

# Minute

## Policy and Resources Committee

Tuesday, 21 June 2022, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



## Present

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

## Present via remote link (Microsoft Teams)

Councillor Rachael A King.

## Clerk

- Hazel Flett, Senior Committees Officer.

## In Attendance

- John W Mundell, Interim 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.
- Sweyn Johnston, Head of Enterprise and Economic Growth (for Items 14 to 26).
- Colin Kemp, Interim Head of Finance.
- Jim Lyon, Interim Head of Children, Families and Justice Services and Chief Social Work Officer (for Items 9 to 11).
- Frances Troup, Head of Community Learning, Leisure and Housing (for Items 17 to 20).
- David Brown, Service Manager (Resources) (for Items 17 to 20).

## In Attendance via remote link (Microsoft Teams)

- Kenny MacPherson, Interim Head of Property, Asset Management and Facilities (for Items 1 to 21).
- Rosemary Colsell, Service Manager (Procurement) (for Items 1 to 13).

## **Observing**

- Jackie Thomson, Service Manager (Enterprise) (for Items 16 to 23).
- Kirsty Groundwater, Communications Team Leader.
- Andrew Hamilton, Performance and Best Value Officer (for Items 1 to 4).

## **Observing via remote link (Microsoft Teams)**

- Maureen Swannie, Head of Strategic Planning and Performance (for Items 1 to 4).
- Anna Whelan, Service Manager (Strategy and Partnership) (for Items 3 to 16).

## **Apology**

- Councillor Jean E Stevenson.

## **Declarations of Interest**

- Councillor Graham A Bevan – Item 22.
- Councillor James W Stockan – Item 22.
- Councillor Ivan A Taylor – Item 22.
- Councillor Duncan A Tullock – Item 16.

## **Chair**

- Councillor James W Stockan.

## **1. Disclosure of Exempt Information**

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 20 to 25, 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.

## **2. Detailed Revenue Budgets**

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

Noted:

**2.1.** That, on 10 March 2022, when setting the budget and Council Tax levels for 2022/23, the Council delegated powers to the Head of Finance, in consultation with the Chief Executive, to revise the approved General Fund revenue budget, following confirmation of outstanding funding levels from the Scottish Government.

**2.2.** That, although the Scottish Government revenue grant funding to the Council for financial year 2022/23 had been confirmed at £86,224,000, Scottish Government departments had advised the Council of further amended funding distributions, as detailed in section 4.3 of the report by the Head of Finance.

**2.3.** That the General Fund revenue budget for financial year 2022/23 had now been set at £92,616,200.

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

**2.4.** That detailed revenue budgets for financial year 2022/23, in respect of the undernoted services, attached as Appendix 1 to this Minute, be approved:

- General Fund Services.
- Housing Revenue Account.
- Scapa Flow Oil Port.
- Miscellaneous Piers and Harbours.
- Orkney College.
- Corporate Holding Accounts.
- Strategic Reserve Fund.
- Orkney Islands Council Pension Fund.

### **3. Performance Monitoring**

#### **3.1. Chief Executive's Service**

After consideration of a report by the Chief Executive, copies of which had been circulated, the Committee:

Scrutinised:

**3.1.1.** The performance of the Chief Executive's Service for the reporting period 1 October 2021 to 31 March 2022, as set out in sections 3 to 5 and Annexes 1 and 2 of the report by the Chief Executive, and obtained assurance.

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

**3.1.2.** That the undernoted actions, which had been progressed to completion, be removed from the Chief Executive's Service Plan:

- 01 – Review of Twinning – Reaffirm the Council's Twinning arrangements.
- 04 – Councillor Training – Develop and ongoing training and development programme to address any gaps and/or areas in need of development or improvement.

**3.1.3.** That the undernoted action, which was being progressed through the Our People Our Plan project, be removed from the Chief Executive's Service Plan:

- 06 – Internal Communication – Identify and develop improvements to internal communications.

#### **3.2. Corporate Services**

After consideration of a joint report by the Corporate Director for Strategy, Performance and Business Solutions and the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, the Committee:

Scrutinised:

**3.2.1.** The performance of Corporate Services for the reporting period 1 October 2021 to 31 March 2022, as set out in sections 3 and 4 and Annexes 1 and 2 of the joint report by the Corporate Director for Strategy, Performance and Business Solutions and the Corporate Director for Neighbourhood Services and Infrastructure, and obtained assurance.

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

**3.2.2.** That the undernoted actions, which had been progressed to completion, be removed from Corporate Services' Service Plan:

- 01 – HR / Payroll System Development – Complete Phase 2 of the HR / Payroll System Development.
- 14 – Gambling Policy – Develop and publish Gambling Policy.

**3.2.3.** That the undernoted action, which was being progressed through the Our People Our Plan project, be removed from Corporate Services' Service Plan:

- 03 – Review of Benchmarking arrangements – Conduct a review across Council services of how benchmarking is currently used in supporting improvement and implement recommendations for a future framework.

**3.2.4.** That the undernoted actions be amended as indicated:

- 02 – Pay and Grading Structure Review – Undertake a review of the Council's pay and grading structure in line with national commitments – target date extended to 31 December 2022.
- 06 – Asset Management – Progress where possible Phase 2 of the Change Review of Asset Management – target date extended to 31 March 2023.
- 07 – Procurement – Progress where possible Phase 2 of the Change Review of Procurement – target date extended to 31 March 2023.

### **3.3. Orkney Health and Care**

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

Scrutinised:

**3.3.1.** The performance of Orkney Health and Care Council delegated services for the reporting period 1 October 2021 to 31 March 2022, as set out in Annex 1 to the report by the Chief Officer, Orkney Health and Social Care Partnership, and obtained assurance.

**3.3.2.** The Social Work and Social Care Services' Experience report for the reporting period 1 April 2021 to 31 March 2022, attached as Annex 2 to the report by the Chief Officer, Orkney Health and Social Care Partnership, and obtained assurance.

### **3.4. Council Delivery Plan**

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, the Committee:

Scrutinised:

**3.4.1.** Progress made in respect of the targets within the Council Delivery Plan 2018 to 2023 for the period 1 October 2021 to 31 March 2022, as set out in Annex 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions.

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

**3.4.2.** That the undernoted actions, which had been progressed to completion, be closed, while continuing to be referenced in future Council Delivery Plan monitoring reports:

- 1.2 – Public Bus Services – continue to fund core provision of public bus services across Mainland Orkney, and, subject to budget provision, improve connections between services e.g. bus to air/ferry connections and ferry to ferry connections.
- 2.12 – Supported Accommodation Services – we will redesign our supported accommodation services for people with learning disabilities and create a core and cluster model to support people in the community.
- 4.6 – Waste Management – review and establish fresh approach for waste management/recycling/handling including community-based models.
- 5.11 – Recycling and Waste Reduction – increased education and awareness raising activity associated with recycling and waste reduction agenda. Supporting young people to take forward the plastic straw initiative.

**3.4.3.** That the undernoted actions be amended as indicated and retained within the Council Delivery Plan:

- 1.8b – Digital Connectivity – input to the developing business case showing the impacts of not having affordable reliable full digital connectivity in the islands – target date extended to 31 January 2023.
- 1.9 – Inter isles STAG strategic business cases – work with Scottish Government and other partners to progress the outcomes of the inter isles STAG strategic business cases in order to develop and then deliver the outline and final business cases for improvements – target date extended to 31 March 2023.
- 5.20 – Burial Grounds – continue investment programme for the care and expansion (where necessary) of burial grounds across Orkney – target date extended to 31 March 2023.

#### **4. Local Government Benchmarking Framework**

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

Scrutinised the performance of Council services, which fell within the remit of the Policy and Resources Committee, against the Local Government Benchmarking Framework Indicators for 2020/21, attached as Appendix 1 to the joint report by the Corporate Director for Strategy, Performance and Business Solutions, the Corporate Director for Enterprise and Sustainable Regeneration and the Chief Officer, Orkney Health and Social Care Partnership, and obtained assurance.

## 5. Governance Arrangements

The Committee resolved to defer consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions on proposed governance arrangements to the next meeting of the Committee.

## 6. People Plan

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 Human Resources and Organisational Development, the Committee:

Noted:

**6.1.** That the Human Resource Strategy 2014-18, approved by Council in April 2014, previously set out a number of staffing improvement and development objectives framed around three key thematic areas.

**6.2.** That the People Plan 2022-26 replaced and enhanced the previous Human Resource Strategy and was focussed on supporting Priority Projects 1, 2 and 3 from Our People, Our Plan and the new Council operating model.

**6.3.** That the People Plan was supported by a Delivery Plan, attached as Appendix 2 to the report by the Corporate Director for Strategy, Performance and Business Solutions, which outlined key actions and outcomes to ensure the priorities were met.

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

**6.4.** That the People Plan 2022-26, attached as Appendix 2 to this Minute, be approved.

**6.5.** That the Corporate Director for Strategy, Performance and Business Solutions should submit progress monitoring reports on the Delivery Plan, to the Policy and Resources Committee, in line with the usual six-monthly performance reporting cycle.

## 7. International Engagement

After consideration of a report by the Chief Executive, copies of which had been circulated, the Committee:

Noted:

**7.1.** That, in October 2021, the Council approved attendance at the 2021 Arctic Circle Assembly, with the event considered to be very successful, including the opportunity to promote current research, innovation and investment opportunities in Orkney to international delegates.

**7.2.** That, in parallel with attendance at the Assembly, additional invitations were received for the Orkney delegation to attend other fruitful meetings, including with HM Ambassador in Iceland, the Director of the British Antarctic Survey and potential investors in green and blue economy ventures.

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

**7.3.** That the Council continue to develop and enhance relationships with Arctic and Nordic countries to maximise the ongoing promotion of potential economic and cultural opportunities for Orkney.

**7.4.** That the Council should continue to send representatives to attend the Arctic Circle Assembly in 2022, 2023 and 2024, with attendance reviewed thereafter to ensure that it was worthwhile and providing tangible value for money opportunities.

**7.5.** That a budget, up to a maximum sum of £100,000, be established, to fund ongoing international engagement, including but not limited to the Arctic Circle Assembly, over a period of three years.

**7.6.** That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration to identify the necessary funding from within existing resources for 2022/23 and thereafter the budget requirement be submitted as a growth bid as part of the budget setting process for 2023/24 onwards.

## **8. Twinning Arrangements**

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, the Committee:

Noted:

**8.1.** That links between Orkney and Norway had been in place through a longstanding twinning arrangement which had been in place since 1983.

**8.2.** That, following the merger of Hordaland and Sogn og Fjordane, those links were reaffirmed in May 2022 with the digital re-signing of the Twinning Agreement between Orkney Islands Council and Vestland fylkeskommune.

**8.3.** That, as the focus of the current twinning agreement was on young people, re-establishment of exchange visits would be explored.

**8.4.** That representatives of Vestland expressed a wish to explore the expansion of the Twinning Agreement to include areas of co-operation on sustainable communities and sustainable tourism, as well as other topics of mutual interest.

**8.5.** The proposal that a co-operation agreement, which would be more specific than the Twinning Agreement and linked to a limited period, be developed, including topics detailed in section 4.3 of the report by the Corporate Director for Strategy, Performance and Business Solutions.

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

**8.6.** That a delegation, comprising the Convener, Leader and Depute Leader, with the appropriate officer support, as determined by the Chief Executive, should visit Vestland in Autumn 2022 to further develop the proposal for a co-operation agreement.

**8.7.** That the Corporate Director for Strategy, Performance and Business Solutions should submit a report, to the meeting of the Policy and Resources Committee to be held on 22 November 2022, on proposals for a co-operation agreement and associated action plan.

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

## **9. Capital Programme Advisory Board**

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, the Committee:

Noted:

**9.1.** That, on 10 September 2014, when considering the Council element of the proposed 2015/16 social housing development programme for Orkney, the Education, Leisure and Housing Committee recommended a governance structure in respect of the House Build Programme, including establishment of a Programme Board.

**9.2.** That, on 24 November 2015, when considering an update on progress with governance and project management resources for capital programme activities, the Policy and Resources Committee recommended that a Capital Programme Advisory Board be established, to provide a forum for informal oversight and comment on matters concerning the capital programme.

**9.3.** That, on 8 June 2022, when considering appointments and/or nominations to various Sub-committees, groups and other bodies, the Education, Leisure and Housing Committee noted that the remit and membership of both the Council House Build Programme Board and the Capital Programme Advisory Board were virtually identical.

**9.4.** That the Education, Leisure and Housing Committee subsequently recommended that the Council House Build Programme Board be disestablished, and the remit subsumed within that of the Capital Programme Advisory Board.

**9.5.** That appointments to the Capital Programme Advisory Board would last until the Special Meeting of the Policy and Resources Committee to be held in May 2024.

The Committee resolved, in terms of delegated powers:

**9.6.** That the remit of the Capital Programme Advisory Board be extended to include strategic oversight of the Council House build programme and key project modification or variations where those fell within the overall realm of delegated authority.

**9.7.** That membership of the Capital Programme Advisory Board be confirmed as follows:

- Chair, Policy and Resources Committee.
- Vice Chair, Policy and Resources Committee.
- Chair, Education, Leisure and Housing Committee.
- Vice Chair, Education, Leisure and Housing Committee.



- Chair, Development and Infrastructure Committee.
- Vice Chair, Development and Infrastructure Committee.
- Chair or Vice Chair, Integration Joint Board, whichever is the Council appointment.

## **10. Services for Children and Young People in Need of Care and Protection**

### **Joint Inspection – Second Progress Review**

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

Noted:

**10.1.** That, between 26 August and 4 October 2019, the Orkney Community Planning Partnership was inspected in respect of its services for children and young people in need of care and protection.

**10.2.** That, on 25 February 2020, the Care Inspectorate published its report of the joint inspection of services for children and young people in need of care and protection in Orkney.

**10.3.** That, in response to the inspection report published in February 2020, an improvement plan was developed, which was regularly reviewed by the Chief Officers Group and reported to the Integration Joint Board, the Council's Policy and Resources Committee and NHS Orkney's Clinical and Care Governance Committee.

**10.4.** That, between April and June 2021, a team of inspectors from the Care Inspectorate, Healthcare Improvement Scotland, Her Majesty's Inspectorate of Constabulary for Scotland and Education Scotland carried out a review of progress made in planning and implementing actions to address the priority areas for improvement identified in the Joint Inspection undertaken in 2019.

**10.5.** That, in August 2021, the Care Inspectorate published the Progress Review following the joint inspection of services for children and young people in need of care and protection in Orkney.

**10.6.** That, in early March 2022, the Care Inspectorate began to undertake file reading, interviews and focus groups as part of the second Progress Review, with Inspectors visiting Orkney during the week of 21 March 2022 to meet with children, young people and families to hear first-hand accounts of their experiences of children's services.

**10.7.** The key findings arising from the Progress Review, summarised in section 5 of the joint report by the Chief Executive, the Corporate Director for Education, Leisure and Housing and the Chief Officer, Orkney Health and Social Care Partnership.

The Committee scrutinised:

**10.8.** The key findings arising from the Second Progress Review, attached as Appendix 1 to the joint report by the Chief Executive, the Corporate Director for Education, Leisure and Housing and the Chief Officer, Orkney Health and Social Care Partnership, following the joint inspection of services for children and young people in need of care and protection, and obtained assurance that planning and implementing actions to address the priority areas for improvement continued to develop and improve.

## **11. Child Poverty Strategy**

After consideration of a joint report by the Corporate Director for Education, Leisure and Housing, the Corporate Director for Strategy, Performance and Business Solutions and the Chief Officer, Orkney Health and Social Care Partnership, 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 Interim Head of Children, Families and Justice Services and Chief Social Work Officer, the Committee:

Noted:

**11.1.** That the Child Poverty (Scotland) Act 2017 placed a duty on local authorities and health boards in Scotland to report annually on activity they were taking, and would take, to reduce child poverty.

**11.2.** That a multi-agency Child Poverty Task Force was convened to address the new duty and subsequently incorporated into the Orkney Partnership Board as a short life working group.

**11.3.** That the Child Poverty Task Force had now compiled three annual Local Child Poverty Action Reports for Orkney, which had been submitted to the Scottish Government, with a fourth, covering 2021/22, in preparation.

**11.4.** That a strategic framework was required for the future planning, monitoring, reporting and scrutiny of partnership activity to combat child poverty in Orkney.

**11.5.** That the Child Poverty Task Force had drafted a Child Poverty Strategy for 2022 to 2026 to provide a framework for the coherent planning, monitoring, reporting and scrutiny of partnership activity to combat child poverty.

**11.6.** That the draft Child Poverty Strategy was currently being considered by partner agencies prior to its submission to the Orkney Partnership Board on 29 June 2022 for adoption by the Partnership.

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

**11.7.** That the Child Poverty Strategy 2022 to 2026, attached as Appendix 3 to this Minute, be approved insofar as it applied to the Council.

Councillor Steven B Heddle left the meeting at this point.

## 12. Contract Standing Orders

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

Noted:

**12.1.** That, on 22 June 2021, the Policy and Resources Committee recommended that updated Contract Standing Orders be approved.

**12.2.** That the Contract Standing Orders had since been updated, as follows:

- To reflect recent changes as detailed in Scottish Procurement Policy Note (SPPN) 08/2021 Procurement Thresholds and VAT inclusion in estimated contract value.
- To reflect recent changes as detailed in SPPN 06/2021 Fair Work First Implementation.
- The requirement for an Elected Member to be present at the Tender Opening Panel reviewed to reflect the increased utilisation of the fully auditable secure electronic post box, which was now used in all, but very exceptional cases, as a result of the adoption of the use of Public Contracts Scotland advertising portal for tenders submitted to the Council.
- The presence of an Elected Member to be part of the electronic Tendering Opening Panel replaced by the requirement for the Service Manager (Procurement) or the equivalent Service Manager for Capital Projects or Engineering to be present at all tender openings, all of whom had delegated procurement authority at the highest level.
- To reflect recommendations arising from the internal audit on the review of project and tender documentation to identify reasons for the increase in costs in respect of the proposed extension of St Andrews Primary School, reported to the Monitoring and Audit Committee on 17 February 2022.
- To reflect changes to job titles following implementation of the revised management structure.
- The planned review of the threshold value of CSO 15 Procurement Plan to be undertaken in due course.

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

**12.3.** That the updated Contract Standing Orders, attached as Appendix 4 to this Minute, be approved.

## 13. Procurement Strategy

After consideration of a joint report by the Corporate Director for Neighbourhood Services and Infrastructure 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 Interim Head of Property, Asset Management and Facilities, the Committee:

Noted:

**13.1.** That, on 19 February 2019, the Policy and Resources Committee recommended approval of the Procurement Strategy for the period 2019 to 2021.

**13.2.** That the Procurement Strategy had been updated, with the revisions set out in section 4.5 of the joint report by the Corporate Director for Neighbourhood Services and Infrastructure and the Corporate Director for Strategy, Performance and Business Solutions, some of which were subject to approval of the updated Contract Standing Orders.

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

**13.3.** That, subject to approval of the updated Contract Standing Orders, the Procurement Strategy 2021 to 2023, attached as Appendix 5 this Minute, be approved.

Councillor Steven B Heddle rejoined the meeting during discussion of this item.

#### **14. Business Continuity Management Policy**

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 Interim Head of Property, Asset Management and Facilities, the Committee:

Noted:

**14.1.** That the existing Business Continuity Management Policy, approved by Council in October 2018, was reviewed biennially.

**14.2.** That, although a review was carried out and prepared for consideration by the Policy and Resources Committee in late 2020, due to the emergency arrangements extant at that time, the Business Continuity Management Policy was not presented for biennial review.

**14.3.** That the Business Continuity Management Policy had now been updated to reflect best practice and the new management structure.

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

**14.4.** That the updated Business Continuity Management Policy, attached as Appendix 6 to this Minute, be approved.

#### **15. Police and Fire Sub-committee**

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 31 May 2022, 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 31 May 2022, attached as Appendix 7 to this Minute, as a true record.

## **16. Orkney's Community Wind Farm Project**

### **Location-Specific Community Benefit Scheme**

Councillor Duncan A Tullock declared a non-financial interest in this item, in that one of the sites was owned by a close family member, and was not present during discussion thereof.

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 Communications Team Leader, the Committee:

Noted:

**16.1.** That, on 24 September 2019, the Policy and Resources Committee recommended:

- That the Council approve and commit to implementing the guiding principles of community benefit from Orkney's Community Wind Farm project.
- That, in accordance with the guiding principles, together with the delivery mechanism options, the Executive Director of Development and Infrastructure should undertake community consultation regarding 'location-specific community benefit', and thereafter submit a report, to a meeting of the Committee no later than November 2020, with resulting findings and recommendations.

**16.2.** That, in determining the level and geographic extent of any 'location-specific community benefit payment', the principles outlined by the Scottish Government in Community benefits from onshore renewable energy developments: Guidance on good practice principles for communities, businesses, local authorities and others (2019) were to be used.

**16.3.** That, accordingly, the value of the location-specific community benefit scheme was set at £5,000 per megawatt (MW) installed per year which, assuming 28.8MW installed capacity, could result in an annual location-specific community benefit fund for each site of £144,000, or £432,000 per year across all three sites.

**16.4.** That a public consultation on options for a location-specific community benefit fund attached to Orkney's Community Wind Farm Project, was held between 20 June and 13 August 2021.

**16.5.** That the consultation material set out three key question headings, namely:

- Which communities should get the location-specific community benefit fund.
- How should the scheme be administered.
- What should the fund be used for.

**16.6.** That the consultation results, detailed in Appendices 1, 2 and 3 to the report by the Corporate Director for Enterprise and Sustainable Regeneration, indicated broad support for the following:

- All of Orkney to benefit from the location-specific community benefit fund.
- Additional recognition for the host communities (Kirkwall and St Ola, Eday and Hoy).

- Recognition for the communities surrounding the projects (Firth/Stenness, Evie/Rendall, Westray and Flotta).
- Community Councils to take a lead role in administering the funds.
- The funds to be manageable for the smaller Community Councils, noting that a key theme in the written responses was concerns regarding the capacity for volunteer run community councils to administer large grant applications, particularly in more fragile island communities.

**16.7.** That the consultation results were used to develop nine options for how a location-specific community benefit scheme could be structured, as set out in section 5.1 of the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**16.8.** That four of the options were identified as 'preferred' in that they most closely met the key criteria described at paragraph 16.6 above, with the remaining five options discounted.

**16.9.** The breakdown of resulting allocations per Community Council area, attached as Appendix 4 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**16.10.** That the preferred option was Option 4, namely 100% of the fund to be managed by Community Councils, with 20% to each of the host communities, Eday, Hoy and Kirkwall and St Ola, with the remaining 40% split on a per population basis to the other Community Councils with a de minimis of £5,000 applied.

**16.11.** That, although the preferred option, Option 4, did not meet all of the key criteria identified in the consultation, it did allow all community councils to receive a reasonable sum by applying a de minimis payment, including the 'surrounding community councils' of Firth and Stenness, Evie and Rendall, Westray and Flotta.

Councillor James W Stockan, seconded by Councillor Steven B Heddle, moved that:

- Option 4, namely 100% of the fund to be managed by Community Councils, with 20% to each of the host communities, Eday, Hoy and Kirkwall and St Ola, with the remaining 40% split on a per population basis to the other Community Councils with a de minimis of £5,000 applied, be adopted as the policy position of the Council in respect of the location-specific community benefit fund arising from Orkney's Community Wind Farm Project.
- Should Orkney's Community Wind Farm Project receive approval to proceed, the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the Policy and Resources Committee, in due course, finalising the details of the Location-Specific Community Benefit Scheme and the steps for its implementation.

Councillor W Leslie Manson, seconded by Councillor John A R Scott, moved an amendment that:

- Option 4, namely 100% of the fund to be managed by Community Councils, with 20% to each of the host communities, Eday, Hoy and Kirkwall and St Ola, with the remaining 40% split on a per population basis to the other Community Councils with a de minimis of £5,000 applied, be adopted as the policy position of the Council in respect of the location-specific community benefit fund arising from Orkney's Community Wind Farm Project, to be reviewed after two years of operation.
- Should Orkney's Community Wind Farm Project receive approval to proceed, the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the Policy and Resources Committee, in due course, finalising the details of the Location-Specific Community Benefit Scheme and the steps for its implementation.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Graham A Bevan, Alexander G Cowie, Kristopher D Leask, W Leslie Manson, Raymond S Peace, John A R Scott, Gwenda M Shearer, Gillian Skuse, Ivan A Taylor, Mellissa-Louise Thomson and Owen Tierney (11).

For the Motion:

Councillors David Dawson, P Lindsay Hall, Steven B Heddle, Rachael A King, James R Moar, James W Stockan and Heather N Woodbridge (7).

The Amendment was therefore carried.

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

**16.12.** That Option 4, namely 100% of the fund to be managed by Community Councils, with 20% to each of the host communities, Eday, Hoy and Kirkwall and St Ola, with the remaining 40% split on a per population basis to the other Community Councils with a de minimis of £5,000 applied, be adopted as the policy position of the Council in respect of the location-specific community benefit fund arising from Orkney's Community Wind Farm Project, to be reviewed after two years of operation.

**16.13.** That, should Orkney's Community Wind Farm Project receive approval to proceed, the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the Policy and Resources Committee, in due course, finalising the details of the Location-Specific Community Benefit Scheme and the steps for its implementation.

Councillor Stephen G Clackson rejoined the meeting at this point.

## **17. Crown Estate Fund**

### **Proposals for Economic and Community Development Schemes**

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

Noted:

**17.1.** That, on 19 December 2019, when considering proposals for the allocation of marine estate revenue funding from Crown Estate Scotland for 2019/20, together with principles to guide the longer term funding allocation strategy, the Council noted:

- That Scottish Ministers confirmed that the net revenue generated from Crown Estate marine assets out to 12 nautical miles would be allocated annually to coastal local authorities.
- The expectation of Scottish Ministers that local authorities would use the revenues generated from Crown Estate marine assets for additional expenditure that specifically benefitted coastal communities.
- That any of the allocation that had not been spent in full by 31 March annually, may be carried forward to a Crown Estate Fund.

**17.2.** That, on 19 December 2019, the Council subsequently adopted the guiding principles for allocation of funding from the Crown Estate Fund, as set out in section 3.2 of the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**17.3.** That, from September 2019 to date, the Council had received a total of £2,674,933 in Crown Estate marine asset revenue funding.

**17.4.** The balance remaining in the Crown Estate Fund as at 31 March 2022, amounting to £1,897,195, with commitments of £643,005, resulting in an unallocated balance of £1,254,190.

**17.5.** The expectation that funding amounting to £2,140,000 would be allocated to the Council in respect of revenues generated over the two-year period 2020 to 2022, an annual average of £1,070,000.

**17.6.** The proposal that, in order to redress the reduction of funding for economic development grants, as well as Community Led Local Development funding, formerly LEADER, the following two schemes be established, utilising available balances within the Crown Estate Fund:

- Crown Estate Economic Development Fund.
- Crown Estate Community Led Development Fund.

On the motion of Councillor David Dawson, seconded by Councillor W Leslie Manson, the Committee resolved to **recommend to the Council:**

**17.7.** That, following deduction of all funding commitments made to date, 50% of the balance of the Crown Estate Fund, approximately £697,000 as at 31 March 2022, plus 50% of future annual allocations of Crown Estate revenues, estimated at £535,000 per annum over 2020 to 2022, be allocated and split evenly to the following two new funding schemes:

- Crown Estate Economic Development Fund.
- Crown Estate Community Led Development Fund.



**17.8.** That up to 25% of the allocations referred to at paragraph 17.7 above, estimated at £134,000 per annum over the next two years, be used to cover respective associated staff and administration costs, subject to all available government funding for that purpose being claimed first.

**17.9.** That determination of applications for funding from the Crown Estate Economic Development Fund be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Leader, Depute Leader, Chair and Vice Chair of the Development and Infrastructure Committee.

**17.10.** That determination of applications for funding from the Crown Estate Community Led Development Fund be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Leader, Depute Leader, Chair and Vice Chair of the Development and Infrastructure Committee, together with the Chair of the Orkney Local Action Group, established to deliver the 2014-20 LEADER Programme.

**17.11.** That the unallocated 50% balance in the Crown Estate Fund, estimated at £627,000 as at 31 March 2022, together with 50% of future annual allocations of Crown Estate revenues, should continue to be applied in accordance with the guiding principles agreed by the Council on 19 December 2019 and referred to at paragraph 17.2 above.

**17.12.** That any budget allocations to the Crown Estate Economic Development Fund and Crown Estate Community Led Development Fund that were not spent or committed within the financial year in which they were awarded be carried forward and retained as ring fenced elements within the Fund balances.

**17.13.** That the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the first available meeting of the Development and Infrastructure Committee, setting out eligibility criteria and parameters in respect of the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund.

**17.14.** That annual monitoring reports in respect of the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund be submitted to the Development and Infrastructure Committee.

**17.15.** That the Corporate Director for Enterprise and Sustainable Regeneration should review the funding allocations to the Crown Estate Economic Development Fund and the Crown Estate Community Led Development Fund after a period of three years from the date the funds were launched, and submit a report, to the Policy and Resources Committee, detailing the outcome of that review.

## **18. Economic Recovery Steering Group**

### **ASPIRE Orkney – Progress Update**

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 Head of Enterprise and Economic Growth, the Committee:

Noted:

**18.1.** That, on 25 November 2020, the Council resolved that the detail of the ASPIRE Orkney programme be subject to further consideration, in the context of the Council's corporate plan, by the Policy and Resources Committee, with effect from January 2021, and thereafter as a standing item for the Policy and Resources Committee.

**18.2.** That progress updates in relation to the ASPIRE Orkney programme of activity had been presented to the Policy and Resources Committee on 23 February 2021, 20 April 2021, 22 June 2021, 29 November 2021 and 22 February 2022.

**18.3.** That, on 22 February 2022, the Policy and Resources Committee was advised that an update on both the Business Plan and Action Plan would be presented to the meeting of the Policy and Resources Committee to be held on 21 June 2022.

**18.4.** The main activities undertaken by ASPIRE Orkney Ltd between February 2022 and May 2022, including an update on the Business Plan and Action Plan, as detailed in section 4 of the report by the Corporate Director for Enterprise and Sustainable Regeneration.

## **19. Exclusion of Public**

On the motion of Councillor James W Stockan, seconded by Councillor Heather N Woodbridge, the Committee resolved that the public be excluded for 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.

## **20. Stage 2 Capital Project Appraisal**

### **Infrastructure for Housing at Soulisquoy, Kirkwall**

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 6, 8 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Corporate Director for Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Service Manager (Resources), the Committee:

Noted:

**20.1.** That, on 11 November 2020, the Education, Leisure and Housing Committee recommended that, as an exception to the Capital Project Appraisal process, in order to maximise time limited Scottish Government grant funding, the Executive Director of Education, Leisure and Housing should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of infrastructure for up to 112 social rented houses at Soulisquoy, Kirkwall.

**20.2.** That the Stage 1 Capital Project Appraisal, considered by the Education Leisure and Housing Committee on 11 November 2020, identified 112 social housing units along with an area for future development.

**20.3.** That the area for future development was now proposed to be included within the overall project and allowed for an increase of housing units from 112 to 139, comprising a total of 120 social rented properties, to be developed separately by the Council and Orkney Housing Association Limited, together with 19 serviced self-build sites to be developed by the Council.

**20.4.** That the Sustainable Drainage Systems (SuDS) basin design, which received planning permission on 9 March 2022, was a shared element of the infrastructure taking into account the management of surface water from the separate new Kirkwall Care Facility site.

**20.5.** That the new Kirkwall Care Facility capital project had already been approved by Council and included provision in respect of site infrastructure.

**20.6.** That discussions remained ongoing with the Scottish Government regarding funding towards the infrastructure costs associated with the social housing elements of the overall project.

**20.7.** That the Council would require to fund the infrastructure costs associated with the serviced self-build sites.

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

**20.8.** That the Stage 2 Capital Project Appraisal in respect of site infrastructure for housing at Soulisquoy, Kirkwall, attached as Appendix 8 to this Minute, be approved.

**20.9.** That, as an exception to the Capital Project Appraisal process, in order to maximise time limited Scottish Government grant funding, the provision of site infrastructure for housing at Soulisquoy, Kirkwall, be added to the capital programme for 2022/23 onwards.

**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.**

## **21. Local Authority COVID Economic Recovery Fund**

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

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 Head of Enterprise and Economic Growth, the Committee:

Noted:

**21.1.** That, in February 2022, the Scottish Government announced details of an £80M flexible Local Authority COVID Economic Recovery (LACER) fund, to support local economic recovery and cost of living impacts on low-income households, with non-binding guiding principles, attached as Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration, provided via COSLA.

**21.2.** That, in March 2022, the Scottish Government provided funding of £548,000 to the Council as its allocation of the LACER fund.

**21.3.** That the Council had received a variety of requests, as well as proposals derived from a local interpretation of the guiding principles, as detailed in Appendix 2 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**21.4.** Proposed allocation of the LACER fund, as outlined in section 5.5 of the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**21.5.** That, in terms of delegated powers, the Chief Executive had authorised an allocation from the LACER fund to continue funding a staffing resource up to March 2023.

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

**21.6.** That the following allocations from the LACER fund be approved:

- Households affected by poverty – to enable assistance to low-income households that were disproportionately impacted by the pandemic and the current cost of living crisis and consider supplemental assistance for organisations that demonstrably provided support.

- Shop Local Developments – to support additional resource, promotion and investment that would encourage local spending and assist in rebuilding customer confidence across Orkney.
- Sectoral support for Hospitality – a scheme to incentivise extended opening times in the hospitality sector to support a lengthening of the trading season.
- Abattoir Facility – detailed feasibility study into a new Orkney based modular/micro-abattoir.

**21.7.** That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Chair of the Development and Infrastructure Committee and Councillor Rachael A King, as Vice Chair of the Integration Joint Board, to determine final award allocations and to disburse the Local Authority COVID Economic Recovery Fund grant funding detailed in paragraph 21.6 above.

**21.8.** That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Head of Legal and Governance, to conclude Agreements, on the Council's standard terms and conditions, with appropriate organisations and where required, in respect of the funding, detailed at paragraph 21.6 above.

**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.**

Councillor Rachael A King left the meeting during discussion of this item and Councillor James R Moar left the meeting at this point.

## **22. Request for Assistance**

Councillor Graham A Bevan declared a non-financial interest in this item, in that a close family member was connected with one of the parties mentioned in the report, and was not present during discussion thereof.

Councillor James W Stockan declared a financial interest in this item, in that he had a leasing arrangement with one of the parties mentioned in the report, and was not present during discussion thereof.

Signed: James W Stockan.

Councillor Ivan A Taylor declared a financial interest in this item, in that he had a leasing arrangement with one of the parties mentioned in the report, and was not present during discussion thereof.

As the Chair, Councillor James W Stockan, had declared an interest and left the meeting, Councillor Heather N Woodbridge, Depute Leader, took the Chair for this item.

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 4 and 6 of Part 1 of Schedule 7A of the Act.

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

Resolved to **recommend to the Council** what action should be taken with regard to a request for assistance.

**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.**

Councillor Rachael A King rejoined the meeting at this point.

Signed: Heather N Woodbridge.

Councillor Mellissa-Louise Thomson left the meeting at this point.

### **23. Orkney Research and Innovation Campus**

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 4 and 6 of Part 1 of Schedule 7A of the Act.

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

Resolved to **recommend to the Council** what action should be taken with regard to the Orkney Research and Innovation Campus.

**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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## **24. Strategic Projects – Resources**

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 paragraph 1 of Part 1 of Schedule 7A of the Act.

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 Head of Enterprise and Economic Growth, the Committee:

Resolved to **recommend to the Council** what action should be taken with regard to resources required to support delivery of the Strategic Projects.

**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.**

## **25. Asset Management Sub-committee**

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 paragraph 9 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 31 May 2022, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Heather N Woodbridge, seconded by Councillor James W Stockan, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 31 May 2022, attached as Appendix 9 to this Minute, as a true record.

## **26. Conclusion of Meeting**

At 16:35 the Chair declared the meeting concluded.

Signed: James W Stockan.