, which were in immediate need of replacement.

**14.13.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit the Outline Business Case reports, referred to at paragraphs 14.8 and 14.9 above, to Scottish Government, with the caveat that further feasibility work was required, and that the Council remained open to having continued engagement with Transport Scotland and the Scottish Futures Trust regarding the capital funding required as part of Orkney's Inter Island Ferry Replacement Programme.

**14.14.** That a post of Ferries Replacement Project Officer, estimated at G12, be established, initially for a period of 23 months, to co-ordinate the land side infrastructure and vessel requirements for the Outer North Isles and the Rousay, Egilsay and Wyre networks, followed by the remaining Inner and South Isles network as a rolling programme, and, in tandem, consider innovative transport solutions as the market continued to develop.

**14.15.** That all costs associated with the post of Ferries Replacement Project Officer, estimated at £59,300 per annum, be met from the Transportation Infrastructure Fund.

**14.16.** That engagement should continue with the Scottish Government on securing appropriate funding for the Orkney Inter Island Ferry Replacement Programme.

**14.17.** That submission of an application to the United Kingdom Government's Levelling Up Fund in respect of ferry transport be endorsed.

## **15. Strategic Tourism Infrastructure Development Plan**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Development and Regeneration Manager, the Committee:

Noted:

**15.1.** That, in April 2021, the Council applied to VisitScotland's pilot Strategic Tourism Infrastructure Development Fund for support to develop a Strategic Tourism Infrastructure Development Plan for Orkney and was awarded the maximum grant of £35,000.

**15.2.** That the draft Strategic Tourism Infrastructure Development Plan, attached as Appendix 1 to the report by the Interim Executive of Finance, Regulatory, Marine and Transportation Services, was developed in collaboration with key stakeholders from the public, private and third sectors and island communities and, having been required by 14 January 2022, was submitted to VisitScotland on 12 January 2022.

**15.3.** That the draft Strategic Tourism Infrastructure Development Plan now required to be made available for public consultation, and a revised draft Plan would be submitted to the Committee for consideration in June 2022.

**15.4.** That the draft Strategic Tourism Infrastructure Development Plan presented a broad strategy for development supported by a prioritised list of essential projects, some of which met the criteria for funding through VisitScotland's Rural Tourism Infrastructure Fund.

**15.5.** That expressions of interest for project funding through the Rural Tourism Infrastructure Fund were due to be submitted by 24 February 2022.

The Committee resolved to **recommend to the Council:**

**15.6.** That the draft Strategic Tourism Infrastructure Development Plan, referred to at paragraph 15.2 above, be approved for public consultation.

**15.7.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit a report, to the next meeting of the Committee, detailing the outcome of the consultation exercise, referred to at paragraph 15.6 above, together with a revised draft Strategic Tourism Infrastructure Development Plan for consideration.

**15.8.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit expressions of interest in respect of eligible project development costs associated with the projects, detailed in Appendix 6 to this Minute, to the Rural Tourism Infrastructure Fund, by the deadline of 24 February 2022.

The Committee noted:

**15.9.** That, due to the time constraints involved, the Chief Executive would be requested to exercise emergency powers to authorise submission of the expressions of interest, referred to at paragraph 15.8 above, prior to approval by Council.

## **16. Archaeological Investigations**

Councillor Rachael A King declared a non-financial interest in this item, in that a family member was employed by an organisation requesting grant funding and was not present during discussion thereof.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from Morag Robertson, Economic Development Officer, the Committee:

Noted:

**16.1.** That five applications for financial assistance had been received in respect of archaeological investigation projects to be undertaken during the 2022 season, comprising two mainland-based projects and three island-based projects, with total project costs of £404,722.

**16.2.** That the five applications requested assistance totalling £76,662, which exceeded the available budget of £40,000 by approximately 91%.

**16.3.** The proposed offers of grant for the 2022 season, as detailed in Annex A to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**16.4.** That, in advance of the Council's budget setting process for 2022/23 being concluded, any decision on the award of grant funding towards archaeological investigations for the 2022 season would be subject to an adequate service revenue budget being established.

Councillor Graham L Sinclair, seconded by Councillor W Leslie Manson, moved that:

- (1) A sum of up to £40,000 be allocated within the Economic Development Grants budget in respect of archaeological investigations.
- (2) Offers of grant, as detailed in Annex A to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, should be made in respect of archaeological investigations for the 2022 season.

Councillor Stephen Sankey, seconded by Councillor Heather N Woodbridge, moved an amendment that:

- (1) A sum of up to £60,000 be allocated within the Economic Development Grants budget in respect of archaeological investigations.
- (2) Offers of grant, as detailed in Annex A, should be made, with the additional budget of £20,000 being allocated to all five applicants on a pro-rata basis.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Robin W Crichton, Andrew Drever, J Harvey Johnston, Stephen Sankey and Heather N Woodbridge (5).

For the Motion:

Councillors Norman R Craigie, David Dawson, W Leslie Manson, Graham L Sinclair, James W Stockan and Duncan A Tullock (6).

The Motion was therefore carried.

The Committee thereafter resolved, in terms of delegated powers:

**16.5.** That, subject to an adequate service revenue budget for 2022/23 being established, a sum of up to £40,000 be allocated within the Economic Development Grants budget in respect of archaeological investigations.

**16.6.** That, subject to the annual budget for Economic Development Grants for 2022/23 being confirmed, offers of grant, as detailed in Appendix 7 to this Minute, should be made in respect of archaeological investigations for the 2022 season.

## **17. Development Trust Core Funding**

Councillor Heather N Woodbridge declared a non-financial interest in this item, being a director and co-vice chair of North Ronaldsay Development Trust, and was not present during discussion thereof.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from Morag Robertson, Economic Development Officer, the Committee:



Noted:

**17.1.** That, on 11 September 2018, the Development and Infrastructure Committee recommended that core funding support of up to £10,000 for each of financial years 2018/19, 2019/20 and 2020/21, be provided to the following development trusts:

- North Ronaldsay Development Trust – up to £5,000.
- Papay Development Trust – up to £5,000.

**17.2.** The review of core funding and income generating capacity of North Ronaldsay Development Trust and Papay Development Trust, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**17.3.** That North Ronaldsay Development Trust and Papay Development Trust had requested Council assistance to cover ongoing core funding costs until 31 March 2024.

**17.4.** The options in respect of continued support to the development trusts, as detailed in section 6 of the report by the Interim Executive Director of Finance Regulatory, Marine and Transportation Services, with the preferred option being Option 2, namely to continue to provide financial assistance to North Ronaldsay Development Trust and Papay Development Trust, at increased rates of £7,000 and £6,500 per annum respectively for the next three years.

The Committee resolved to **recommend to the Council:**

**17.5.** That core funding support of up to £13,500 for each of financial years 2021/22, 2022/23 and 2023/24, be provided to the following development trusts:

- North Ronaldsay Development Trust – up to £7,000.
- Papay Development Trust – up to £6,500.

**17.6.** That powers be delegated to the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services to determine the actual level of funding to be provided to North Ronaldsay Development Trust and Papay Development Trust for the three financial years, based on:

- An annual review of the relevant Island Development Plan to assess progress towards financial sustainability.
- Receipt of a claim form outlining the relevant core costs.

## **18. Economic Development Grants**

### **Budget Monitoring Statement and Delegated Approvals**

Councillor Rachael A King declared a non-financial interest in this item, in that a family member was employed by an organisation which had received economic development grant funding, however, as the specific application was not discussed, she did not leave the meeting.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Economic Development Manager, the Committee:

Noted:

**18.1.** That, for financial year 2021/22, the approved budget in respect of Economic Development Grants amounted to £306,300.

**18.2.** Spending to 31 December 2021 in relation to Economic Development Grants, totalling £185,052, of which £164,595 related to grant commitments made in previous financial years and £20,457 to current year commitments.

**18.3.** That, as at 31 December 2021, the budget available for approval from the Economic Development Grants budget amounted to £137,588, as detailed in Annex A to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**18.4.** Grant approvals made in the period 1 April to 31 December 2021, totalling £168,712, including grants approved under delegated schemes for the same period totalling £128,712, as detailed in Annex B to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

## **19. Exclusion of the Public**

On the motion of Councillor Graham L Sinclair, seconded by Councillor Andrew Drever, the Committee resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **20. Harbour Authority Sub-committee**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Harbour Authority Sub-committee held on 25 January 2022, copies of which had been circulated, the Committee:

Resolved:

**20.1.** On the motion of Councillor Andrew Drever, seconded by Councillor Robin W Crichton, to approve the Minute of the Meeting of the Harbour Authority Sub-committee held on 25 January 2022 as a true record.

The Committee resolved to **recommend to the Council:**

**20.2.** That the recommendations at paragraphs 6.4, 7.5, 7.6, 9.5, 9.6, 10.3 and 11.5 of the Minute of the Meeting of the Harbour Authority Sub-committee held on 25 January 2022, attached as Appendix 8 to this Minute, be approved.

## **21. Community Transport Services**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 4 and 6 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Transportation Manager, the Committee:

Noted:

**21.1.** That, following advertisement, three applications were submitted for funding from the Community Transport Grant Scheme for 2022/23 from the Island of Hoy Development Trust, Papa Westray Development Trust and Orkney Disability Forum, as detailed in sections 4 and 5 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**21.2.** That, in advance of the Council's budget setting process being concluded, any decision on the award of grant funding towards community transport services for 2022/23 would be subject to an adequate service revenue budget being established.

The Committee resolved to **recommend to the Council:**

**21.3.** That, subject to an adequate service revenue budget for 2022/23 being established, the following grants, totalling £72,201, be awarded towards the continued operation of community transport services during 2022/23:

- Island of Hoy Development Trust – £9,873.
- Papa Westray Development Trust – £2,040.
- Orkney Disability Forum – Dial-a-Bus – £60,288.

**21.4.** That powers be delegated to the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, in consultation with the Solicitor to the Council, to conclude, where required, grant funding agreements, on the Council's standard terms and conditions, in respect of awards made from the Community Transport Grant Scheme.

**21.5.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should undertake a review of the Community Transport Grant Scheme and submit a report, to the Development and Infrastructure Committee, by the end of the calendar year 2022.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

## **22. Urgent Item**

### **Application Number 0/5/2/2081**

In terms of section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chair permitted urgent discussion of this item in order that the Council could consider a request for financial assistance.

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 4 and 6 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from Jordan Low, Economic Development Officer, the Committee:

Resolved, in terms of delegated powers, what action should be taken with regard to application number 0/5/2/2081.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

### **23. Conclusion of Meeting**

At 16:26 the Chair declared the meeting concluded.

Signed: Graham L Sinclair.