

Minute

Policy and Resources Committee

Tuesday, 24 September 2024, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

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

Present via remote link (Microsoft Teams)

Councillors Graham A Bevan, Steven B Heddle and John A R Scott.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Oliver D Reid, Chief Executive.
- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- Peter Diamond, Head of Education.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Sweyn Johnston, Head of Enterprise and Economic Growth (for Items 12 and 13).
- Erik Knight, Head of Finance.
- Kenny MacPherson, Head of Property, Asset Management and Facilities (for Items 1 to 4 and 10 to 17).
- Gavin Mitchell, Head of Legal and Governance.
- Alex Rodwell, Head of Improvement and Performance.
- Shonagh Merriman, Service Manager (Corporate Finance) (for Items 1 to 4).
- Pat Robinson, Service Manager (Accounting) (for Items 1 to 3).
- Glen Thomson, Service Manager (Property and Capital Projects) (for Items 1 to 4 and 12 to 17).
- Christie Hartley, Team Manager (Sustainable Tourism) (for Items 12 and 13).
- George Vickers, Community Planning Business Manager (for Items 1 to 13).
- Nick Blyth, Climate Change Strategy Officer (for Item 11).
- Maya Tams-Gray, Committees Officer.

In Attendance via remote link (Microsoft Teams)

- Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.
- Karen Greaves, Corporate Director for Strategy, Performance and Business Solutions.
- Darren Morrow, Head of Children, Families and Justice Services and Chief Social Work Officer (for Items 1 to 11).

Observing

- Susan Shearer, Service Manager (Development and Marine Planning) (for Item 11).
- Rosalind Horrobin, Graduate Trainee (Policy).

Apology

- Councillor Janette A Park.

Declaration of Interest

- Councillor Gillian Skuse – Item 12.

Chair

- Councillor Heather N Woodbridge.

1. Revenue Expenditure Outturn

1.1. Policy and Resources

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 (Accounting), the Committee:

Noted:

1.1.1. The revenue expenditure outturn statement in respect of service areas for which the Policy and Resources Committee was responsible, for financial year 2023/24, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £5,440,800.

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 financial year 2023/24, 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 appropriate action was taken with regard to significant budget variances.

Councillors Steven B Heddle, James R Moar and John A R Scott 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, and after hearing a report from the Service Manager (Accounting), the Committee:

Noted:

1.2.1. The revenue expenditure outturn statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for financial year 2023/24, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £3,943,100.

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 financial year 2023/24, 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 appropriate action was 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, and after hearing a report from the Service Manager (Accounting), the Committee:

Noted:

1.3.1. The summary revenue expenditure outturn statement for financial year 2023/24, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund overspend of £1,205,600.
- A surplus in Sources of Funding of £87,100.
- A net Non-General Fund deficit of £1,001,800.

1.3.2. The sources of funding statement for financial year 2023/24, 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, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that appropriate action was taken with regard to significant budget variances.

2. Revenue Expenditure Monitoring

2.1. Policy and Resources Committee

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 (Accounting), the Committee:

Noted:

2.1.1. The revenue expenditure monitoring statement in respect of service areas for which the Policy and Resources Committee was responsible, for the period 1 April to 30 June 2024, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £352,200.

2.1.2. 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 30 June 2024, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

2.1.3. 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 appropriate action was being taken with regard to significant budget variances.

2.2. Orkney Health and Care

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 (Accounting), the Committee:

Noted:

2.2.1. The revenue expenditure monitoring 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 30 June 2024, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £3,968,400.

2.2.2. The revenue financial detail by service area statement of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 30 June 2024, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

2.2.3. 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 appropriate action was being taken with regard to significant budget variances.

2.3. Summary

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 (Accounting), the Committee:

Noted:

2.3.1. The summary revenue expenditure monitoring statement for the period 1 April to 30 June 2024, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund overspend of £1,916,000.
- A surplus in Sources of Funding of £56,600.
- A net Non-General Fund surplus of £874,900.

2.3.2. The sources of funding statement for the period 1 April to 30 June 2024, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

2.3.3. 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 appropriate action was being taken with regard to significant budget variances.

3. Capital Expenditure Outturn

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:

3.1. The summary outturn position of expenditure incurred for financial year 2023/24 in respect of the General Fund and Non-General Fund capital programmes, as detailed in section 1.6 of the report by the Head of Finance.

The Committee scrutinised:

3.2. The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance regarding significant budget variances and progress made with delivery of the approved General Fund and Non-General Fund capital programmes for 2023/24.

4. Capital Slippage and Acceleration

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:

Resolved to **recommend to the Council**:

4.1. That the sum of £8,646,000 be carried forward from financial year 2023/24 to financial years 2024/25 and onwards in respect of net slippage on projects contained within the General Fund capital programme.

4.2. That the sum of £7,831,000 be carried forward from financial year 2023/24 to financial years 2024/25 and onwards in respect of net slippage on projects contained within the Non-General Fund capital programme.

4.3. That the revised five year General Fund and Non-General Fund capital programmes, attached as Appendix 1 to this Minute, be approved.

5. Integration Joint Board – Annual Performance Report

After consideration of a report by the Chief Officer, Orkney Health and Social Care Partnership, copies of which had been circulated, the Committee:

Scrutinised the Annual Performance Report for 2023/24, prepared by the Integration Joint Board, attached as Appendix 1 to the report by the Chief Officer, Orkney Health and Social Care Partnership, and obtained assurance that delivery of delegated services was performing to an acceptable standard locally.

6. The Orkney Partnership – Annual Report

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 Community Planning Business Manager, the Committee:

Resolved to **recommend to the Council** that The Orkney Partnership's draft Annual Report 2023/24, attached as Appendix 2 to this Minute, be approved, insofar as it applied to the Council.

7. Local Child Poverty Action Report

After consideration of a joint report by the Chief Officer, Orkney Health and Social Care Partnership, the Corporate Director for Education, Leisure and Housing and the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Head of Improvement and Performance, the Committee:

Resolved to **recommend to the Council**:

7.1. That the Local Child Poverty Action Report 2023-24, attached as Appendix 3 to this Minute, be approved for submission to the Scottish Government, insofar as it related to the remit of the Council.

7.2. That the Corporate Director for Education, Leisure and Housing should write to the Scottish Government expressing the Council's concern that fuel poverty statistics were no longer broken down by local authority area.

8. National Care Service – Stage 2 Draft Amendments

Consultation Response

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Chief Officer, Orkney Health and Social Care Partnership, the Committee:

Homologated the Consultation Response, attached as Appendix 1 to the report by the Chief Executive, to the Stage 2 Amendments in respect of the proposed National Care Service, which had been submitted by the Chief Executive, on behalf of the Council, to the Scottish Government by the deadline of 20 September 2024.

9. Regulation of Investigatory Powers

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, and after hearing a report from the Head of Legal and Governance, the Committee:

Noted:

9.1. That, since October 2023:

- There had been no changes in the law or to relevant guidance in connection with the Council's statutory powers to conduct covert surveillance.
- There had been no cause for the Council to exercise its statutory powers to conduct covert surveillance.

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

9.2. That the existing policies and procedures in connection with the Council's arrangements for covert surveillance and the use of covert human intelligence sources, attached as Appendices 4 to 9 of this Minute, be approved.

10. Risk Management Policy and Strategy

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of Property, Asset Management and Facilities, the Committee:

Resolved to **recommend to the Council** that the revised Risk Management Policy and Strategy, attached as Appendix 10 to this Minute, be approved.

11. Climate Change and Net Zero

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Climate Change Strategy Officer, the Committee:

Noted:

11.1. The Council's developing strategic approach on Climate Change.

Councillor Heather N Woodbridge, seconded by Councillor Kristopher D Leask, moved that the vision and public statement for the Council's own approach to climate change, as presented, be approved.

Councillor W Leslie Manson, seconded by Councillor Owen Tierney, moved an amendment that the word "Urgency" be changed to "Action" in the first bullet point of the proposed vision and public statement.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, P Lindsay Hall, W Leslie Manson, Raymond S Peace, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson, Owen Tierney and Duncan A Tullock (11).

For the Motion:

Councillors Alexander G Cowie, Rachael A King, Kristopher D Leask, James R Moar, John A R Scott and Heather N Woodbridge (6).

Abstention:

Councillor David Dawson (1).

The Amendment was therefore carried and became the Motion.

Councillor Duncan A Tullock, seconded by Councillor David Dawson, moved a further amendment, notice of which had been given, that consideration of the report be deferred and resubmitted to the Committee when the ambitions stated were fully costed.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, David Dawson, P Lindsay Hall, Mellissa-Louise Thomson, Owen Tierney and Duncan A Tullock (6).

For the Motion:

Councillors Alexander G Cowie, 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 and Heather N Woodbridge, (12).

The Motion was therefore carried and the Committee thereafter:

Resolved to **recommend to the Council:**

11.2. That the Council should support the ambition for Orkney as set out by the Orkney Partnership in their draft Climate Change vision statement.

11.3. That the following statement be approved as the vision and public statement for the Council's own approach to climate change:

- Orkney Islands Council shall be a Net Zero Local Authority, collaborating and innovating for a just transition where Orkney's economy, communities and natural environment all prosper. We will focus on:
 - Action and Ownership – to understand and reduce our emissions at the earliest opportunities;
 - Collaboration and Co-ordination – across Council services and with partners and the community;
 - Transparency – in the setting and addressing of our carbon targets; and
 - Sustainability – building our resilience and adapting to the changing climate.

Councillors Graham A Bevan and Steven B Heddle left the meeting during discussion of this item.

Councillor Gwenda M Shearer left the meeting at this point.

Councillor Steven B Heddle rejoined the meeting at this point.

12. Islands Cost Crisis Emergency Fund

Councillor Gillian Skuse declared an interest in this item, her connection being that she was the Vice Chair of the Cost of Living Taskforce and the Chief Executive Officer of Age Scotland Orkney, who might benefit from the Islands Cost Crisis Emergency Fund, and was not present during discussion thereof.

After consideration of a joint report by the Chief Officer, Orkney Health and Social Care Partnership, the Corporate Director for Strategy, Performance and Business Solutions and the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Community Planning Business Manager, the Committee:

Resolved to **recommend to the Council:**

12.1. That the Orkney Partnership's Cost of Living Task Force should be invited to make recommendations to the Council on the local distribution of Orkney's allocation of the Islands Cost Crisis Emergency Fund for 2024/25, and to action their recommendations once approved.

12.2. That authority to scrutinise and approve the recommendations made by the Cost of Living Task Force, in respect of the local distribution of Orkney's allocation of the Islands Cost Crisis Emergency Fund for 2024/25, be delegated to the Corporate Director for Enterprise and Sustainable Regeneration.

Councillor Alexander G Cowie left the meeting during discussion of this item.

13. Visitor Levy Feasibility

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Team Manager (Sustainable Tourism), Councillor Steven B Heddle, seconded by Councillor Heather N Woodbridge, moved that:

- Investigation be undertaken to ascertain the feasibility of introducing a visitor levy scheme in Orkney, including the following activity:
 - Formal engagement with local communities, tourism businesses and organisations and any other stakeholder likely to be affected by a visitor levy scheme.
 - A cost-benefit analysis, measuring the benefits of introducing a scheme versus the associated costs.
 - A seminar for Elected Members to present findings from the formal stakeholder engagement and cost-benefit analysis.
- The Corporate Director for Enterprise and Sustainable Regeneration be authorised to undertake a procurement exercise in order to engage consultants to complete the feasibility activity set out above.
- Provision of up to £20,000 be made from the Council's Crown Estate Fund for external consultant fees relating to the feasibility activity outlined above.
- The Corporate Director for Enterprise and Sustainable Regeneration should submit a report to the Policy and Resources Committee, no later than June 2025, detailing the outcome of the formal engagement and setting out proposals for developing a local scheme, if feasible.

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

- Investigation be undertaken to ascertain the feasibility of introducing a visitor levy scheme in Orkney, including the following activity:
 - Formal engagement with local communities, tourism businesses and organisations and any other stakeholder likely to be affected by a visitor levy scheme.
 - A cost-benefit analysis, measuring the benefits of introducing a scheme versus the associated costs.
 - A seminar for Elected Members to present findings from the formal stakeholder engagement and cost-benefit analysis.
- The Corporate Director for Enterprise and Sustainable Regeneration should submit a report to the Policy and Resources Committee, no later than June 2025, detailing the outcome of the formal engagement and setting out proposals for developing a local scheme, if feasible.

The result of a recorded vote was as follows:

For the Amendment:

Councillors W Leslie Manson, Owen Tierney and Duncan A Tullock (3).

For the Motion:

Councillors Stephen G Clackson, Alexander G Cowie, David Dawson, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask, James R Moar, Raymond S Peace, John A R Scott, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson and Heather N Woodbridge (15).

The Motion was therefore carried and the Committee thereafter:

Resolved to **recommend to the Council:**

13.1. That investigation be undertaken to ascertain the feasibility of introducing a visitor levy scheme in Orkney, including the following activity:

- Formal engagement with local communities, tourism businesses and organisations and any other stakeholder likely to be affected by a visitor levy scheme.
- A cost-benefit analysis, measuring the benefits of introducing a scheme versus the associated costs.
- A seminar for Elected Members to present findings from the formal stakeholder engagement and cost-benefit analysis.

13.2. That the Corporate Director for Enterprise and Sustainable Regeneration be authorised to undertake a procurement exercise in order to engage consultants to complete the feasibility activity set out above.

13.3. That provision of up to £20,000 be made from the Council's Crown Estate Fund for external consultant fees relating to the feasibility activity outlined above.

13.4. That the Corporate Director for Enterprise and Sustainable Regeneration should submit a report to the Policy and Resources Committee, no later than June 2025, detailing the outcome of the formal engagement and setting out proposals for developing a local scheme, if feasible.

Councillor Alexander G Cowie rejoined the meeting during discussion of this item.

Councillor P Lindsay Hall left the meeting at this point.

14. Airfield Terminal Building Improvement Programme

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, on the motion of Councillor Mellissa-Louise Thomson, seconded by Councillor Stephen G Clackson, the Committee:

Resolved to **recommend to the Council:**

14.1. That the revised Stage 2 Capital Project Appraisal in respect of the proposed new airfield terminal buildings at Westray and Eday, attached as Appendix 11 to this Minute, be approved.

14.2. That, subject to a successful award of funding from the Islands Infrastructure Fund, as an exception to the Capital Project Appraisal process, and to ensure the safe and resilient operation of the airfield infrastructure, new airfield terminal buildings at Westray and Eday be added to the capital programme for 2024/25 onwards, at an estimated gross capital cost of £1,384,000.

14.3. That, should the bid to the Islands Infrastructure Fund for 2024/25 be unsuccessful, the full capital funding should be funded by the Council through borrowing on the Loans Fund and allocated during 2024/25 and 2025/26 to the airfield terminal building improvement programme, estimated at £1,384,000.

15. Police and Fire Sub-committee

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 27 August 2024, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor David Dawson, seconded by Councillor Alexander G Cowie, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 27 August 2024, attached as Appendix 12 to this Minute, as a true record.

16. 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 28 August 2024, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Alexander G Cowie, seconded by Councillor Rachael A King, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 28 August 2024, attached as Appendix 13 to this Minute, as a true record.

17. Asset Management Sub-committee

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 3 September 2024, copies of which had been circulated, the Committee:

Resolved:

17.1. On the motion of Councillor Alexander G Cowie, seconded by Councillor Kristopher D Leask, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 3 September 2024, as a true record.

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

17.2. That the recommendation at paragraph 8 of the Minute of the Meeting of the Asset Management Sub-committee held on 3 September 2024, attached as Appendix 14 to this Minute, be approved.

18. Conclusion of Meeting

At 16:54 the Chair declared the meeting concluded.

Signed: Heather N Woodbridge.