

Minute

General Meeting of the Council

Tuesday, 4 March 2025, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

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

Present via remote link (Microsoft Teams)

Councillors John A R Scott and Ivan A Taylor.

Clerk

- Gavin Mitchell, Head of Legal and Governance.

In Attendance

- Oliver D Reid, Chief Executive.
- 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.
- Erik Knight, Head of Finance.
- Hazel Flett, Service Manager (Governance).

In Attendance via remote link (Microsoft Teams)

- Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.

Observing

- Kirsty Groundwater, Communications Team Leader.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Graham A Bevan, Convener.

1. Planning Committee

Minute of Meeting held on 4 December 2024

On the motion of Councillor Owen Tierney, seconded by Councillor David Dawson, the Council resolved to approve the Minute of the Meeting of the Planning Committee held on 4 December 2024 as a true record.

2. Licensing Committee

Minute of Meeting held on 5 December 2024

On the motion of Councillor Duncan A Tullock, seconded by Councillor Owen Tierney, the Council resolved to approve the Minute of the Meeting of the Licensing Committee held on 5 December 2024 as a true record.

3. General Meeting of the Council

Minute of General Meeting held on 10 December 2024

On the motion of Councillor Graham A Bevan, seconded by Councillor Heather N Woodbridge, the Council resolved to approve the Minute of the General Meeting of the Council held on 10 December 2024 as a true record.

4. Local Review Body

Minute of Meeting held on 11 December 2024

On the motion of Councillor Owen Tierney, seconded by Councillor David Dawson, the Council resolved to approve the Minute of the Meeting of the Local Review Body held on 11 December 2024 as a true record.

5. Local Review Body

Minute of Meeting held on 13 December 2024

On the motion of Councillor Owen Tierney, seconded by Councillor David Dawson, the Council resolved to approve the Minute of the Meeting of the Local Review Body held on 13 December 2024 as a true record.

6. Special General Meeting of the Council

Minute of Special General Meeting held on 19 December 2024

On the motion of Councillor Graham A Bevan, seconded by Councillor Heather N Woodbridge, the Council resolved to approve the Minute of the Special General Meeting of the Council held on 19 December 2024 as a true record.

7. Development and Infrastructure Committee

Minute of Meeting held on 4 February 2025

On the motion of Councillor Kristopher D Leask, seconded by Councillor Mellissa-Louise Thomson, the Council resolved to approve the Minute of the Meeting of the Development and Infrastructure Committee held on 4 February 2025 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Meeting of the Development and Infrastructure Committee held on 4 February 2025.

8. Education, Leisure and Housing Committee

Minute of Meeting held on 5 February 2025

On the motion of Councillor Gwenda M Shearer, seconded by Councillor Ivan A Taylor, the Council resolved to approve the Minute of the Meeting of the Education, Leisure and Housing Committee held on 5 February 2025 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Meeting of the Education, Leisure and Housing Committee held on 5 February 2025, with the exception of the recommendations relating to paragraph 8, Council House Rents, which had previously been approved and adopted at the Special General Meeting of the Council held on 24 February 2025.

9. Local Review Body

Minute of Meeting held on 6 February 2025

On the motion of Councillor Owen Tierney, seconded by Councillor David Dawson, the Council resolved to approve the Minute of the Meeting of the Local Review Body held on 6 February 2025 as a true record.

10. Planning Committee

Minute of Meeting held on 12 February 2025

On the motion of Councillor Owen Tierney, seconded by Councillor David Dawson, the Council resolved to approve the Minute of the Meeting of the Planning Committee held on 12 February 2025 as a true record.

11. Monitoring and Audit Committee

Minute of Meeting held on 13 February 2025

On the motion of Councillor P Lindsay Hall, seconded by Councillor Gillian Skuse, the Council resolved to approve the Minute of the Meeting of the Monitoring and Audit Committee held on 13 February 2025 as a true record.

12. Policy and Resources Committee

Minute of Meeting held on 18 February 2025

On the motion of Councillor Alexander G Cowie, seconded by Councillor Kristopher D Leask, the Council resolved to approve the Minute of the Meeting of the Policy and Resources Committee held on 18 February 2025 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Meeting of the Policy and Resources Committee held on 18 February 2025.

13. Policy and Resources Committee

Minute of Special Meeting held on 20 February 2025

On the motion of Councillor Heather N Woodbridge, seconded by Councillor Alexander G Cowie, the Council resolved to approve the Minute of the Special Meeting of the Policy and Resources Committee held on 20 February 2025 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Special Meeting of the Policy and Resources Committee held on 20 February 2025.

14. Special General Meeting of the Council

Minute of Special General Meeting held on 24 February 2025

On the motion of Councillor Graham A Bevan, seconded by Councillor Heather N Woodbridge, the Council resolved to approve the Minute of the Special General Meeting of the Council held on 24 February 2025 as a true record.

15. Licensing Committee

Minute of Meeting held on 24 February 2025

On the motion of Councillor Duncan A Tullock, seconded by Councillor Kristopher D Leask, the Council resolved to approve the Minute of the Meeting of the Licensing Committee held on 24 February 2025 as a true record.

16. Policy and Resources Committee

Minute of Special Meeting held on 25 February 2025

On the motion of Councillor Heather N Woodbridge, seconded by Councillor Alexander G Cowie, the Council resolved to approve the Minute of the Special Meeting of the Policy and Resources Committee held on 25 February 2025 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Special Meeting of the Policy and Resources Committee held on 25 February 2025, subject to the following item of discussion:

Budget and Council Tax Levels for 2025/26

Councillor Steven B Heddle referred to the recommendations of the Policy and Resources Committee relating to the level of Council Tax for 2025/26 and, seconded by Councillor Gillian Skuse, moved an amendment that Option 2, namely an 11% increase in Council Tax for 2025/26, increasing Band D liability to £1,519.82, be approved.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Steven B Heddle, James R Moar, Raymond S Peace, Gillian Skuse, Ivan A Taylor and Owen Tierney (6).

For the Motion (the recommendations of the Policy and Resources Committee held on 25 February 2025, which were moved by Councillor Heather N Woodbridge and seconded by Councillor Alexander G Cowie):

Councillors Graham A Bevan, Stephen G Clackson, Alexander G Cowie, David Dawson, P Lindsay Hall, Rachael A King, Kristopher D Leask, W Leslie Manson, Janette A Park, John A R Scott, Gwenda M Shearer, Jean E Stevenson, Mellissa-Louise Thomson, Duncan A Tullock and Heather N Woodbridge (15).

The Motion was therefore carried and the Council thereafter:

Resolved:

16.1. That service budget savings and/or income targets for 2026/27 and 2027/28 be reviewed.

16.2. That the unavoidable service pressures and uprating assumptions, as set out in Appendices 3 and 4 respectively to the Minute of the Special Meeting of the Policy and Resources Committee held on 25 February 2025, be included in the 2025/26 budget.

16.3. That Option 3, a 15% increase in Council Tax for 2025/26, increasing Band D liability to £1,574.60, be approved.

16.4. That the savings proposals detailed in Appendix 5 to the Minute of the Special Meeting of the Policy and Resources Committee held on 25 February 2025, be approved, with the exception of the following, where significant opposition was evident from the budget consolidation feedback:

- Papdale Halls of Residence – Charging for extra-curricular trips – £1,700.
- Papdale Halls of Residence – Charging for placing requests – £600.
- Dounby recycling centre – £12,000.
- Skip emptying on Saturday – £12,000.
- Black bags in isles – £6,000.

16.5. That the General Fund revenue budget for 2025/26 be set at £119,205,000, as detailed in Appendix 6 to the Minute of the Special Meeting of the Policy and Resources Committee held on 25 February 2025.

16.6. That the policy of presumption against new commitments should continue to remain in force across General Fund services, with the following conditions:

- Exceptions might be considered for new commitments which are 100% funded by external bodies – proposals involving the Council in partnership funding shall require compensatory savings to be identified.
- The Council should consider undertaking new statutory duties or any case where it was considered that statutory duties were not being fulfilled, however, such duties having financial implications should first be reported to the relevant Committees for approval.
- The Council should consider new commitments where compensatory savings could be identified – any Committee considering such recommendations should, in the first instance, seek to identify savings from within its revenue budget.

16.7. That Corporate Directors should review and increase existing charges by a minimum of 10%, from 1 April 2025, if possible to do so, or as early as possible thereafter, apart from the undernoted exceptions, where alternative arrangements were required:

- Building warrant and planning fees.
- Harbour charges.
- Ferry fares.
- Car park and electric vehicle charges.
- Residential care and home care.
- Very Sheltered Housing.
- Supported Accommodation.
- Meals at Home service.
- Licensing fees.
- Ship sanitation certification.
- Marriage/Civil Partnership fees.
- Roads inspection fees.
- Trade waste charges.
- Homelessness rents.
- Selected quarry product sales.

16.8. That powers be delegated to the Head of Finance, in consultation with the Corporate Director for Enterprise and Sustainable Regeneration and the Chief Executive:

- To determine further variations in charges during 2025/26 where it was deemed expedient to do so.
- To allocate any General Fund underspend from 2024/25 to the setting of the General Fund revenue budget for 2025/26.
- To determine where any General Fund overspends from 2024/25 would be funded from General Fund earmarked reserves balances, while ensuring that the non-earmarked General Fund reserves balance, amounting to 2% of the overall revenue budget for 2025/26, was in place.
- To prepare and distribute a detailed budget incorporating all the budget adjustments agreed by the Council, and any settlement updates and/or clarifications unknown at the date of the Special Meeting of the Policy and Resources Committee held on 25 February 2025.

17. Community Development Fund Sub-committee

Minute of Meeting held on 6 February 2025

On the motion of Councillor Graham A Bevan, seconded by Councillor Kristopher D Leask, the Council resolved to approve the Minute of the Meeting of the Community Development Fund Sub-committee held on 6 February 2025, attached as Appendix 1 to this Minute, as a true record.

18. Notice of Motion

The Council had for consideration the following Notice of Motion:

“At the General Meeting of Orkney Islands Council on 3 October 2023, a Notice of Motion, recognising the significant contribution to the local economy, to support Orkney’s agricultural sector was unanimously approved.

The recent 2024 Autumn Budget change to Inheritance Tax relief announced by the Labour Government will introduce a Family Farm Tax that will inflict a substantial and detrimental impact on family-owned farms and farmers’ ability to pass on their farms to the next generation.

Inheritance Tax reliefs such as the APR (Agricultural Property Relief) reduces the amount of tax farmers and landowners have to pay when farmland is passed to the next generation. This enables property to remain within the family to allow them to continue their stewardship of the countryside and produce food for the country.

The UK Government have justified this decision through the use of data which many observers, including the National Farmers Union, consider to be flawed and misleading.

Furthermore, the same Budget redefined the tax treatment for double cab pick-up trucks, bringing changes that will adversely impact farm businesses. As of April 2025, double cab pick-ups with a payload capacity of one tonne or more will be classified as passenger cars for tax purposes. This means that these vehicles will no longer benefit from the tax treatment traditionally given to light commercial vehicles.

This change will have implications for farmers, for whom double cab pick-ups are essential, as it affects capital allowances, Benefit-in-Kind (BIK) taxation, and business profit deductions.

With effect from:

- 1 April 2025 – For Corporation Tax, double cab pick-ups will be treated as passenger cars.
- 6 April 2025 – For Income Tax purposes, double cab pick-ups will follow the same classification for Benefit-in-Kind and profit deductions.

The current flat BIK rate for double cab pick-ups (around £3,960 annually) will no longer apply, as the new treatment will calculate BIK based on the passenger car model. For those who use their vehicles primarily for work, this reclassification means potentially higher tax obligations.

Under the new classification, businesses can only claim capital allowances on double cab pick-ups if they are purchased before April 2025. This means that any double cab pick-up acquired from April 2025 onward will follow the passenger car capital allowance model.

As a county, the economy of which is heavily dependent on agriculture, the current situation affects not just those directly involved in the industry but a wide range of those involved in the supply chain.

The Council is therefore asked to support the following recommendation:

- That the Leader, on behalf of Orkney Islands Council, writes to the UK Secretary of State for the Department of Environment, Food and Rural Affairs expressing Orkney Islands Council's disappointment and opposition to the Chancellor of the Exchequer's decision made in the Budget of 30 October 2024 to restrict Agricultural Property Relief and the taxation reclassification of double cab pick-up trucks and calls upon HM Government to reverse the decisions made.

Proposer: D Dawson.

Seconder: Duncan A Tullock".

After receiving procedural advice from the Head of Legal and Governance, the Council:

Noted:

18.1. That the Notice of Motion was procedurally competent, in that:

- It was received in the requisite timeframe.
- It was signed by an Elected Member and countersigned by at least one other Elected Member.
- It was accompanied by a report from the Corporate Director for Enterprise and Sustainable Regeneration on the implications of the suggested course of action contained in the Notice of Motion.

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, the Council:

Noted:

18.2. That the Chief Executive had received a Notice of Motion which requested that the Leader, on behalf of Orkney Islands Council, should write to the UK Secretary of State for the Department of Environment, Food and Rural Affairs expressing Orkney Islands Council's disappointment and opposition to the Chancellor of the Exchequer's decision made in the Budget of 30 October 2024 to restrict Agricultural Property Relief and the taxation reclassification of double cab pick-up trucks and calling upon HM Government to reverse the decisions made.

18.3. That there were no significant implications associated with the suggested course of action contained within the Notice of Motion.

On the motion of Councillor David Dawson, seconded by Councillor Duncan A Tullock, the Council resolved:

18.4. That the Notice of Motion be supported, in that the Leader, on behalf of Orkney Islands Council, should write to the UK Secretary of State for the Department of Environment, Food and Rural Affairs expressing Orkney Islands Council's disappointment and opposition to the Chancellor of the Exchequer's decision made in the Budget of 30 October 2024 to restrict Agricultural Property Relief and the taxation reclassification of double cab pick-up trucks and calling upon HM Government to reverse the decisions made.

Councillor Mellissa-Louise Thomson left the meeting during discussion of this item.

19. Conclusion of Meeting

At 11:50 the Convener declared the meeting concluded.

Signed: Graham A Bevan.