

# Minute

## Policy and Resources Committee

Tuesday, 20 September 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, Jean E Stevenson, 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, Service Manager (Governance).

## In Attendance

- John W Mundell, Interim 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.
- Gavin Mitchell, Head of Legal and Governance.
- James Buck, Head of Marine Services, Transportation and Harbour Master.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Sweyn Johnston, Head of Enterprise and Economic Growth (for Items 15 to 30).
- Jim Lyon, Interim Head of Children, Families and Justice Services and Chief Social Work Officer (for Items 1 to 18 and 22 to 30).
- Kenny MacPherson, Head of Property, Asset Management and Facilities.
- Lorna Richardson, Interim Head of Neighbourhood Services.
- Stuart Allison, Service Manager (Enterprise) (for Items 16 to 30).
- Shona Croy, Strategic Adviser (Renewables and Connectivity) (for Items 19 to 28).
- Shonagh Merriman, Service Manager (Corporate Finance) (for Items 1 to 6).
- William Moore, Service Manager (Revenue and Benefits) (for Items 1 to 14).
- David Sawkins, Depute Harbour Master (Strategy and Support) (for Items 9 to 16).
- Anna Whelan, Service Manager (Strategy and Partnership) (for Items 1 to 10).
- Emma Chattington, Equality, Diversity and Inclusion Officer (for Items 1 to 8).

### **In Attendance via remote link (Microsoft Teams)**

- Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.
- Pat Robinson, Chief Finance Officer, Orkney Health and Social Care Partnership (for Items 1 to 6).

### **Observing**

- Alex Rodwell, Head of Improvement and Performance.
- Les Donaldson, Service Manager (Safety and Resilience) (for Items 11 and 12).
- Ian Rushbrook, Service Manager (Property and Capital Projects) (for Items 1 to 6).

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

- Rebecca McAuliffe, Press Officer (for Item 27).
- Lorraine Stout, Press Officer (for Items 25 to 30).

### **Declarations of Interest**

- Councillor Steven B Heddle – Item 14.
- Councillor W Leslie Manson – Item 14.
- Councillor John A R Scott – Items 5 and 6.
- Councillor Gillian Skuse – Item 18.
- Councillor Ivan A Taylor – Item 14.
- Councillor Mellissa-Louise Thomson – Item 14.

### **Chair**

- Councillor James W Stockan.

## **1. The Late Queen Elizabeth II**

The Convener referred to the death of Queen Elizabeth II and paid tribute to her long and dedicated service to the nation, following which the Council stood and observed a minute's silence.

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

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 26 to 29, as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **3. Revenue Expenditure Outturn**

### **3.1. 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 Corporate Director for Enterprise and Sustainable Regeneration, the Committee:

Noted:

**3.1.1.** The revenue expenditure outturn statement in respect of the undernoted services for financial year 2021/22, attached as Annex 1 to the report by the Head of Finance, indicating a surplus position of £2,403,400:

- Central Administration.
- Law, Order and Protective Services.
- Other Services.

The Committee scrutinised:

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

### **3.2. Orkney Health and Care**

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

Noted:

**3.2.1.** The revenue expenditure outturn statement in respect of services areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for financial year 2021/22, attached as Annex 1 to the joint report by the Chief Officer, Orkney Health and Social Care Partnership and the Head of Finance, indicating a breakeven position after receiving a contribution of £440,700 from the Outwith Orkney Placements Fund.

The Committee scrutinised:

**3.2.2.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the joint report by the Chief Officer, Orkney Health and Social Care Partnership and the Head of Finance, and obtained assurance that appropriate action was taken with regard to significant budget variances.

### **3.3. Summary**

After consideration of a joint report by the Chief Executive and the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Director for Enterprise and Sustainable Regeneration, the Committee:

Noted the revenue expenditure outturn statement for financial year 2021/22, attached as Annex 1 to the joint report by the Chief Executive and the Head of Finance, indicating the following:

- A total General Fund surplus of £2,824,500.
- A surplus in Sources of Funding for General Fund Services of £534,900.
- A net Non-General Fund deficit of £2,687,100.

## **4. Revenue Expenditure Monitoring**

### **4.1. 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 Corporate Director for Enterprise and Sustainable Regeneration, the Committee:

Noted:

**4.1.1.** The revenue financial summary statement in respect of the undernoted services for the period 1 April to 30 June 2022, attached as Annex 1 to the report by the Head of Finance, indicating an underspend position of £273,900:

- Central Administration.
- Law, Order and Protective Services.
- Other Services.

**4.1.2.** The revenue financial detail by Service Area statement for the period 1 April to 30 June 2022, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

**4.1.3.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

### **4.2. Orkney Health and Care**

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

Noted:

**4.2.1.** The revenue financial summary statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 30 June 2022, attached as Annex 1 to the joint report by the Chief Officer, Orkney Health and Social Care Partnership and the Head of Finance, indicating a budget overspend position of £252,500.

**4.2.2.** The revenue financial detail by service area statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 30 June 2022, attached as Annex 2 to the joint report by the Chief Officer, Orkney Health and Social Care Partnership and the Head of Finance.

The Committee scrutinised:

**4.2.3.** 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 joint report by the Chief Officer, Orkney Health and Social Care Partnership and the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

### **4.3. Summary**

After consideration of a joint report by the Chief Executive and the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Director for Enterprise and Sustainable Regeneration, the Committee:

Noted:

**4.3.1.** The summary revenue expenditure statement for the period 1 April to 30 June 2022, attached as Annex 1 to the joint report by the Chief Executive and the Head of Finance, indicating the following:

- A total General Fund overspend of £1,157,800.
- A deficit in Sources of Funding of £457,900.
- A net Non-General Fund deficit of £7,515,500.

**4.3.2.** The financial detail across individual Sources of Funding for the period 1 April to 30 June 2022, including significant variances identified as Priority Actions, attached as Annex 2 to the joint report by the Chief Executive and the Head of Finance.

The Committee scrutinised:

**4.3.3.** 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 joint report by the Chief Executive and the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

## **5. Capital Expenditure Outturn**

Councillor John A R Scott declared a non-financial interest in this item, being a member of the Papdale East Playpark Association, but concluded that his interest did not preclude his involvement in the discussion.

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:

**5.1.** That, on 1 March 2022, when considering the capital expenditure monitoring report, the Policy and Resources Committee recommended that sums of £4,885,000 and £7,918,000 be carried forward from 2021/22 to 2022/23 and onwards in respect of slippage on projects contained within the General Fund and Non-General Fund capital programmes respectively.

**5.2.** The summary outturn position of capital expenditure incurred for financial year 2021/22 in respect of the General and Non-General Fund capital programmes, as detailed in section 3.1 of the report by the Head of Finance, indicating a total underspend of £1,969,000 as at 31 March 2022, against revised budgets totalling £15,876,000.

The Committee scrutinised:

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

## **6. Capital Slippage and Acceleration**

Councillor John A R Scott declared a non-financial interest in this item, being a member of the Papdale East Playpark Association, but concluded that his interest did not preclude his involvement in the discussion.

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:

**6.1.** Net slippage amounting to £235,000 in relation to the approved General Fund and Non-General Fund capital programmes as at 31 March 2022.

**6.2.** That the Head of Finance had re-profiled the five-year General Fund and Non-General Fund capital programmes, in order to reflect the net slippage and current timescales for completion of individual capital projects, with the revised programmes attached as Appendix 2 to the report by the Head of Finance.

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

**6.3.** That the sum of £451,000, accelerated from 2022/23, be reprofiled back to 2021/22 in respect of overspends on projects contained within the General Fund capital programme.

**6.4.** That the sum of £686,000 be carried forward from 2021/22 to 2022/23 and onwards in respect of slippage on projects contained within the Non-General Fund capital programme.

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

## **7. Local Code of Corporate Governance**

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 Service Manager (Strategy and Partnership), the Committee:

Noted:

**7.1.** That the Council was required to maintain a Local Code of Corporate Governance which was consistent with the Chartered Institute of Public Finance and Accountancy's Delivering Good Governance in Local Government Framework.

**7.2.** That the Local Code of Corporate Governance had been revised and updated to reflect changes to the Council's governance and procedures since its last revision in 2017.

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

**7.3.** That the updated Local Code of Corporate Governance, attached as Appendix 2 to this Minute, be approved.

## **8. Equalities Outcomes and Progress 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 Equality, Diversity and Inclusion Officer, the Committee:

Noted:

**8.1.** That the Equalities Outcomes 2018-2022, approved by Council in October 2018, set out three key outcomes to help deliver on the Council's duties under equality legislation.

The Committee scrutinised:

**8.2.** The Equalities Outcomes and progress report 2022 for Orkney Islands Council, Education Authority and Orkney Islands Area Licensing Board, attached as Appendix 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions, and obtain assurance that satisfactory progress had been made in relation to achieving the three key outcomes, in so far as they related to the remit of the Council.

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

**8.3.** That the undernoted Equality Outcomes be extended for a further year, pending a full review in 2023 which would enable closer alignment with the organisational strategic planning and delivery of a new Council Plan:

- People in Orkney have the opportunity to fulfil their potential throughout life.
- Orkney Islands Council is an inclusive employer.
- People in Orkney have an equal opportunity to access and shape public services.

## **9. 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 Service Manager (Strategy and Partnership), the Committee:

Noted:

**9.1.** 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.

**9.2.** That Local Child Poverty Action Reports (LCPARs) must be submitted to the Scottish Government as soon as practicable following the end of the reporting year.

**9.3.** That a multi-agency group, the Child Poverty Task Force, was convened to address the new duties in respect of reducing child poverty and was adopted by the Orkney Partnership Board in 2020 as a short life working group.

**9.4.** That the Child Poverty Task Force had published three LCPARs for Orkney, with the fourth LCPAR, for 2021/22, attached as Appendix 1 to the 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.

**9.5.** That the Child Poverty Task Force had developed an Orkney Child Poverty Strategy 2022 – 2026 which would provide a coherent framework for the future planning, implementation, monitoring and reporting of co-ordinated action to address child poverty in Orkney.

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

**9.6.** That the Local Child Poverty Action Report 2021/22, attached as Appendix 3 to this Minute, be approved for submission to the Scottish Government, in so far as it related to the remit of the Council.

## **10. Chief Social Work Officer's Annual Report**

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

Scrutinised the Chief Social Work Officer's Annual Report for 2021/22, attached as Appendix 1 to the report by the Chief Social Work Officer, and obtained assurance that social work and social care services were being delivered to an acceptable standard locally.

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

## **11. Corporate Risk Register**

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 updated Corporate Risk Register, as at August 2022, attached as Appendix 4 to this Minute, be approved, subject to submission of further revisals to the next meeting of the Committee.



## **12. 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:

Noted:

**12.1.** That the Risk Management Policy and Strategy, last revised in 2020, had been amended to reflect changes in job titles and management structures within the Council.

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

**12.2.** That the Corporate Risk Management Policy and Strategy 2022-2024, attached as Appendix 5 to this Minute, be approved.

## **13. Local Government in Scotland: Overview 2022**

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

Noted:

**13.1.** The national audit report, Local Government in Scotland: Overview 2022, published by Audit Scotland in May 2022, attached as Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration, which provided a high-level, independent view of the key challenges and performance issues faced by Scottish councils.

The Committee scrutinised:

**13.2.** The key messages and recommendations contained within the national audit report, details of which were included in sections 4 and 5 respectively of the report by the Corporate Director for Enterprise and Sustainable Regeneration, and obtained assurance that the Council was addressing the key messages and recommendations, where required and as appropriate.

## **14. Council Tax – Charging on Empty Properties**

Councillors Steven B Heddle, Ivan A Taylor and Mellissa-Louise Thomson declared financial interests in this item, in that they held property interests which potentially fell within the ambit of this item, and were not present during discussion thereof.

Councillor W Leslie Manson declared a financial interest in this item, being the owner of a second home which could, in the future, become an empty property, 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, copies of which had been circulated, and after hearing a report from the Service Manager (Revenue and Benefits), the Committee:

Noted:

**14.1.** That, on 11 December 2018, when considering recommendations from the Policy and Resources Committee regarding policy on the level of Council Tax discount or surcharge applied to empty properties and second homes, the Council resolved:

- That, from 1 October 2019, an additional surcharge of 100% be applied to empty properties that had been unoccupied for a period exceeding 12 months, with delays beyond the 12-month period for certain categories of property.

**14.2.** That the current policy linked any exception to the empty property surcharge to the length of time a property had been unoccupied.

**14.3.** That, as an unintended consequence of the current policy, a small number of cases had since arisen where the surcharge was applied immediately to a property inherited by the next of kin where the owner of the property passed away in a hospital or care home setting, having been absent from the property for some time.

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

**14.4.** That the authority delegated to the Head of Finance, to delay introduction of the 100% surcharge in Council Tax chargeable on empty properties, be extended to allow a delay of up to 12 months from the date of death of the owner, where the owner was being cared for in a hospital or care home immediately prior to their death.

**14.5.** That discretion by the Head of Finance to allow the delay, referred to at paragraph 14.4. above, should take into account the intention of any inheritor(s) of the property, as well as prioritising the existing aim of the policy, namely that empty properties be brought back into use.

## **15. Orkney Harbours Masterplan Phase 1**

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 Depute Harbour Master (Strategy and Support), the Committee:

Noted:

**15.1.** That, on 23 December 2021, when considering specific governance arrangements with regard to progressing elements of the Orkney Harbours Masterplan Phase 1, the Council approved the establishment of a negotiating team, together with the delegation of powers to authorise and conclude agreements associated with the proposed developments in the Orkney Harbours Masterplan Phase 1, and Crown Estate Scotland's ScotWind seabed leasing rounds, for the calendar year 1 January to 31 December 2022, as detailed in section 3 of the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**15.2.** Due to recent increased and positive interest in the proposed developments at Scapa Deep Water Quay and Hatston, the proposal to extend the governance arrangements, referred to at paragraph 15.1 above, for a further period from 1 January to 31 December 2023.

**15.3.** That, as titles and remits of certain posts had changed since 23 December 2021, any extension of governance arrangements with regard to progressing elements of the Orkney Harbours Masterplan Phase 1 would require to reflect those changes.

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

**15.4.** That the specific governance arrangements with regard to progressing elements of the Orkney Harbours Masterplan Phase 1, agreed by Council on 23 December 2021, be extended for a further period, from 1 January to 31 December 2023, as follows:

- That a negotiating team, comprising the undernoted officers, be established to negotiate Heads of Terms and/or other commercial agreements that might result from the preferred developer contacts and/or negotiations arising from the announcement of Crown Estate Scotland's ScotWind seabed leasing due in January 2022:
  - Interim Chief Executive.
  - Corporate Director for Enterprise and Sustainable Regeneration.
  - Head of Legal and Governance.
  - Head of Finance.
  - Head of Marine Services, Transportation and Harbour Master.
  - Any other officers that the negotiating team nominate.
- That powers be delegated to the Chief Executive, in consultation with the undernoted Members and officers, to authorise and conclude Heads of Terms, commercial or other agreements associated with the proposed developments contained within the Orkney Harbours Masterplan Phase 1, as well as any developments associated with Crown Estate Scotland's ScotWind seabed leasing rounds, for the period 1 January to 31 December 2023 inclusive:
  - Leader.
  - Depute Leader.
  - Chair, Development and Infrastructure Committee.
  - Vice Chair, Development and Infrastructure Committee.
  - Corporate Director for Enterprise and Sustainable Regeneration.
  - Head of Legal and Governance.
  - Head of Marine Services, Transportation and Harbour Master.
- That the delegation referred to above should not include the award of any construction contracts for capital projects associated with the Orkney Harbours Masterplan Phase 1, or any developments associated with Crown Estate Scotland's ScotWind seabed leasing rounds.
- That the delegation referred to above should include authority to conclude agreements with Crown Estate Scotland and other parties regarding land acquisitions or options to purchase land necessary to deliver the Orkney Harbours Masterplan Phase 1.
- That, where an agreement required the commitment of the Council to a potential liability in excess of a maximum sum of £5 million, prior approval be sought either through routine Council governance structures or, if time limited, by calling special meetings of the relevant Committee and/or the Council.

**Please refer to the Minute of the General Meeting of the Council held on 4 October 2022.**

## **16. Miscellaneous Piers and Harbours and Scapa Flow Oil Port**

### **Minor Capital Improvement Programmes**

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 Depute Harbour Master (Strategy and Support), the Committee:

Noted:

**16.1.** That the Non-General Fund capital programme included annual budget allocations for financial year 2022/23 as follows:

- Miscellaneous Piers and Harbours – £300,000.
- Scapa Flow Oil Port – £150,000.

**16.2.** That, on 25 January 2022, subject to adequate budgets being established, the Harbour Authority Sub-committee approved programmes of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2022/23, costing as follows:

- Miscellaneous Piers and Harbours – £731,700.
- Scapa Flow Oil Port – £380,000.

**16.3.** That revenue budgets for 2022/23 in respect of Miscellaneous Piers and Harbours and the Scapa Flow Oil Port included the associated loan charges in respect of the approved minor capital improvement programmes.

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

**16.4.** That the allocation within the Non-General Fund capital programme for 2022/23 be increased from £300,000 to £731,700 in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

**16.5.** That the allocation within the Non-General Fund capital programme for 2022/23 be increased from £150,000 to £380,000 in respect of minor capital improvement works within Scapa Flow Oil Port.

## **17. 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:

**17.1.** 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.

**17.2.** That progress updates in relation to the ASPIRE Orkney programme of activity had been presented regularly to the Policy and Resources Committee, with the latest update presented on 21 June 2022.

**17.3.** The main activities undertaken by ASPIRE Orkney Ltd between June and August 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.

## **18. Kirkwall Business Improvement District**

### **Renewal Ballot and Delegation to Vote**

Councillor Gillian Skuse declared a non-financial interest in this item, in that she was employed by a business which was a member of the Kirkwall Business Improvement District, and was not present during discussion thereof.

After consideration of a joint report by the Chief Executive and the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Service Manager (Enterprise), the Committee:

Noted:

**18.1.** That, as the end of the second five-year term of the Kirkwall Business Improvement District (BID) was approaching in March 2023, a successful renewal ballot was required to enable Kirkwall BID Limited to continue delivering the BID for Kirkwall businesses for another five-year term.

**18.2.** That a renewal ballot date of 2 March 2023 was expected to be requested by Kirkwall BID Limited, with details due to be discussed with Council Officers during September 2022.

**18.3.** That Kirkwall BID Limited must develop and produce a new BID proposal, which included a revised Business Plan for 2023 to 2028, to inform the renewal ballot vote.

**18.4.** That Kirkwall BID Limited had confirmed its intention to submit a BID Proposal and Business Plan to the Council and the Scottish Government, on or before 23 November 2022.

**18.5.** That the Council had received a Notice of Intention to Ballot from Kirkwall BID Limited.

**18.6.** The Renewal Ballot process, as detailed in section 4 of the joint report by the Chief Executive and the Corporate Director for Enterprise and Sustainable Regeneration.

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

**18.7.** That powers be delegated to the Chief Executive, in consultation with the Leader, the Depute Leader, the Convener and the Chair of the Development and Infrastructure Committee, to consider Kirkwall BID Limited's proposal and decide whether to exercise the

Council's power to veto the BID proposal if they believed and could demonstrate that the BID proposal was likely to:

- Conflict with the provisions of the Development Plan.
- Conflict to a material extent with any policy formally adopted by and contained in a document published by the Council.
- Lead to a significantly disproportionate financial burden on persons who would be required to pay the levy.

**18.8.** That, subject to receipt of a satisfactory Kirkwall BID Limited proposal, powers be delegated to the Chief Executive, in consultation with the Leader, the Depute Leader, the Convener and the Chair of the Development and Infrastructure Committee, to decide the vote at the BID renewal ballot on behalf of each of the Council owned properties within the BID area.

**18.9.** That powers be delegated to the Chief Executive, in consultation with the Leader, the Depute Leader, the Convener and the Chair of the Development and Infrastructure Committee, to postpone the day of the ballot by up to 15 working days in the event of unforeseen circumstances.

Councillor P Lindsay Hall left the meeting at this point.

## **19. Replacement of Previous EU Structural Funding**

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:

**19.1.** That the UK Government established its Shared Prosperity Fund (UKSPF) with a prospectus for the fund in Scotland published on 13 April 2022.

**19.2.** That local authorities were required to complete an Investment Plan across all three delivery years, setting out how they intended to use and deliver the funding to meet the UKSPF investment priorities.

**19.3.** That, on 5 July 2022, when considering the Orkney UK Shared Prosperity Fund Investment Plan, the Council resolved:

- That the draft UKSPF Investment Plan, attached as Appendix 2 to the Minute, be endorsed.
- That, taking account of the outcome of consultation with the Orkney Partnership, the MP and the MSP, powers be delegated to the Chief Executive, in consultation with the Leader and the Section 95 Officer, to approve and thereafter submit the final Orkney UKSPF Investment Plan to the UK Government by 1 August 2022.
- That the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the next meeting of the Policy and Resources Committee, regarding the establishment of a fund to support projects in Orkney, accessible to local organisations which formerly benefitted from EU funds, which supported communities, local business, people and places, as the Shared Prosperity Fund intended.

**19.4.** The analysis of previous tranches of EU funding, as detailed in Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

**19.5.** That, whilst the recently established Crown Estate Community Led Local Development Fund did not directly target replacement of EU structural funds, it would be available to organisations previously in receipt of such funds and could be used to fund similar projects.

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

**19.6.** That the Corporate Director for Enterprise and Sustainable Regeneration should undertake consultation with wider community stakeholder organisations and other funding agencies, to assess areas of potential funding gaps in the post Brexit funding landscape, and thereafter submit a report, outlining the findings of the consultation, to the Policy and Resources Committee in early 2023.

## **20. Orkney Digital Connectivity Strategy and Delivery Plan**

After consideration of a joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Strategic Adviser (Renewables and Connectivity), the Committee:

Noted:

**20.1.** That, on 18 May 2021, when reconsidering the development of a community wide digital strategy, the Policy and Resources Committee recommended:

- That the Executive Director of Development and Infrastructure should procure the services of a specialist consultant to develop a Digital Strategy for the islands that recommended a clear strategic plan to deliver a gigabit capable network.
- That the remit for the consultancy should focus on the following matters:
  - Network planning to deliver gigabit connectivity to 100% of the Orkney community.
  - Assessment of the options for the Council network post Scottish Wide Area Network (SWAN) and whether it can deliver both cost savings and income generation to the Council and assist the establishment of a viable network covering all of the Orkney Islands.
  - Assessment of the options to provide sustainable connectivity solutions to those areas where geography and distance create physical challenges, particularly the outer islands.
- That the Executive Director of Development and Infrastructure should submit a report, to the Committee no later than December 2021, presenting a draft Orkney digital strategy and delivery plan.

**20.2.** That the assessment of the options referred to above included the following:

- Determine options to realise plans for delivering gigabit connectivity.
- Determine sources of finance for connectivity solutions optimising the use of Government grants and quantify funding gaps.
- Evaluate the extent of the ability of national solutions (e.g. R100 and Gigabit Broadband scheme) to deliver for Orkney communities.
- Recommend a route map for delivery having assessed the above.



**20.3.** That, following competitive tendering, the Council engaged Plum Consulting to support development of a digital infrastructure investment case for Orkney.

**20.4.** The recommendations and main findings of the report provided by Plum Consulting, as detailed in sections 4 and 9 of the joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Corporate Director for Neighbourhood Services and Infrastructure.

**20.5.** That, at this stage, the Council remained committed, in principle, to remaining part of the SWAN contract at the forthcoming renewal, subject to formal confirmation when details regarding procurement were agreed and shared with partners.

**20.6.** That, as part of the second phase of the Council's management restructure, a post of Graduate Trainee Project Officer was approved in order to provide additional resources to support the Council's connectivity priorities.

**20.7.** The options for delivery of a gigabit capable network in Orkney, as detailed in section 11 of the joint report by the Chief Executive, the Corporate Director for Enterprise and Sustainable Regeneration and the Corporate Director for Neighbourhood Services and Infrastructure, with the preferred option being Option 5, namely a hybrid approach.

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

**20.8.** That, in order to support the Council's strategic objective to establish gigabit capable networks covering all of Orkney, Option 5, a hybrid approach, be approved, namely that the Council should facilitate commercial telecoms infrastructure investment and stimulate market demand, rather than taking a role as a telecoms operator itself.

**20.9.** That the Council should take a leadership role in raising awareness of the R100 voucher scheme, including the provision of advice and support to individuals, community groups and telecom providers, to support the development of gigabit capable telecom networks for all of Orkney.

**20.10.** That the Corporate Director for Enterprise and Sustainable Regeneration and the Corporate Director for Neighbourhood Services and Infrastructure should submit an application to the UK Government for Project Gigabit funding to deliver fibre infrastructure to all eligible Council sites.

**20.11.** That the Corporate Director for Enterprise and Sustainable Regeneration and the Corporate Director for Neighbourhood Services and Infrastructure should consult with local and national communication operators on the benefits of accessing gigabit hub infrastructure and the impacts that might have on commercial network roll out plans in Orkney.

**20.12.** That the Corporate Director for Enterprise and Sustainable Regeneration and the Corporate Director for Neighbourhood Services and Infrastructure should submit a joint report, to the Policy and Resources Committee, on the outcome of the consultation, referred to at paragraph 20.11 above, and the principle that commercial operators might access any Council owned Gigabit hub infrastructure, including terms and conditions of such an agreement.

## **21. 20mph Speed Limits at Isles Schools**

### **Stage 2 Capital Project Appraisal**

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 Neighbourhood Services, the Committee:

Noted:

**21.1.** That, on 7 December 2021, the Council considered a Notice of Motion regarding the installation of a 20mph zone or speed limit on the roads in the vicinity of each of those schools in Orkney that still did not have one, and thereafter resolved:

- To install, as soon as practicable but no later than the end of 2023, a 20 mph zone or speed limit on the roads in the vicinity of each of those schools in Orkney that still did not have one.
- That, in order to progress the project to install a 20 mph zone or speed limit around island schools, Option 1, namely the submission of a Stage 1 Capital Project Appraisal to the Development and Infrastructure Committee, be adopted.

**21.2.** The recommendation of the Capital Planning and Asset Management Sub-group that, if the speed limits were to be in place by the required date of December 2023, the project should progress to a Stage 2 Capital Project Appraisal, as an exception.

**21.3.** That, in order to accommodate the timescale for introducing 20 mph part-time speed limits at the island schools as required by the Notice of Motion, existing planned programmes of work for 2022/23 would be significantly impacted.

**21.4.** That the project to introduce 20 mph part-time speed limits at the island schools had been costed at an estimated £434,280.

**21.5.** That grant funding from Transport Scotland might be available in 2022/23 to contribute towards the cost of the project to introduce 20 mph part-time speed limits at the island schools.

**21.6.** That the Renewable Energy, Redevelopment and Regeneration Fund had been identified as having sufficient headroom to fund any shortfall associated with the proposed works to introduce 20 mph part-time speed limits at the island schools, following receipt of external grant funding.

**21.7.** The proposed funding sources for the project to introduce 20 mph part-time speed limits at the island schools:

- Cycling, Walking and Safer Routes – £143,432 (shared with Finstown speed limit scheme).
- Direct Resource Funding – £50,000.
- Road Safety Improvement Fund – £36,002 (awaiting confirmation of award).
- Renewable Energy, Redevelopment and Regeneration Fund – £204,846.

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

**21.8.** That the Stage 2 Capital Project Appraisal in respect of the introduction of mandatory, variable part-time 20 mph speed limits at island schools, attached as Appendix 6 to this Minute, should be approved.

**21.9.** That the installation of new mandatory, variable part-time 20 mph speed limits at island schools be added to the General Fund capital programme for 2022/23 onwards, at a gross project cost of £434,280, to be funded by external grant funding in the first instance, with the balance met from the Renewable Energy, Redevelopment and Regeneration Fund, where required.

## **22. Pension Fund Sub-committee, together with Pension Board**

### **22.1. Draft Minute of Meeting held on 15 June 2022**

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 15 June 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 Pension Fund Sub-committee, together with the Pension Board, held on 15 June 2022, attached as Appendix 7 to this Minute, as a true record.

### **22.2. Draft Minute of Meeting held on 25 August 2022**

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 25 August 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 Pension Fund Sub-committee, together with the Pension Board, held on 25 August 2022, attached as Appendix 8 to this Minute, as a true record.

## **23. Investments Sub-committee**

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 15 June 2022, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Heather N Woodbridge, seconded by Councillor Rachael A King, to approve the Minute of the Meeting of the Investments Sub-committee held on 15 June 2022, attached as Appendix 9 to this Minute, as a true record.

## **24. Human Resources Sub-committee**

After consideration of the draft Minute of the Meeting of the Human Resources Sub-committee held on 30 August 2022, copies of which had been circulated, the Committee:

Resolved:

**24.1.** On the motion of Councillor Heather N Woodbridge, seconded by Councillor Gwenda M Shearer, to approve the Minute of the Meeting of the Human Resources Sub-committee held on 30 August 2022 as a true record.

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

**24.2.** That the recommendation at paragraph 1.7 of the Minute of the Meeting of the Human Resources Sub-committee held on 30 August 2022, attached as Appendix 10 to this Minute, be approved.

## **25. 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.

## **26. 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 paragraphs 6 and 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 30 August 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 30 August 2022, attached as Appendix 11 to this Minute, as a true record.

## **27. Disposal of Pelamis**

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 and 9 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 Marine Services, Transportation and Harbour Master, the Committee:

Noted:

**27.1.** That, in June 2017, the Council purchased the Pelamis P2000 wave energy device from the European Marine Energy Centre for £1, with a payment by the European Marine Energy Centre to the Council in the sum of £45,000 in recognition of potential disposal costs.

**27.2.** That, on 26 September 2017, the Policy and Resources Committee noted that further work was necessary to consider options for reuse of the Pelamis P2000 device, the outcome of which would be reported to the Development and Infrastructure Committee.

**27.3.** That, on 12 November 2019, when considering future use/disposal of the Pelamis wave energy device, the Development and Infrastructure Committee recommended that the Executive Director of Development and Infrastructure should arrange for the disposal or sale of the Pelamis P2000 device for scrap, or any other purpose, at the earliest opportunity.

**27.4.** That efforts to dispose of the Pelamis P2000 device had not been successful.

**27.5.** That, during the past four financial years, the cost to Marine Services for the upkeep of the Pelamis P2000 totalled £32,665.

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

**27.6.** That the Corporate Director for Enterprise and Sustainable Development should undertake a procurement exercise for decommissioning/scraping of the Pelamis P2000 device.

**27.7.** That powers be delegated to the Head of Finance, in consultation with the Leader, the Depute Leader and the Chair and Vice Chair of the Development and Infrastructure Committee, to identify and apply a suitable funding source for the additional budget requirement associated with the decommissioning/scraping of the Pelamis P2000 device.

**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.**

## **28. Kirkwall Town Centre Regeneration**

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, 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 a Kirkwall Town Centre Regeneration project.

**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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## **29. Orkney Islands Local Marine Asset Management and Local Governance Pilot Scheme**

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 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, 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 Head of Enterprise and Economic Growth, the Committee:

Noted:

**29.1.** That, in 2018, Crown Estate Scotland launched a local management pilot scheme application process designed to encourage greater involvement of Scotland's communities in managing the land and property near them.

**29.2.** That, on 13 August 2020, when considering an updated proposal for the Pilot Scheme, the Council resolved that implementation of the revised Pilot Scheme be approved.

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

**29.3.** That an optimised Operational Plan for the Local Marine Asset Management Pilot Scheme be approved.

**29.4.** That the Corporate Director for Enterprise and Sustainable Development should submit a report, to the Development and Infrastructure Committee, prior to the end of the Pilot, detailing progress with the Operational Plan for the Local Marine Asset Management Pilot Scheme.

**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.**

### **30. Conclusion of Meeting**

At 16:24 the Chair declared the meeting concluded.

Signed: James W Stockan.