

# Minute

## Special General Meeting of the Council

Wednesday, 28 October 2020, 14:15.

Microsoft Teams.



### Present

Councillors J Harvey Johnston, Alexander G Cowie, Robin W Crichton, David Dawson, Andrew Drever, Barbara Foulkes, Steven B Heddle, Rachael A King, W Leslie Manson, John T Richards, Stephen Sankey, John A R Scott, Gwenda M Shearer, Graham L Sinclair, James W Stockan, Magnus O Thomson, Owen Tierney, Duncan A Tullock and Heather N Woodbridge.

### Clerk

- Gavin Mitchell, Head of Legal Services.

### In Attendance

- John W Mundell, Interim Chief Executive (for Item 1).
- Gavin Barr, Executive Director of Development and Infrastructure.
- Gillian Morrison, Interim Chief Officer/Executive Director, Orkney Health and Care (for Item 1).
- James Wylie, Executive Director of Education, Leisure and Housing.
- Gareth Waterson, Head of Finance.
- Karen Greaves, Head of Executive Support.
- Jackie Thomson, Development and Regeneration Manager.
- Stuart Allison, Economic Development Manager.
- Hazel Flett, Senior Committees Officer.

### Observing

- Hayley Green, Head of IT and Facilities.
- Claire Kemp, Business Gateway Manager.
- David Hartley, Communications Team Leader.

### Apologies

- Councillor Stephen G Clackson.
- Councillor Norman R Craigie.

### Declarations of Interest

- Councillor Robin W Crichton – Items 1 and 2.
- Councillor Stephen Sankey – Items 1 and 2.

- Councillor Gwenda M Shearer – Item 1.
- Councillor Heather N Woodbridge – Items 1 and 2.

## **Chair**

- Councillor J Harvey Johnston, Convener.

## **1. COVID-19 Business Support**

Councillor Robin W Crichton declared a non-financial interest, in that close family members were prominent in the local hospitality sector, and was not present during discussion thereof.

Councillor Stephen Sankey declared a financial interest in this item, in that his company could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

Councillor Gwenda M Shearer declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

Councillor Heather A Woodbridge declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, the Council:

Noted:

**1.1.** That, on 23 June 2020, the Council agreed to pay a supplement of 10% to coronavirus business support grants awarded by the Scottish Government.

**1.2.** That a Scottish Government Business Hardship Fund grant was currently payable to eligible businesses disadvantaged by temporary mandatory restrictions on trading, referred to as Brake Restrictions.

**1.3.** That the temporary restrictions on trading, initially introduced for a 16-day period, were now due to end at 06:00 on 2 November 2020.

**1.4.** That the grants, referred to at paragraph 1.2 above, were being delivered by the Council from a funding allocation provided by the Scottish Government.

**1.5.** That new government grant schemes might be introduced over the coming months to mitigate the ongoing impacts of COVID-19 trading restrictions on businesses.

Councillor James W Stockan left the meeting at this point.

Councillor Graham L Sinclair, seconded by Councillor Barbara Foulkes, moved that:

- The Council should make an additional payment to Orkney businesses who qualified for support from the Scottish Government funded Business Hardship Fund, administered by the Council, equal to an additional 10% of the grant payable or due to each business.
- The cost of the 10% supplement, estimated at up to £13,000, be met from the Council's Coronavirus Response Fund.
- Should the Scottish Government extend the support, referred to at paragraph 1.2 above, for a further period, resulting in further grants being payable, the 10% supplement should also be applied to subsequent payments.
- Powers be delegated to the Chief Executive, in consultation with the Leader, the Chair and Vice Chair of the Development and Infrastructure Committee, the Executive Director of Development and Infrastructure and the Head of Finance, to extend the 10% supplement to any new schemes of grant assistance that provided grant support to Orkney businesses to mitigate the impacts of COVID-19, in the period up to 30 June 2021, to be met from the Council's Coronavirus Response Fund.

Councillor W Leslie Manson, seconded by Councillor Owen Tierney, moved an amendment that:

- The Council should make an additional payment to Orkney businesses who qualify for support from the Scottish Government funded Business Hardship Fund, administered by the Council, equal to an additional 20% of the grant payable or due to each business.
- The cost of the 20% supplement, estimated at up to £26,000, be met from the Council's Coronavirus Response Fund.
- Should the Scottish Government extend the support, referred to at paragraph 2.2 above, for a further period, resulting in further grants being payable, the Executive Director of Development and Infrastructure should submit a further report to enable reconsideration of a supplement being applied to subsequent payments.
- Powers be delegated to the Chief Executive, in consultation with the Leader, the Chair and Vice Chair of the Development and Infrastructure Committee, the Executive Director of Development and Infrastructure and the Head of Finance, to extend the 10% supplement to any new schemes of grant assistance that provided grant support to Orkney businesses to mitigate the impacts of COVID-19, in the period up to 30 June 2021, to be met from the Council's Coronavirus Response Fund.

The result of a recorded vote was as follows:

For the Amendment:

Councillors W Leslie Manson, Magnus O Thomson and Owen Tierney (3).

For the Motion:

Councillors Alexander G Cowie, David Dawson, Andrew Drever, Barbara Foulkes, Steven B Heddle, J Harvey Johnston, Rachael A King, John T Richards, John A R Scott, Graham L Sinclair and Duncan A Tullock (11).

The motion was therefore carried and the Council thereafter resolved:

**1.6.** To make an additional payment to Orkney businesses who qualified for support from the Scottish Government funded Business Hardship Fund, administered by the Council, equal to an additional 10% of the grant payable or due to each business.

**1.7.** That the cost of the 10% supplement, estimated at up to £13,000, be met from the Council's Coronavirus Response Fund.

**1.8.** That, should the Scottish Government extend the support, referred to at paragraph 1.2 above, for a further period, resulting in further grants being payable, the 10% supplement should also be applied to subsequent payments.

**1.9.** That powers be delegated to the Chief Executive, in consultation with the Leader, the Chair and Vice Chair of the Development and Infrastructure Committee, the Executive Director of Development and Infrastructure and the Head of Finance, to extend the 10% supplement to any new schemes of grant assistance that provided grant support to Orkney businesses to mitigate the impacts of COVID-19, in the period up to 30 June 2021, to be met from the Council's Coronavirus Response Fund.

## **2. Coronavirus Response Fund – Hotel Sector Job Support Scheme**

Councillor Robin W Crichton declared a non-financial interest, in that close family members were prominent in the local hospitality sector, and was not present during discussion thereof.

Councillor Stephen Sankey declared a financial interest in this item, in that his company could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

Councillor Heather A Woodbridge declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, the Council:

Noted:

**2.1.** That, on 16 April 2020, the Council established a Coronavirus Response Fund, with an opening balance of £5,000,000.

**2.2.** That the Council had established several financial support measures drawing from the Coronavirus Response Fund during the response phase to the Coronavirus pandemic, as follows:

- Business Hardship Support Grant (BHSG), launched on 1 May 2020.
- Emergency Loan Scheme, launched 25 May 2020.
- COVID-19 Response Grant – Orkney Islands Council 10% top-up grant, launched 19 August 2020.

- Protective equipment grants, launched 19 August 2020.
- COVID-19 Recovery Development Grant (CRDG), launched 19 August 2020.

**2.3.** That Scottish Government financial support for the hotel sector had been highly variable in terms of awards made to Orkney businesses.

**2.4.** That the UK Government recently announced its Job Support Scheme designed from 1 November 2020 to protect viable jobs in businesses who were facing lower demand over the winter months due to COVID-19, to help keep their employees attached to the workforce.

**2.5.** That a hotel representative subgroup of Destination Orkney had met to identify and prioritise the main COVID-19 related issues, as outlined in section 3 of the report by the Executive Director of Development and Infrastructure.

**2.6.** That the UK Government's new Job Support Scheme was not considered by the subgroup to support job retention for the sector due to lack of trade and resulting lack of affordability to pay for non-productive time.

**2.7.** That the Scottish Government announced a Hotel Recovery Programme aiming to secure jobs at Scotland's larger hotels until the start of the summer 2021 tourism season, but that only two or three local hotels were understood to be eligible and successful applicants were not yet known.

**2.8.** That, on 7 October 2020, the Scottish Government announced a further £40 million package to support the hospitality trade during tighter restrictions still to be announced at time of writing.

**2.9.** That, recognising the urgency of redundancy notices already issued, a specific request had been made to the Council to explore a support scheme to seek to protect key roles for the hotel trade in Orkney.

**2.10.** The options for a hotel sector job support scheme, detailed in section 5 of the report by the Executive Director of Development and Infrastructure, with the preferred option being Option 5, namely a level of grant contribution based on confirmation of retained full time equivalent (FTE) jobs.

**2.11.** Should Option 5 be endorsed, proposed outline conditions for a hotel sector job support scheme, as detailed in section 6.4 of the report by the Executive Director of Development and Infrastructure.

**2.12.** That, as of 10 October 2020, payments and commitments totalling £1,567,154 had been recorded against the Coronavirus Response Fund budget.

On the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, the Council resolved:

**2.13.** That Option 5, namely a level of grant contribution based on confirmation of retained full time equivalent (FTE) jobs, at an estimated total cost of £210,000, be approved as the basis for the hotel job support scheme.

**2.14.** That the Chief Executive, in consultation with the Chair and Vice Chair of the Development and Infrastructure Committee, the Executive Director of Development and Infrastructure and the Head of Finance, be authorised to finalise conditions, including those noted below, and deliver a hotel sector job support scheme:

- Payment terms to be 50% up front on demonstration of aggregate full-time equivalents on payroll, with 50% payable during March 2021 on demonstration of retained posts.
- Employees being kept on and local services remaining deliverable with hotels remaining open.
- Hotels successful in the Hotel Recovery Programme, and therefore expected to receive sufficient working capital support and assistance to retain jobs, being excluded from the proposed Council scheme, as any award made locally would displace Government funding.
- The proposed Council scheme supplementing any Government scheme and total assistance received not exceeding the normal cost of any individual full-time equivalent post.

### **3. Conclusion of Meeting**

At 15:30 the Convener declared the meeting concluded.

Signed: Harvey Johnston.