



# Orkney and Shetland Valuation Joint Board



## Minute

Thursday, 3 March 2022, 10:30.

Microsoft Teams.

### Present:

#### Orkney Islands Council:

Councillors Andrew Drever, Robin W Crichton, David Dawson, Barbara Foulkes and Harvey Johnston.

#### Shetland Islands Council:

Councillors Theo Smith, Alastair Cooper, Allison Duncan, John Fraser and George Smith.

### Clerk to the Board:

- Karen A Greaves.

### In Attendance:

- Dennis Stevenson, Assessor and Electoral Registration Officer (for Items 1 to 16).
- Robert Eunson, Depute Assessor (for Items 1 to 16).
- Colin Kemp, Treasurer to the Board.
- Darryl Rae, Divisional Assessor, Central Scotland Valuation Joint Board (for Items 1 to 16).

#### Orkney Islands Council:

- Andrew Groundwater, Head of HR and Performance (for Items 8 to 17).
- Gavin Mitchell, Head of Legal Services.
- Andrew Paterson, Chief Internal Auditor (for Items 1 to 16).
- Hazel Flett, Senior Committees Officer.

#### Deloitte LLP:

- Karlyn Watt, Senior Manager, Audit and Assurance.

### Observing:

- Kirsty Groundwater, Communications Team Leader, Orkney Islands Council (for Items 7 to 11, 13 and 14).

## **Declarations of Interest:**

- No declarations of interest were intimated.

## **Chair:**

- Councillor Andrew Drever, Orkney Islands Council, Convener of the Board.

## **1. Introduction**

The Convener welcomed everyone to this meeting, which would be the last meeting of the Board prior to the Local Government elections scheduled for 5 May 2022. He particularly welcomed Robert Eunson, Depute Assessor, and Darryl Rae, the newly appointed Assessor and Electoral Registration Officer, who was due to take up post shortly, as well as Karlyn Watt from Deloitte LLP.

The Convener also welcomed several officers from Orkney Islands Council, namely Gavin Mitchell, Andrew Groundwater and Andrew Paterson. Gavin Mitchell confirmed that he was in attendance to support the Clerk to the Board in providing governance advice and highlighting to the Board when it might wish to seek and/or instruct external legal advice.

The Convener reminded members that the meeting was being recorded and broadcast live over the Internet on Orkney Islands Council's website. The recording would also be publicly available following the meeting and available for listening to for 12 months thereafter.

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

The Board noted the proposal that the public be excluded from the meeting for consideration of Item 17, 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. Minute of Previous Meeting**

After consideration of the draft Minute of the Meeting of the Board held on 18 November 2021, copies of which had been circulated, the Board:

Resolved, on the motion of Councillor David Dawson, seconded by Councillor Theo Smith, to approve the Minute of the Meeting of the Board held on 18 November 2021, as a true record.

## **4. Minute of Special Meeting**

After consideration of the draft Minute of the Special Meeting of the Board held on 20 January 2022, copies of which had been circulated, the Board:

Resolved, on the motion of Councillor Theo Smith, seconded by Councillor J Harvey Johnston, to approve the Minute of the Special Meeting of the Board held on 20 January 2022, as a true record.

## **5. Minute of Special Meeting**

After consideration of the draft Minute of the Special Meeting of the Board held on 31 January 2022, copies of which had been circulated, the Board:

Resolved, on the motion of Councillor John Fraser, seconded by Councillor David Dawson, to approve the Minute of the Special Meeting of the Board held on 31 January 2022, as a true record.

## **6. Annual Audit Report 2020/21 – Action Plan**

There had been previously circulated a report by the Clerk to the Board presenting an update on progress with the Action Plan arising from the Annual Audit Report for 2020/21, for scrutiny.

The Clerk advised that the Action Plan set out progress with actions arising from the 2019/20 Audit Report and had been further updated to include actions from the recent 2020/21 Audit Report. With regard to the actions listed in Appendix 1, most were complete and/or in progress, with separate reports on the agenda for this meeting.

Following a query from Councillor Robin W Crichton, the Clerk confirmed that all actions marked as blue, including those from the 2019/20 Audit, would not be removed from the Action Plan until such time as the external auditors were content that progress had been made and the action closed.

The Board noted:

**6.1.** The revised Action Plan, attached as Appendix 1 to the report by the Clerk to the Board, which incorporated actions arising from the Annual Audit Report on the 2020/21 Audit, as well as the actions arising from the 2019/20 Audit.

**6.2.** That a further update on progress would be presented to the Board, at its meeting to be held in June 2022.

## **7. Governance Review – Action Plan Update**

There had been previously circulated a report by the Clerk to the Board presenting an update on progress with the Action Plan arising from the review of governance arrangements for the Orkney and Shetland Valuation Joint Board, for scrutiny.

The Clerk advised that there were some duplicate and/or complementary actions with the previous item. In relation to Action 4, training, this would only be marked complete following a period of induction training for new members, following appointments made after the Local Government election in May. Action 12, self-assessment, was the only action marked as Red and would only be progressed following on from lessons learned and induction training for the new Board. Accordingly, the Clerk requested that the target date for this action be amended to the same date as the corresponding action in the Annual Audit Report Action Plan, namely 31 December 2022.

In response to a question from Councillor Robin W Crichton regarding the inclusion of a section entitled Governance Aspects in the covering report, the Clerk confirmed that, following on from the last meeting and, in light of commentary in the Annual Audit Report, she had liaised with the head of legal services in both authorities on how to better present

to give assurance on governance arrangements and/or where the Board might benefit from external legal advice. The intention of the paragraph was to make it clear to the Board whether or not there was a need for legal advice. However, during discussion, the need may arise for that advice, hence why Gavin Mitchell, Head of Legal Services, Orkney Islands Council, would now regularly attend Board meetings to support the Clerk.

The Board noted:

**7.1.** The updated Action Plan arising from the review of governance arrangements, attached as Appendix 1 to the report by the Clerk to the Board.

**7.2.** That a further update on progress would be presented to the Board, at its meeting to be held in June 2022.

The Board **resolved**:

**7.3.** That the target date for Action 12 be amended from 31 December 2021 to 31 December 2022.

## **8. Revenue Expenditure Monitoring**

There had been previously circulated a report by the Treasurer to the Board advising of the revenue position as at 31 January 2022, for scrutiny.

The Treasurer to the Board advised that revenue expenditure monitoring was being presented in the same format as for Orkney Islands Council. The summary statement indicated an underspend of £64,100, as at 31 January 2022. Annex 1 advised of the spend in each of the service areas, with "Joint Costs" principally representing staff costs. Costs were offset by the requisitions from the constituent authorities. There was one Priority Action, which was detailed in Annex 2, and related, in the main, to the vacant post of Depute Assessor.

The Board noted:

**8.1.** The revenue financial summary statement in respect of the Orkney and Shetland Valuation Joint Board, for the period 1 April 2021 to 31 January 2022, attached as Annex 1 to the report by the Treasurer to the Board, which indicated a budget underspend of £64,100.

The Board scrutinised:

**8.2.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the report by the Treasurer to the Board, and obtained assurance that action was being taken with regard to significant budget variances.

## **9. Draft Budget for 2022/23**

There had been previously circulated a report by the Treasurer to the Board proposing a draft budget for 2022/23.

The Treasurer referred members to section 4 of the covering report which provided the detail of how the draft budget was made up, starting from a standstill position, subject to pay and inflationary cost pressures, and broadly following the strategies adopted by the constituent authorities.

Growth, amounting to £40,800, comprised the following:

- Staff Costs, including incremental drift, an allowance for a 2% pay award, an increase of 1.7% in employer's National Insurance contribution and an increase of 3.5% in employer's pension contribution (£32,500).
- Property Costs included an inflation assumption of 1%, with an additional allowance for electricity which was budgeted to increase by 25% on current costs (£1,800).
- Supplies and Services, incorporating the Service Level Agreement for ICT (£6,000).
- Apportioned Costs, incorporating inflation of 2% to match the allowance for the pay award (£500).

Savings and income generation comprised the following:

- Transport and Administration Costs reduced by £5,500 and £1,000 respectively on the basis that changing working practices following COVID-19 would allow for travel and subsistence savings in 2022/23.
- Fees and Charges – inflation of 2% applied to income relating to the Register of Electors.

A revenue budget of £132,500 was proposed in respect of Barclay Review Implementation costs, representing an increase of £11,600, or 9.6%, on 2021/22, which included the following:

- Ongoing costs of two trainee graduate valuers.
- Support and development of the Corona valuation system.
- Contribution to the Scottish Assessor Association's portal development.

After allowing for joint costs, this compared favourably with the combined provisional revenue allocation of £140,000 notified to constituent local authorities, representing an year on year increase of £20,000.

Should the draft budget for 2022/23, estimated at £956,100, be approved, this would represent an increase of £3,500 or 3.6% over 2021/22, with the requisition to each constituent authority as follows:

- Orkney Islands Council – £479,400, representing an increase of £14,700 or 3.1%.
- Shetland Islands Council – £476,700, representing an increase of £18,800 or 4.1%.

Councillor Alastair Cooper queried whether the draft budget included an allowance for permanent accommodation in Shetland. The Assessor reminded members that, as detailed in his progress report considered by the Board in November 2021, feedback was still awaited on Shetland Islands Council's accommodation review.

The Board noted:

**9.1.** The requirement to set a balanced budget and to determine the level of requisition to be sought from the Board's constituent authorities.

**9.2.** That the draft budget for financial year 2022/23, attached as Appendix 1 to the report by the Treasurer to the Board, was based on a standstill position, subject to pay and inflationary costs pressures and broadly followed the strategies adopted by the constituent authorities.

**9.3.** That, should the draft budget be approved, this would result in a requisition to each constituent authority as follows:

- Orkney Islands Council – £479,400, representing an increase of £14,700 or 3.2% on the previous year's requisition.
- Shetland Islands Council – £476,700, representing an increase of £18,800 or 4.1% on the previous year's requisition.

The Board **resolved**:

**9.4.** That the draft Budget, attached as Appendix 1 to the report by the Treasurer to the Board, be approved.

## **10. Medium Term Financial Plan**

There had been previously circulated a report by the Treasurer to the Board presenting a Medium Term Financial Plan for the period 2022 to 2025 for consideration.

The Treasurer advised that the Medium Term Financial Plan (MTFP), which was a new document for the Board to consider, was an attempt to look beyond the single year budget setting, as was common place in the public sector. The document was a starter in a process which would be refined over time, particularly with the change in leadership and the new Assessor coming into post.

Section 5 of the covering report set out the key principles and conclusions of the draft MTFP, including the following:

- Resources will be directed by the Board based on an assessment of the Risks and identified Priorities.
- An ongoing process of reassessment and reconfiguration will determine the sustainable level of services that can be provided over the next three years.
- The identification of efficiency savings will be redeployed towards the delivery of identified priorities, noting that staff costs represented 83% to 89% of the annual budget.
- Consultation with the constituent councils will assist to bridge the identified funding gap for each of the next three financial years.

The MTFP forecasted a cumulative funding gap of £97,000 for the indicative three year budget for 2022/23 to 2024/25, with options to bridge that gap as follows:

- Reduced levels of service provision.
- Realise efficiency savings.
- Generate additional income.
- Additional external income – Government and Constituent Councils.

The Board's approved budget for 2021/22 included an allowance of 10% towards the cost of implementing the pay and grading model which was jointly funded by the constituent authorities. Having implemented a revised pay and grading model in 2021, this effectively committed the Board to an additional level of incremental progression, including a career grade path for valuation staff. On the basis that the Board was supported through this process by the constituent authorities, it was reasonable to assume that at least some of the ongoing costs would be reflected in future annual requisitions.

An increase in employer contributions to the pension fund from 25.5% to 36.0%, or by 10.5%, over three the year period 2021/22 to 2023/24 represented an additional commitment for the Board. While the potential to realise an efficiency saving within staff travel and subsistence to offset this increase in part had been identified, this action represented a risk to the Board, both as it returned to a full complement of staff and in advance of staff returning to working in the field post-COVID-19. It was however considered unlikely that the Board would be able to generate sufficient savings to offset the increased staff costs identified above.

The Treasurer advised that the constituent authorities would expect the Board to review non-staff costs and, with the transition of support services from Shetland to Orkney, this would be reviewed in any case. One example was IT systems – although installing a new system was often more expensive than existing, the newer system could provide efficiency savings and/or reduced support costs for an initial period.

Annex 2 to the MTFP set out three year indicative budgets, based on a set of assumptions, projected forward to identify possible gaps between income and expenditure, should no other changes in the Board's services take place. Annex 3 provided longer term projections on a standstill budget, for a 10 year period, which clearly indicated an unsustainable financial position.

Members agreed that the draft MTFP provided a comprehensive approach to potential scenarios going forward, which the new Board would need to consider in due course. Although the Board had no reserves to assist with any budget shortfall, at least the MTFP indicated the potential for budget shortfall, therefore forewarning the next Board.

The Board noted:

**10.1.** That the Medium Term Financial Plan (MTFP) served as a key planning document for the use of resources over the medium-term.

**10.2.** That the MTFP linked to the Corporate and Service Plan 2019-2022 and Workforce Plan 2021-2024.

**10.3.** The key principles of the MTFP, as outlined in section 5 of the report by the Treasurer to the Board.

The Board **resolved**:

**10.4.** That the MTFP, for the period 2022/23 to 2024/25, attached as Appendix 1 to the report by the Treasurer to the Board, be approved.

## **11. Annual Audit Plan**

There had been previously circulated a report by the Treasurer to the Board presenting the external Audit Plan for 2021/22.

The Treasurer advised that the external auditors proposed to continue with a wider scope audit for 2021/22, specifically to follow up on the agreed recommendations in relation to governance and decision-making issues raised in the previous year's audit. The audit would include assessing development of the 2022/23 budget, the Medium Term Financial Plan and the Workforce Plan.

Karlyn Watt, Deloitte LLP, advised that this would be the last year of the audit appointment, with the original term extended from five years to seven years, due to the impact of COVID-19. The audit work would focus on two main areas, namely the financial statements and the wider scope element. Within the financial statements, two specific areas of focus included the transition from Shetland to Orkney Islands Council's financial systems (financial year 2021/22 would be the first year wholly attributed to OIC's financial systems) and the pension liability indicated on the balance sheet.

Pages 21 and 22 of the Audit Plan provided the detail of the wider audit scope, with the main focus being a follow up on the 2020/21 audit recommendations. In that respect, Karlyn Watt referred to the earlier item on the Action Plan arising from the Annual Audit Plan and that it featured regularly at Board meetings.

Although the impact of Brexit and climate change featured more in company audits, the Audit Plan made reference to the publication of a blog by the Auditor General for Scotland, whereby the challenges for the public sector in tackling climate change should be an audit priority and the role audit could play in that respect.

The Convener sought assurance that, with the potential appointment of Orkney Islands Council's Chief Internal Auditor as the Board's internal auditor, Deloitte LLP would work in partnership to balance audit risk. Karlyn Watt confirmed that they would look to see whether any assurance could be taken from internal audit work in order to avoid duplication.

Councillor Robin W Crichton referred to comments made at previous meetings regarding the audit looking at events outwith the financial year. Although assurance had been given on why this had occurred, he sought further assurance that the audit for 2021/22 would not raise the same points and the Board would receive further criticism. Karlyn Watt confirmed that the main focus of the 2021/22 audit would be looking at the agreed action plan to review progress and planned improvement.



The Board noted the Audit Plan for 2021/22, prepared by Deloitte LLP, the appointed auditors to the Orkney and Shetland Joint Valuation Board, attached as Appendix 1 to the report by the Treasurer to the Board.

## **12. The Queen's Platinum Jubilee**

There had been previously circulated a report by the Assessor and Electoral Registration Officer setting out options for public holiday arrangements in relation to the Queen's Platinum Jubilee celebrations, for consideration.

The Assessor advised that the Board's terms and conditions set out six public holidays in any leave year (1 January to 31 December), as follows:

- 2 days at New Year – 1 and 2 January.
- 1 day – Easter Monday.
- 2 days – Christmas Day and Boxing Day.
- 1 day in each Island Area:
  - Shetland – Up Helly Aa (January).
  - Orkney – Dounby Show Day (August).

As no member of staff in the Shetland office had taken Up Helly Aa as a public holiday, the Assessor advised that the Board had the option to reallocate that date.

The Assessor had undertaken consultation with the staff and with Unison on the options outlined in section 4 of the report. The outcome of the staff responses was a small majority in favour of awarding an extra public holiday on Friday, 3 June and being allowed to add Up Helly Aa and Dounby Show to their annual leave entitlement for 2022 leave year only. The summary response from Unison stated:

“Orkney and Shetland VJB have adopted their own Terms and Conditions and by doing so they are not following either Shetland Island Councils or Orkney Island Councils Terms and Conditions, but can determine their own. As it currently stands Shetland staff worked on Up Helly Aa, and as I read it, that Orkney and Shetland VJB have moved Up Helly Aa day to June. This would mean the Dounby Show day would need to be moved to the Queen's Jubilee to treat both groups of staff equally”.

The Assessor suggested that designating Friday, 3 June 2022 as an additional public holiday, and/or reallocation of Up Helly Aa and Dounby Show to Thursday, 2 June, or allowing staff to add these to annual leave entitlement for the 2022 leave year would have a positive impact on morale and would fall immediately after a particularly demanding period of activity for the Scottish Local Government elections scheduled for 5 May 2022. Such a measure would reward employees who were being asked to deliver continuous improvements in services within a particularly challenging environment.

If the option of granting an additional public holiday on the day of 3 June 2022 was chosen, then employees who would be required to work on 3 June 2022 would be entitled to the enhanced terms and conditions that applied to other public holidays. Choosing to award an additional day of fixed annual leave to be taken on Friday, 3 June 2022 would avoid the need to provide enhanced terms and conditions to those required to work on that day.

It was not anticipated that Board employees would be required to work on Friday, 3 June 2022 and therefore there would be no additional financial cost to awarding the holiday. While the cost of awarding an extra public holiday or fixed annual leave for Friday, 3 June 2022 was contained within the approved budget, the overall pro-rata cost of a full working day for the Board's employees would be £2,900, based on 2021/22 budget costs.

Based on the outcome of the staff consultation, the Assessor recommended that employees, in the employment of the Orkney and Shetland Valuation Joint Board, be awarded an additional day of fixed annual leave to be taken on Friday, 3 June 2022; and that the floating public holidays in each Island area, namely Up Helly Aa and Dounby Show, be added to employees' annual leave entitlement for the 2022 leave year only.

Although members were supportive of granting an additional day of annual leave, Councillor John Fraser queried what would happen if all staff, in both Orkney and Shetland, decided to take Dounby Show day as annual leave. The Assessor advised that management would ensure there was staff cover in each island area, given that the proposal for the Queen's Platinum Jubilee was a one-off arrangement for 2022 only.

The Board noted:

**12.1.** That the UK and Scottish Governments had announced an additional public holiday on Friday, 3 June 2022 to mark the Queen's Platinum Jubilee celebrations.

**12.2.** That, in addition, it had been announced that the late May Bank Holiday, observed by many employers but not the Orkney and Shetland Valuation Joint Board, had been moved to Thursday, 2 June 2022, providing for a four day weekend to mark the Queen's Platinum Jubilee celebrations.

**12.3.** That it was for the Board to determine whether it wished to award the additional public holiday on Friday, 3 June 2022 and move any existing public holiday to Thursday, 2 June 2022.

**12.4.** That the Board could choose to recognise the event by granting either, or a combination of:

- An additional public holiday on Friday 3 June 2022; or
- An additional day of fixed annual leave to be granted to staff that must be taken on Friday 3 June 2022; and/or
- Reallocation of the floating local public holidays in each Island area, namely Shetland's Up Helly Aa and Orkney's Dounby Show to Friday 3 June 2022.
- Reallocation of the floating local public holidays in each Island area, namely Shetland's Up Helly Aa and Orkney's Dounby Show to Thursday 2 June 2022.
- Allowing staff to add Up Helly Aa and Dounby Show to annual leave entitlement for the 2022 leave year.

**12.5.** That, alternatively, the Board could choose not to award the additional holiday and all employees would be expected to work as normal.

The Board **resolved**:

**12.6.** That employees, in the employment of the Orkney and Shetland Valuation Joint Board, be awarded an additional day of fixed annual leave, for the 2022 leave year only, to be taken on Friday, 3 June 2022.

**12.7.** That the floating public holidays in each Island area, namely Up Helly Aa and Dounby Show, be added to employees' annual leave entitlement for the 2022 leave year only.

### **13. Live Streaming of Meetings**

There had been previously circulated a report by the Clerk to the Board proposing arrangements for live-streaming meetings of the Orkney and Shetland Valuation Joint Board, together with an Equality Impact Assessment.

The Clerk advised that, in the 2020/21 Annual Audit Report, a recommendation was made that the Board should consider how technology could be utilised to further encourage stakeholders and demonstrate continuous improvement in its journey of increasing openness and transparency, including live streaming meetings or permitting remote live access to meetings.

During the pandemic, in-person meetings ceased, and recordings of meetings were placed on the webpages of the constituent authorities. However, from 1 October 2021, the Board was no longer able to exclude the public from meetings of the Board for Coronavirus-related reasons. Accordingly, the Clerk had arranged for live broadcasting of Board meetings to enable the public to access the meetings.

Orkney Islands Council (OIC) currently provided live audio-casting of Board meetings, and it was proposed that, for future meetings of the Board which were held in-person, those would continue to be audio-cast using OIC facilities. Shetland Islands Council (SIC) was currently at the early stages of implementation of live streaming and therefore until the facility was available, it may not be possible to live stream in-person meetings of the Board which were held in Shetland. However, it was proposed that the Board adopt a policy of live streaming all meetings of the Board for those items of business which did not contain exempt or confidential information, subject to the availability of live-streaming facilities.

The Board noted:

**13.1.** That the 2020/21 Annual Audit Report included a recommendation that the Board should consider how technology could be utilised to further encourage stakeholders and demonstrate continuous improvement in its journey of increasing openness and transparency, including live streaming meetings or permitting remote live access to meetings.

**13.2.** That, during the pandemic, in-person meetings ceased, and recordings of meetings were placed on the webpages of the constituent authorities.

**13.3.** That, from 1 October 2021, live broadcasting of Board meetings took place.

**13.4.** That Orkney Islands Council currently provided live audio-casting of Board meetings.

**13.5.** That facilities for live streaming meetings were in the early stages of implementation in Shetland Island Council and therefore not currently available for meetings of the Board.

The Board **resolved**:

**13.6.** To adopt a policy of live streaming all meetings of the Board, subject to the availability of live streaming facilities, for those items of business which did not contain exempt or confidential information.

## **14. Review of Constitution**

There had been previously circulated a report by the Clerk to the Board presenting proposals for revision of the Board's Constitution.

The Clerk advised that the current Constitution, attached as Appendix 1, had been in place, without revision, for over a decade. Further the Board did not have its own Scheme of Delegation to Officers. Although a review of the existing Constitution was underway, it was suggested that, for effective and clear governance, a suite of documents, including Standing Orders, a Scheme of Delegation for Officers, Financial Regulations and Contract Standing Orders specific to the Board were required. Draft Standing Orders, which included best practice from other Boards, were submitted and the Clerk would welcome feedback from existing Board members and officers of the constituent authorities, with a view to a final draft being submitted to the meeting of the Board in June.

Councillor Robin W Crichton referred to the existing Constitution and the term of office of Board members which appeared to be inconsistent with existing practice. The Constitution stated that the term of office should be for three years yet, in practice, and he could only comment on Orkney Islands Council's position, the term of office was consistent with the term of office as councillor.

The Convener referred to recording of meetings and photography and quoted from Orkney Islands Council's existing Standing Orders. He suggested that this be adapted for the Board's Standing Orders, particularly as the media frequently used clips from the live meetings.

Another area for officers to consider was the gentleman's agreement that the role of Convener rotated between the two constituent authorities, suggesting that, from May 2022, the role of Convener would be held by a member from Shetland. As there was a possibility, following the Local Government election, that none of the existing Board members were re-elected or, if they were, they were not subsequently re-appointed to the Board by their constituent authority, the Standing Orders should contain sufficient flexibility for continuity.

Members also requested consistent terminology, for example, Convener and Chair, as well as gender neutral language.

The Board noted:

**14.1.** That the Orkney and Shetland Valuation Joint Board Constitution, attached as Appendix 1 to the report by the Clerk to the Board, had been in place, without revision, for over a decade.

**14.2.** That the Board did not currently have a Scheme of Delegation to Officers.

**14.3.** That a review of the Constitution and associated governance documents was underway.

**14.4.** That draft Standing Orders, incorporating the Constitution, had been developed for consultation with relevant members and officers.

The Board **resolved**:

**14.5.** That the Clerk present revised Standing Orders and a Scheme of Delegation to Officers to the next meeting of the Board to be held in June 2022.

## **15. Provision of Support Services**

There had been previously circulated a report by the Clerk to the Board proposing arrangements for provision of support services to the Board.

The Clerk advised that, historically, support services were provided to the Board by whichever authority provided the roles of Clerk and Treasurer. Given the transition of the roles of Clerk and Treasurer from Shetland to Orkney Islands Council, the opportunity had arisen to review and clarify the provision of support services, including human resources, governance advice and financial services.

The Clerk confirmed that governance advice would be provided by herself with support from the Head of Legal Services, Orkney Islands Council, who was a qualified solicitor. As stated earlier, Mr Mitchell would be in attendance at Board meetings, and the report template had been amended to include a section on Governance Matters.

It was also proposed that human resource (HR) services would be provided by the Head of HR and Organisational Development, Orkney Islands Council. Currently, Board staff operated under the HR policies of Shetland Islands Council. Work would commence to develop policies specifically tailored to the Board, as recommended by the 2020/21 Audit Report.

Financial services transitioned to Orkney Islands Council with effect from 1 April 2021. As the Board required its own Financial Regulations and Contract Standing Orders, it was proposed that, until such time as these were approved, the Board should adopt Orkney Islands Council's Financial Regulations and Contract Standing Orders in the interim period.

The 2020/21 Annual Audit Report noted that there had been no VJB-specific internal audits carried out in over a decade. It was therefore essential that an Internal Auditor was appointed as it was no longer suitable to rely on the constituent authorities' internal audit programme to provide assurance to the Board. The Board could procure the services of a Chief Internal Auditor or appoint the Chief Internal Auditor of Orkney Islands Council. The latter option would deliver the best value and it was proposed to appoint the services of Orkney Islands Council's Chief Internal Auditor. An internal audit plan for the Board would be developed and submitted to the Board in due course.

In respect of attendance at Board meetings, it was proposed that the support officers, or their nominated representative from their respective service areas, should attend meetings of the Board. In addition, attendance at meetings of the Board by the Chief Executives of the constituent authorities would revert to being by invitation on an 'as and when required' basis as determined by the Convener and the Assessor.

The Clerk advised that IT services had not been included meantime, given that IT services were provided by both constituent authorities to the separate offices in Orkney and Shetland, and this would need further investigation to confirm arrangements.

Councillor Alastair Cooper advised that, although he was comfortable with the proposals, he queried whether the Orkney officers in attendance at Board meetings would be sufficiently aware of any differences from a Shetland perspective, should that arise during debate. The Clerk confirmed that Shetland officers would continue to be involved in the drafting of reports and the interest of both councils would be reflected. The Clerk also referred to the training session for Board members the previous week, as well as the recent audit findings, where it was stressed that attendees at Board meetings should have a locus in the Board's work, rather than representing their constituent authorities.

The Board noted:

**15.1.** That support services to the Board had historically been provided by the constituent Council which provided the roles of Clerk and Treasurer to the Board.

**15.2.** That, with the transfer of the roles of Clerk and Treasurer from Shetland Islands Council to Orkney Islands Council having taken place, the provision of support services required clarification and confirmation.

**15.3.** That the 2020/21 Annual Audit Report recommended that the Board should review its internal governance documents and consider the provision of internal audit services to the Board.

**15.4.** The proposals for the provision of Human Resource, Governance Advice, Financial Services and Internal Audit, as set out in section 4 of the report by the Clerk to the Board.

The Board **resolved**:

**15.5.** That support services to the Board in respect of Human Resources, Governance Advice, Financial Services and Internal Audit be provided by Orkney Islands Council.

**15.6.** That, until the Board adopted its own Financial Regulations and Contract Standing Orders, Orkney Islands Council's Financial Regulations and Contract Standing Orders be adopted meantime.

## **16. Exclusion of Public**

Prior to moving a motion to exclude the public for the remainder of the meeting, the Convener introduced Darryl Rae, who had recently been appointed as Assessor and Electoral Registration Officer and was due to take up post in May 2022.

Darryl Rae commented that he had met some of the Board during the recent recruitment process but gave a short introduction to those he had not yet met. He advised that he had worked in the Assessor and Electoral Registration environments of four different Boards,

and was currently the Divisional Assessor with Central Scotland Valuation Joint Board. He was an active member of the Scottish Assessors' Association and was involved in the change to the three year revaluation exercise. He was looking forward to working with both the staff and the Board during what was a period of unprecedented change.

As this was the last meeting before the election, Councillor David Dawson took the opportunity to thank the Convener, Councillor Andrew Drever, for all his efforts over the previous five years which had been carried out in good grace, despite the challenging circumstances. He also thanked the Vice Convener, Councillor Theo Smith, for assisting.

Councillor Theo Smith concurred with Councillor Dawson's remarks regarding the Convener, thanking him for his leadership over the last five years, especially the last two years which had been particularly challenging. Councillor Smith also thanked Orkney Islands Council's staff for stepping in and for providing assistance to the Board.

The Convener thanked the Board and especially the Vice Convener, Councillor Theo Smith, for their support. His tenure had seen the move from Shetland to Orkney Islands Council and he thanked the Shetland staff for all their work. He also thanked the Orkney staff for taking on the duties, in addition to their existing roles. Working with the Improvement Service, he believed that a sound induction programme would be developed, which would greatly benefit the new Board.

The Convener welcomed Darryl Rae to the Board and he hoped Mr Rae found the work rewarding and enjoyed his chosen home. This was also the last meeting for the existing Assessor and Electoral Registration Officer, Dennis Stevenson, as he was retiring at the end of March. The Convener thanked Mr Stevenson for his time with the Board, in which he had always provided sound advice and led his staff well.

Finally, the Convener referred to the part COVID-19 had played, particularly in preventing the Board from meeting face-to-face for over two years, which was important for building relationships. He offered his best wishes to those standing in the upcoming elections and, if successful, to use their experience going forward.

On the motion of Councillor Andrew Drever, seconded by Councillor Barbara Foulkes, the Board resolved that the public be excluded from the remainder of the meeting, as the business to be considered involved the 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.

## **17. Staffing Matters**

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 1, 6 and 10 of Part 1 of Schedule 7A of the Act.

There had been previously circulated a report by the Clerk to the Board setting out a proposal to cover the duties of the post of Assessor and Electoral Registration Officer (ERO) for the period 1 April to 15 May 2022 inclusive.

The Board **resolved**:

**17.1.** What action should be taken with regard to covering the duties of the post of Assessor and Electoral Registration Officer (ERO) for the period 1 April to 15 May 2022 inclusive.

**17.2.** To delegate responsibility to the Clerk to commission, as soon as practicable, provision of Assessor/ERO consultancy services to the Board.

**17.3.** That the Clerk should submit a report to the Board, at the earliest opportunity, advising of the outcome of the commissioning process.

**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.**



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## **18. Conclusion of Meeting**

At 12:34 the Convener declared the meeting concluded.

Signed: