

Orkney Towns Board

Minute

Venue: **Council Chamber, Council Offices, School Place, Kirkwall.**

Date: **Thursday, 11 July 2024.**

Time: **17:30.**

Present:

- Stephen Hagan, Chair.
- Morven Brooks (via Microsoft Teams).
- Davie Campbell.
- Cheryl Chapman.
- Councillor Kristopher Leask.
- Michael Morrison.
- Chief Inspector Scott Robertson (via Microsoft Teams).
- Rachel Scarth.
- Craig Spence.

Orkney Islands Council Officers:

- Sweyn Johnston, Head of Enterprise and Economic Growth.
- Stuart Allison, Service Manager (Enterprise).
- Karen Bevilacqua, Service Manager (Legal Services).
- Hazel Flett, Service Manager (Governance).
- Kirsty Groundwater, Communications Team Leader (via Microsoft Teams).

1. Welcome

The Chair welcomed everyone to the meeting and thanked everyone for the time and effort put in so far to progress the work of the Board.

2. Apologies

Apologies were intimated on behalf of Alistair Carmichael MP, Liam McArthur MSP and Councillor Gwenda Shearer.

3. Draft Minute of Previous Meeting

There had been previously circulated the draft Minute of the Meeting held on 10 June 2024.

The Minute was **approved** as a true record.

4. Board Deputies

The Chair advised that there was an opportunity for Board members to appoint deputies; however, as the majority of Board members had been appointed in a personal capacity, rather than representing any particular sector, appointment of deputies was not considered relevant.

The Chair had received a request from Chief Inspector Scott Robertson to appoint a deputy and, as it would be beneficial to have a representative from the Police at the meetings, he suggested that request be approved.

The Board **agreed** that Chief Inspector Robertson should appoint a deputy.

5. Appointment of Consultant

The Chair advised that Aquatera had been appointed to support to the Board to undertake activity and produce documentation per UK Government requirements. This is to include reviewing previous consultation and assessing community priorities, arranging and facilitating public consultation, and assisting in development of a vision statement and a three year investment plan ahead of the 1 November 2024 deadline for submission.

The Board noted the position.

6. Vision and Programme Criteria

Gareth Davies, Aquatera, was present for discussion of this item.

There had been previously circulated a report from Aquatera outlining matters relating to stakeholder engagement activities.

Gareth Davies took members through each section of the report and, following discussion on various individual elements, there was general agreement that the paper was a good starting point, providing flexibility for change over time. There was also general agreement to stick with terminology used in guidance produced by the UK Government, however alternative language could be used when the Board was communicating the message to the public.

The Board subsequently **agreed** the following individual elements:

6.1. Adopt Vision as set out in report, namely:

Orkney Towns Fund: Creating together to build a better future for all.

Orkney Towns Fund will support projects within and beyond the core themes of community heritage and regeneration; transport and connectivity and safety and security; to create fairer, more inclusive, resilient and successful island communities, now and for future generations.

6.2. Adopt Naming, logo and branding as outlined in report.

6.3. Endorse the following delivery objectives:

- All projects should align with community priorities and shared development goals within theme areas.
- Prioritise projects which support and build sustainability across Orkney.
- Prioritise projects with clear evidence of support across the community.
- Spend the funds available on projects as early as possible.
- Build on existing approved place or development plans where appropriate.
- Work collaboratively to deliver projects.
- Support revenue generating projects as well as invest rather than spend to create most value.
- Prioritise assured delivery and avoid additional future revenue burden.

6.4. Endorse the following key focus themes:

- Heritage and regeneration – enhancing and building resilience into Orkney’s heritage, activities, facilities and townships to ensure they remain the beating heart of our communities and offer increased opportunities to all local people, local enterprises and visitors alike.
- Transport and connectivity – focuses on improving transport and digital connectivity so that residents, enterprises, civic bodies and visitors can have equal and affordable access to and between key places, activities and services.
- Safety and security – aimed at encouraging positive behaviours, lifestyles and use of places as well as preventing anti-social behaviour and crime to ensure local communities can continue to thrive openly, safely and securely.

6.5. Endorse the following preliminary structure of funding allocation as a flexible guidance framework:

- The scheme assumes £15M of initial dispersible funds with £5M used for OTF programme costs, project development support over the 10 years and as a contingency/flex fund when needed.
- There are three equal funding themes.
- There are three project sizes – flagship, medium, small.
- There are three timing tranches – T1, T2 and T3 each of three years.
- There is a priority placed upon earlier funding tranches:
 - T1 = tranche 1 funding 2025 to 2027 = £12.5M.
 - T2 = Tranche 2 funding 2028 to 2030 = £2.5M.

- T3 = Tranche 3 funding 2031 to 2033 = £1M.
- Flagship projects:
 - There is a nominal target/aspiration of 3 flagship projects.
 - The scale of flagship project funding from OTF would typically lie between £1.5M to £2M, amounting to a total of £6M.
 - It would be hoped that such projects would be established during Tranche 1.
 - They may be able to attract significant match and debt funding enabling total spend of perhaps around £18M.
 - Where such projects were revenue and profit generating there may be some kind of community benefit mechanism established.
- Medium projects:
 - There is a nominal target/aspiration of 6-12 medium sized projects.
 - The scale of medium project funding from OTF would typically lie between £0.5M and 1.5M, amounting to a total of £6M.
 - It would be hoped that such projects would be established mainly during Tranche 1, but also in Tranche 2.
 - It is hoped that they may be able to attract modest match funding enabling total spend of perhaps around £9M.
 - Where such projects were revenue and profit generating there may be some kind of community benefit mechanism established.
- Small projects:
 - There is a nominal target/aspiration of 30 smaller sized projects.
 - The scale of small project funding from OTF would typically lie between £10k and £200k, amounting to a total of £3M.
 - It would be hoped that such projects would be established mainly during Tranche 1, but also in Tranche 2 and Tranche 3.
 - Although any match funding opportunities would be encouraged, these projects would be able to secure 100% funding if needed.
 - Not anticipated community benefits would be expected from such projects.
- All projects:
 - All costs within Flagship and Medium size classes should balance without drawing down on Small scale project budgets
 - Eligible costs include both capital and operating costs.
 - Additional funding for project development activities may be available as required.
 - Grant aid procedures will need to be followed unless derogation secured.

Gareth Davies thanked the Board for the feedback on the draft framework and suggested that a Q&A sheet be produced in advance of the stakeholder workshop. Gareth Davies also advised that, although initial project/concept selection criteria were drafted, these were not yet complete and required further input.

Actions:

- GD to produce and circulate to Members early next week.
- Board Members – touch down meeting to be held on 16 July 2024 at 17:30 to further consider criteria ahead of workshop.

The Head of Enterprise and Economic Growth advised that, although press releases have quoted a £20M fund, in reality, the offer from Government is £19.5M and there would be a charge from Orkney Islands Council in administering the Fund on behalf of the Board. The Board had also indicated a strong desire to spend early, potentially more than would be released by the UK Government (which was an equal spread over the 10 year programme), therefore the issue of cash flow would require to be considered, most likely through borrowing from the Council, which would also come at a cost.

Actions:

- SJ to quantify level of admin charge from OIC to OTB and report back.
- SJ to get steer on potential level of interest to be charged on any loan funding from OIC to enable front loading of projects ahead of the funding profile from UK Government and report back.

Gareth Davies confirmed that arrangements for the stakeholder engagement workshop were progressing well, with the King Street Halls booked for Thursday, 18 July. Three separate sessions were proposed, comprising an introduction from the Chair, followed by round table discussion, to enable attendees to put forward proposals for potential projects. A further workshop would be arranged following the County Show, to start consolidating all the ideas submitted to date.

Actions:

- KG to arrange for comms around Orkney Towns Board to be issued to community councils.
- KG to liaise with Aquatera comms to arrange follow-up interview with the press early next week ahead of the workshop.
- Board Members – as many as possible to attend the three workshop sessions, noting availability already provided to the Chair.

Gareth Davies explained that the Appendix to the report comprised comments collated from discussions and activities so far reflecting some of the working principles and background information. It was anticipated that the list would be added to, with some of the comments changing or becoming redundant over time.

In response to a query from a Board Member regarding submission of project ideas from Orkney Islands Council, the Head of Enterprise and Economic Growth advised that the Levelling up funding would not be used to fund any project which the Council would progress under normal circumstances. However, the long list of capital projects had been reviewed to determine whether any projects would be suitable for consideration, particularly those that might not be considered a priority through the normal Council governance processes for capital projects.

Action: SJ to arrange for Ross McEwen to brief the Board on potential projects.

Chief Inspector Scott Robertson joined and left the meeting during discussion of this item.

7. Any Other Competent Business

In response to a query, the Head of Enterprise and Economic Growth advised that a recruitment exercise had just commenced, with the postholder expected to be the first point of contact for the Board, as well as liaising with various Council services, once the programme was up and running, recognising that the consultancy was for a limited time only to assist in undertaking the stakeholder engagement and production of required plans.

8. Date of Next Meeting

The next meeting would be held week commencing 19 August 2024, on a date and time still to be confirmed.

9. Conclusion of Meeting

There being no further business, the Chair declared the meeting concluded at 19:10.