

Minute

Asset Management Sub-committee

Tuesday, 31 January 2023, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Steven B Heddle, Jean E Stevenson and Ivan A Taylor.

Present via remote link (Microsoft Teams)

Councillors P Lindsay Hall and Mellissa-Louise Thomson.

Councillor Graham A Bevan, who had been invited for Item 9.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Kenny MacPherson, Head of Property, Asset Management and Facilities.
- Lorna Richardson, Head of Neighbourhood Services.
- Graeme Christie, Service Manager (Estates).
- Shonagh Merriman, Service Manager (Corporate Finance).
- Ian Rushbrook, Service Manager (Capital Programme and Property).
- Michael Scott, Solicitor.

In attendance via remote link (Microsoft Teams)

- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Sandra Craigie, Committees Officer.

Observing

- Thomas Aldred, Service Manager (ICT) (for Items 1 to 5).

Apologies

- Councillor Heather N Woodbridge.
- Councillor James W Stockan.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Hazel Flett, Service Manager (Governance) (for Item 1).
- Councillor Ivan A Taylor (for Items 2 to 9).

1. Appointment of Chair

As both the Leader and Depute Leader had intimated their apologies, the Clerk invited nominations for Chair for this meeting, and the Sub-committee:

Resolved that Councillor Ivan A Taylor be appointed Chair for this meeting.

Councillor Ivan A Taylor took the Chair for the remainder of the meeting.

2. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public should be excluded from the meeting for Items 7 to 9, as consideration of the business may involve the likely 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.

3. Revenue Expenditure Monitoring

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 Sub-committee:

Noted:

3.1. The revenue financial summary statement, in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 31 December 2022, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £256,900.

3.2. The revenue financial detail by service area statement, in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 31 December 2022, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

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

4. Corporate Asset Improvement Programmes – Expenditure Monitoring

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 Sub-committee:

Noted:

4.1. The summary position of expenditure incurred, as at 31 December 2022, against the approved corporate asset capital improvement and replacement programmes for 2022/23, as detailed in section 4.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

4.2. The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved corporate asset capital improvement and replacement programmes for 2022/23.

5. Corporate Asset Maintenance Programmes – Expenditure Monitoring

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 Sub-committee:

Noted:

5.1. The summary position of expenditure incurred, as at 31 December 2022, against the approved corporate asset maintenance programmes for 2022/23, as detailed in section 4.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

5.2. The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved corporate asset maintenance programmes for 2022/23.

6. Exclusion of Public

On the motion of Councillor Ivan A Taylor, seconded by Councillor Steven B Heddle, the Sub-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.

7. Leases on Terms Below Market Value

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

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 Service Manager (Estates), the Sub-committee:

Noted:

7.1. That 37 tenants were currently listed as occupying Council assets and benefitting from rents at less than market value, as detailed in Appendix 1 to the report by the Corporate Director for Neighbourhood Services and Infrastructure.

7.2. The governance authorising the below market rent arrangements, referred to at paragraph 7.1 above, and also detailed in Appendix 1 to the report by the Corporate Director for Neighbourhood Services and Infrastructure.

8. Plant and Vehicle Replacement Programme

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

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 Neighbourhood Services, the Sub-committee:

Noted:

8.1. That a multi-year approach to the replacement of plant and vehicles allowed for greater flexibility to vary the timing of individual transactions where constraints and/or pressures emerged.

8.2. That issues with the supply chain had resulted in a number of items being carried over from the 2022/23 programme, to a total value of £357,000, to be funded by a contribution from the Repairs and Renewals Fund from underspends set aside in financial years 2020/21 and 2021/22.

8.3. That, in addition to the planned purchases for General Fund services, a total of £456,000 was to be spent on the purchase of vehicles on behalf of Non-General Fund services during 2023/24, the cost of which would be fully reimbursed by the relevant trading service, as detailed in Appendix 1 to the report by the Corporate Director for Neighbourhood Services and Infrastructure.

The Sub-committee resolved, in term of delegated powers:

8.4. That the Plant and Vehicle Replacement Programmes for 2023/24, 2024/25 and 2025/26, attached as Appendix 1 to this Minute, be approved.

8.5. That powers be delegated to the Corporate Director for Neighbourhood Services and Infrastructure, in consultation with the Head of Finance, to adjust the programmes referred to at paragraph 8.4 above, as variations arose and in order to maximise use of the annual capital allocations.

9. Request to Lease Property in Stromness

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 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a joint report by the Corporate Director for Neighbourhood Services and Infrastructure and the Corporate Director for Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Service Manager (Estates), the Sub-committee:

Resolved to **recommend to the Council** what action should be taken with regard to a request to lease property in Stromness.

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.

10. Conclusion of Meeting

At 10:50 the Chair declared the meeting concluded.

Signed: I Taylor.