

Minute

Policy and Resources Committee

Tuesday, 20 February 2024, 13:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Heather N Woodbridge, Alexander G Cowie, Graham A Bevan, Stephen G Clackson, David Dawson, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask, W Leslie Manson, James R Moar, Raymond S Peace, John A R Scott, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson, Owen Tierney and Duncan A Tullock.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Oliver D Reid, Chief Executive.
- Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.
- Karen Greaves, Corporate Director for Strategy, Performance and Business Solutions.
- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- James Wylie, Corporate Director for Education, Leisure and Housing.
- Gavin Mitchell, Head of Legal and Governance.
- Andrew Groundwater, Head of Human Resources and Organisational Development (for Items 1.3 to 12).
- Erik Knight, Head of Finance.
- Kenny MacPherson, Head of Property, Asset Management and Facilities (for Items 1 and 2).
- Alex Rodwell, Head of Improvement and Performance.
- Carole Graves, Service Manager (Revenues and Benefits) (for Items 1 to 5).
- Shonagh Merriman, Service Manager (Corporate Finance) (for Items 1.2 to 5).

Observing

- Rosemary Colsell, Service Manager (Procurement) (for Items 5 and 6).
- Kirsty Groundwater, Communications Team Leader.

Observing via remote link (Microsoft Teams)

- Glen Thomson, Service Manager (Property and Capital Projects) (for Items 1 and 2).

Declarations of Interest

- Councillor Graham A Bevan – Item 5.
- Councillor W Leslie Manson – Item 5.
- Councillor Gillian Skuse – Item 5.
- Councillor Mellissa-Louise Thomson – Item 5.
- Councillor Heather N Woodbridge – Item 5.

Chair

- Councillor Heather N Woodbridge.

1. Revenue Expenditure Monitoring

1.1. Policy and Resources

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

1.1.1. The revenue financial summary statement, in respect of service areas for which the Policy and Resources Committee was responsible, for the period 1 April to 31 December 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £357,700.

1.1.2. The revenue financial detail by service area statement, in respect of service areas for which the Policy and Resources Committee was responsible, for the period 1 April to 31 December 2023, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

1.1.3. 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 Steven B Heddle joined the meeting during discussion of this item.

1.2. Orkney Health and Care

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

1.2.1. The revenue financial summary statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 31 December 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £3,292,900.

1.2.2. The revenue financial detail by service area statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 31 December 2023, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

1.2.3. 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.

1.3. Summary

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

1.3.1. The summary revenue expenditure statement for the period 1 April to 31 December 2023, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund overspend of £5,293,500.
- A surplus in Sources of Funding of £101,800.
- A net Non-General Fund deficit of £5,753,900.

1.3.2. The financial detail across individual Sources of Funding for the period 1 April to 31 December 2023, including significant variances identified as Priority Actions, together with changes in the original overall budget position, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

1.3.3. The explanations given and actions proposed in respect of significant budget variances across individual Sources of Funding, 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 Owen Tierney joined the meeting at this point.

2. Capital 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 Service Manager (Corporate Finance), the Committee:

Noted:

2.1. The summary financial position, as at 31 December 2023, in respect of the approved General Fund and Non-General Fund capital programmes, as detailed in section 3.1 of the report by the Head of Finance, indicating the following:

- Actual expenditure incurred as at 31 December 2023 of £10,389,000.
- Annual budget of £45,768,000, which reflected slippage and current timescales for completion of individual projects, as recommended by the Policy and Resources Committee on 19 September 2023.
- Probable outturn as at 31 March 2024 of £16,871,000.

The Committee scrutinised:

2.2. The detailed analysis of capital expenditure, together with project updates in respect of the General Fund and the Non-General Fund capital programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and on progress being made with delivery of the approved capital programmes.

3. Governance Arrangements

After consideration of a joint report by the Chief Executive and the Corporate Director for Strategy, Performance and Business Solutions, together with an Equality Impact Assessment, copies of which had been circulated, the Committee:

Noted:

3.1. The proposals to amend the Standing Orders in respect of Remote Attendance and removal of the requirement to stand whilst speaking at General Meetings of the Council.

3.2. The proposed new committee report template, attached as Appendix 1 to the joint report by the Chief Executive and the Corporate Director for Strategy, Performance and Business Solutions.

Councillor Heather N Woodbridge, seconded by Councillor Owen Tierney, moved that:

- For all meetings of the Council, its Committees and Sub-committees, although in-person attendance should remain the default position, the practice of seeking agreement in advance from the Convener, Chair or Vice Chair for remote attendance should cease, with the exception of meetings covered by Standing Order 8.11.
- Remote participation should be permitted in the following instances, which was not considered exhaustive should other circumstances dictate remote participation:
 - Weather or travel disruption within Orkney (actual or forecast).
 - Carer responsibilities.
 - Health issues which prevent travel (not participation).
 - Travel outwith Orkney.
- Standing Order 12.4, which required standing to speak at General Meetings of the Council, be rescinded.
- Standing Orders be amended to reflect the changes to remote attendance protocol and removal of the requirement for standing to speak at General Meetings of the Council, as outlined above.
- The Chief Executive should progress roll-out of the committee report template, referred to at paragraph 3.2 above.

Councillor Duncan A Tullock, seconded by Councillor David Dawson, moved an amendment that:

- For all meetings of the Council, its Committees and Sub-committees, although in-person attendance should remain the default position, the practice of seeking agreement in advance from the Convener, Chair or Vice Chair for remote attendance should cease, with the exception of meetings covered by Standing Order 8.11.
- Remote participation should be permitted in the following instances, which was not considered exhaustive should other circumstances dictate remote participation:
 - Weather or travel disruption within Orkney (actual or forecast).
 - Carer responsibilities.
 - Health issues which prevent travel (not participation).
 - Travel outwith Orkney.
- Standing Orders be amended to reflect the changes to remote attendance protocol, as outlined above.
- The Chief Executive should progress roll-out of the committee report template, referred to at paragraph 3.2 above.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, David Dawson, Steven B Heddle, W Leslie Manson, James R Moar, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson and Duncan A Tullock (10).

For the Motion:

Councillors Graham A Bevan, Alexander G Cowie, P Lindsay Hall, Rachael A King, Kristopher D Leask, Raymond S Peace, John A R Scott, Gwenda M Shearer, Owen Tierney and Heather N Woodbridge (10).

There being an equality of votes between the Amendment and the Motion, on the casting vote of the Chair, the Committee:

Resolved to **recommend to the Council:**

3.3. That, for all meetings of the Council, its Committees and Sub-committees, although in-person attendance should remain the default position, the practice of seeking agreement in advance from the Convener, Chair or Vice Chair for remote attendance should cease, with the exception of meetings covered by Standing Order 8.11.

3.4. That remote participation should be permitted in the following instances, which was not considered exhaustive should other circumstances dictate remote participation:

- Weather or travel disruption within Orkney (actual or forecast).
- Carer responsibilities.

- Health issues which prevent travel (not participation).
- Travel outwith Orkney.

3.5. That Standing Order 12.4, which required standing to speak at General Meetings of the Council, be rescinded.

3.6. That Standing Orders be amended to reflect the changes to remote attendance protocol and removal of the requirement for standing to speak at General Meetings of the Council, as outlined above.

3.7. That the Chief Executive should progress roll-out of the committee report template, referred to at paragraph 3.2 above.

4. Treasury Management Strategy Statement

After consideration of a report by the Head of Finance, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Committee:

Noted:

4.1. That the CIPFA Treasury Code stated that the Council could delegate responsibility for implementation and regular monitoring of its treasury management policies and practices.

4.2. That, from 2024/25 onwards, the Investments Sub-committee would be responsible for ongoing monitoring and scrutiny of the approved Treasury Management Strategy Statement, including a mid-year review and annual review.

4.3. The Liability Benchmark chart, attached as Appendix 2 to the report by the Head of Finance.

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

4.4. That the Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25, attached as Appendix 1 to this Minute, be approved.

5. Council Tax – Surcharge on Second Homes

Councillors Graham A Bevan, W Leslie Manson, Gillian Skuse and Heather N Woodbridge declared interests in this item, their connection being they owned property in Orkney classed as second homes, and were not present during discussion thereof.

Councillor Mellissa-Louise Thomson declared an interest in this item, her connection being that she owned a property in Orkney classed as a second home and also that she was a Director of the Eday Partnership, which had an interest in housing projects in Eday, and such projects might benefit financially if the recommendations in the report were approved, and was not present during discussion thereof.

Councillors Steven B Heddle and James R Moar declared that they had a connection to the matters being considered in this item as they owned second properties in Orkney but, as the properties were rented out to third parties, who were liable to pay the Council Tax, they considered that their connection did not amount to an interest and therefore remained present for the duration of this item.

As the Leader, Councillor Heather N Woodbridge, had declared an interest in this item and left the meeting, the Depute Leader, Councillor Alexander G Cowie, took the Chair for this item.

Signed: H N Woodbridge.

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, together with an Equality Impact Assessment and an Island Communities Impact Assessment, copies of which had been circulated, and after hearing a report from the Service Manager (Revenues and Benefits), the Committee:

Noted:

5.1. Current policy on empty properties and second homes, as set out in Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

5.2. That, in December 2023, the Scottish Government introduced new legislation, The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023, giving local authorities new powers with the ability to charge up to double the full rate of Council Tax on second homes, from 1 April 2024.

5.3. That analysis from the Council Tax system showed there were eight properties based in the Isles which qualified for 50% discount on second homes for daily commute over a body of water.

Councillor David Dawson, seconded by Councillor Raymond S Peace, moved that:

- The following amendments be made to the policy on Council Tax charging applied to second home properties, to take effect from 1 April 2024:
 - That an additional surcharge of 100% be applied to all second homes.
 - That the second home discount exception of 50%, referred to at section 3.2 of the report by the Corporate Director for Enterprise and Sustainable Regeneration, should cease to apply.
- A sum of £200,000 be set aside, from the additional receipts from the introduction of the second homes 100% surcharge, to finance the ongoing operation of the Island and Rural Housing Fund.

Councillor Stephen G Clackson, seconded by Councillor Kristopher D Leask, moved an amendment that:

- The following amendment be made to the policy on Council Tax charging applied to second home properties, to take effect from 1 April 2024:
 - That an additional surcharge of 100% be applied to all second homes.
- A sum of £200,000 be set aside, from the additional receipts from the introduction of the second homes 100% surcharge, to finance the ongoing operation of the Island and Rural Housing Fund.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask, James R Moar, John A R Scott and Owen Tierney (9).

For the Motion:

Councillors David Dawson, Raymond S Peace, Gwenda M Shearer, Jean E Stevenson, Ivan A Taylor and Duncan A Tullock (6).

The Amendment was therefore carried and the Committee thereafter resolved to **recommend to the Council:**

5.4. That the following amendment be made to the policy on Council Tax charging applied to second home properties, to take effect from 1 April 2024:

- That an additional surcharge of 100% be applied to all second homes.

5.5. That the 50% discount on Council Tax on second homes, where a person's sole or main residence in Orkney was separated from their place of work by a body of water, the transport provision over which did not permit daily commuting between their sole or main residence and their place of work, and they occupied a second home in Orkney to enable them to maintain that employment, should continue to apply.

5.6. That a sum of £200,000 be set aside, from the additional receipts from the introduction of the second homes 100% surcharge, to finance the ongoing operation of the Island and Rural Housing Fund.

Signed: A G Cowie.

Councillor Owen Tierney left the meeting at this point.

6. Contract Standing Orders

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Head of Legal and Governance, the Committee:

Noted:

6.1. That the Contract Standing Orders, last revised in July 2022, had been amended to ensure continued compliance with legislation and best practice and to reflect changes to internal procurement processes since the last revision.

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

6.2. That the updated Contract Standing Orders, attached as Appendix 2 to this Minute, be approved.

7. Children's Services Plan

After consideration of a joint report by the Corporate Director for Education, Leisure and Housing and the Chief Officer, Orkney Health and Social Care Partnership, together with an Equality Impact Assessment, copies of which had been circulated, the Committee:

Noted:

7.1. That responsibility for children's services planning rested with a Local Authority and its relevant Health Board, working collaboratively with other members of their Community Planning Partnership as well as with children, young people and their families.

7.2. That the Children's Services Plan 2023-26 had been prepared by the Orkney Children's Services Strategic Partnership.

7.3. The need to review and update the plan annually, and, in particular, to better represent the outcomes of involvement and engagement with those involved in delivering children services, as well as Orkney's children, young people and families.

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

7.4. That Orkney's Children's Services Plan 2023-26, attached as Appendix 3 to this Minute, be approved, in so far as it related to the remit of the Council.

Councillor Stephen G Clackson left the meeting during discussion of this item.

8. Police and Fire Sub-committee

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 21 November 2023, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor David Dawson, seconded by Councillor Duncan A Tullock, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 21 November 2023, attached as Appendix 4 to this Minute, as a true record.

9. Pension Fund Sub-committee, together with Pension Board

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 22 November 2023, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Heather N Woodbridge, seconded by Councillor P Lindsay Hall, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 22 November 2023, attached as Appendix 5 to this Minute, as a true record.

10. Investments Sub-committee

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 23 November 2023, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Heather N Woodbridge, seconded by Councillor Rachael A King, to approve the Minute of the Meeting of the Investments Sub-committee held on 23 November 2023, attached as Appendix 6 to this Minute, as a true record.

11. Asset Management Sub-committee

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 30 January 2024, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Heather N Woodbridge, seconded by Councillor P Lindsay Hall, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 30 January 2024, attached as Appendix 7 to this Minute, as a true record.

12. Conclusion of Meeting

At 16:35 the Chair declared the meeting concluded.

Signed: H N Woodbridge.