

Minute

Special General Meeting of the Council

Thursday, 22 February 2018, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors J Harvey Johnston, Stephen G Clackson, Alexander G Cowie, Norman R Craigie, Robin W Crichton, David Dawson, Andrew Drever, Barbara Foulkes, Steven B Heddle, W Leslie Manson, John T Richards, Stephen Sankey, John A R Scott, Gwenda M Shearer, Graham L Sinclair, James W Stockan, Magnus O Thomson, Owen Tierney, Duncan A Tullock and Kevin F Woodbridge.

Clerk

- Gillian Morrison, Executive Director of Corporate Services.

In Attendance

- Gavin Barr, Executive Director of Development and Infrastructure.
- Caroline Sinclair, Chief Officer/Executive Director, Orkney Health and Care.
- Wilfred Weir, Executive Director of Education, Leisure and Housing.
- Gareth Waterson, Head of Finance.
- Karen Greaves, Head of Executive Support.
- Gavin Mitchell, Head of Legal Services.
- Hazel Flett, Senior Committees Officer.

Observing

- Peter Diamond, Head of Lifelong Learning and Inclusion (for Items 1 and 2).
- Andrew Groundwater, Head of HR and Performance.
- Paul Kemp, Strategic Finance Manager (for Items 1 and 2).
- David Hartley, Communications Team Leader.

Audit Scotland:

- Patricia Fraser, Audit Manager.
- Neil Reid, Senior Auditor.

Apology

- Councillor Rachael A King.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor J Harvey Johnston, Convener.

1. Policy and Resources Committee

Minute of Special Meeting held on 31 January 2018

On the motion of Councillor James W Stockan, seconded by Councillor W Leslie Manson, the Council resolved to approve the Minute of the Special Meeting of the Policy and Resources Committee held on 31 January 2018 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Special Meeting of the Policy and Resources Committee held on 31 January 2018.

2. Policy and Resources Committee

Minute of Special Meeting held on 13 February 2018

On the motion of Councillor James W Stockan, seconded by Councillor W Leslie Manson, the Council resolved to approve the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018 as a true record.

The Council thereafter resolved to approve the recommendations contained in the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018, subject to the following items of discussion:

Budget and Council Tax Level for 2018 to 2019

EDELH05 Education Savings

Councillor Stephen G Clackson referred to the recommendations regarding efficiency savings for 2018 to 2019 and, seconded by Councillor Robin W Crichton, moved an amendment that Efficiency Saving EDELH05, relating to savings of £65,000 within the Education service, be deferred, by being categorised as very high risk for financial year 2018 to 2019 until such time as a review of the service had been completed and presented to the Education, Leisure and Housing Committee, whereupon the risk categorisation could be reassessed.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Alexander G Cowie, Robin W Crichton, David Dawson, Steven B Heddle, John T Richards, Stephen Sankey, Gwenda M Shearer, Magnus O Thomson and Owen Tierney (10).

For the recommendations contained in the Minute:

Councillors Norman R Craigie, Andrew Drever, Barbara Foulkes, J Harvey Johnston, W Leslie Manson, John A R Scott, Graham L Sinclair, James W Stockan, Duncan A Tullock and Kevin F Woodbridge (10).

On the casting vote of the Convener, the recommendations contained in the Minute were approved.

OSCE04 Christmas Bonus

Councillor Steven B Heddle referred to the recommendations regarding efficiency savings for 2018 to 2019 and, seconded by Councillor David Dawson, moved an amendment that Efficiency Saving OSCE04, relating to the Christmas Bonus, should not be included within the proposed efficiency savings, with the resultant costs of £64,500 being met from the proposed General Fund contingency.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Alexander G Cowie, Norman R Craigie, Robin W Crichton, David Dawson, Steven B Heddle, John A R Scott, Gwenda M Shearer and Owen Tierney (9).

For the recommendations contained in the Minute:

Councillors Andrew Drever, Barbara Foulkes, J Harvey Johnston, W Leslie Manson, John T Richards, Stephen Sankey, Graham L Sinclair, James W Stockan, Magnus O Thomson, Duncan A Tullock and Kevin F Woodbridge (11).

The recommendations contained in the Minute were approved and the Council thereafter resolved:

2.1. That the General Fund revenue budget for financial year ending 31 March 2019 be set at £81,931,200.

2.2. That powers be delegated to the Head of Finance to revise the General Fund revenue budget for financial year ending 31 March 2019 in respect of any change to the provisional funding level referred to at paragraphs 4.2 and 4.3 of the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018.

2.3. That the Band D Council Tax level for financial year ending 31 March 2019 be set at £1,100, being an increase of 3% on the Band D Council Tax level for financial year ending 31 March 2018 of £1,068.

2.4. That the Council's budget uprating assumptions, as set out in Appendix 1 to the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018, at an estimated cost across the General Fund of £1,710,000, be approved.

2.5. That service pressure bids totalling £5,414,800, as detailed in Appendix 2 to the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018 and summarised as follows, be approved and included in the revenue budget for financial year ending 31 March 2019:

- Baseline growth of £4,683,800, including ferry service pressures amounting to £2,158,000.
- Self-financing service pressures amounting to £731,000.

2.6. That efficiency savings totalling £1,756,675, covering risk levels assessed as low, medium and high, as detailed in Appendix 3 to the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018 and summarised below, be approved and applied for financial year ending 31 March 2019:

- Finance and Capital Charges – £250,000.
- Chief Executive's Service – £128,500.
- Corporate Services – £217,000.
- Development and Infrastructure – £216,300.
- Education, Leisure and Housing – £561,500.
- Orkney Health and Care – £383,375.

2.7. That powers be delegated to the Chief Executive, in consultation with the Executive Director of Corporate Services and the Head of Finance, to implement the required amendments to the staffing establishment referred to at paragraph 4.11 of the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018.

2.8. That powers be delegated to the Head of Finance to allocate any General Fund underspend from financial year ending 31 March 2018 to the following provisions:

- Outwith Orkney Placements to the level required, as indicated in the growth items set against self-financing as detailed in Appendix 2 to the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018.
- Any remaining underspends to the repayment of Capital Debt.

2.9. That, for financial year ending 31 March 2019, the contribution from the Strategic Reserve Fund used as a funding source be set at a level of up to £4,684,000, including £334,000 for the Community Development Fund and subject to confirmation of the funding in respect of internal ferry services referred to at paragraph 4.3 of the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018.

2.10. That the funding for internal ferry services, referred to at paragraph 4.3 of the Minute of the Special Meeting of the Policy and Resources Committee held on 13 February 2018, be used to meet the cost of new pressures on the ferry service, totalling £2,158,000, referred to at paragraph 2.5 above, with the balance used to fund current levels of ferry services, thereby reducing the contribution from the Strategic Reserve Fund which would otherwise have been required.

2.11. That a General Fund contingency provision be established within the revenue budget for financial year ending 31 March 2019, into which the Council's share of additional non-ferry related funding secured for local government in political negotiations over support for the Government's budget be contributed.

2.12. That any further efficiency savings realised, or additional funding secured that was not specific to government initiatives that must be funded, be similarly retained in a General Fund contingency.

2.13. That Executive Directors should review and increase existing charges by a minimum of 4%, from 1 April 2018, if possible to do so, or as early as possible thereafter, with the following exceptions, where alternative arrangements were required or proposed:

- Building warrant and planning fees.
- Harbour charges.
- Ferry fares.
- Car parking charges.
- Residential care and home care.
- Very sheltered housing.
- Supported accommodation.
- Licensing fees.
- Ship sanitation certification.
- Marriage/civil partnership fees.
- Roads inspection fees.
- Trade waste charges.

2.14. That the policies of a presumption against new commitments and the moratorium on staff establishment increases should continue to remain in force, with the following conditions:

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

2.15. That powers be delegated to the Head of Finance, as Section 95 Officer, in consultation with the Chief Executive, to prepare and distribute a detailed budget incorporating all of the budget adjustments agreed by the Council.

3. Accounts Commission – New Best Value Audit

Best Value Assurance Report

After consideration of a joint report by the Chief Executive and the Executive Director of Corporate Services, copies of which had been circulated, the Council:

Noted:

3.1. That, in Autumn 2016, the Accounts Commission introduced its new approach to the Best Value Audit, which coincided with the five-year appointment of new external auditors.

3.2. That under the new arrangements, External Audit's Annual Report to Members and the Controller of Audit had an enhanced role, with a Best Value Assurance Report for each council presented to the Accounts Commission at least once in the five-year cycle.

3.3. That the Council was one of the first six councils to be the subject of the New Best Value Audit.

3.4. That the Audit Team's fieldwork was carried out in early March and at the end of May 2017, and consisted of interviews with individual elected members, officers and a range of community stakeholders, together with observing Council Committee and Sub-committee meetings and meetings of management teams.

3.5. The final draft of the Best Value Assurance Report, presented to the Accounts Commission on 7 December 2017, and published on 14 December 2017, attached as Annex 1 to the joint report by the Chief Executive and the Executive Director of Corporate Services.

3.6. The Accounts Commission's Findings on the Best Value Audit of Orkney Islands Council, Key Messages and Recommendations, as set out at pages 5, 8 and 9 and 52 respectively of the Best Value Assurance Report.

3.7. That, within three months of publication of the Best Value Assurance Report by the Accounts Commission, there was a statutory requirement for the Best Value Assurance Report to be presented to a General Meeting of the Council.

3.8. That, as soon as was practicable after the meeting referred to at paragraph 3.7 above, the Council must notify the Accounts Commission whether it had decided to accept any or all of the Accounts Commission's recommendations and what, if any, action the Council had decided to take in response to those recommendations.

The Council resolved:

3.9. That all of the Accounts Commission's recommendations, as undernoted, be accepted:

- The council must further increase the current pace of improvement and in particular ensure it makes progress with the following:
 - Developing a detailed workforce plan that considers future workforce needs, current capacity, supply and recruitment, skills and financial constraints.
 - Managing capital projects effectively to avoid slippage and the negative impact on delivering strategic priorities.
 - Longer-term financial planning to ensure the sustainability, feasibility and practicalities of current spending plans. This should be done with reference, also, to the Strategic Reserve Fund.
 - Implementation of the IT Strategy and Digital Strategy, including the associated capital programme and completion of the review of capacity.
- To support a culture of improvement, the council should build on the self-evaluation work already in place in services and further develop a corporate approach.
- The council should build on its good examples of community engagement and participation to improve consistency of approach across all the communities, including those that are 'hard to reach'.
- The council should set out how its activities will contribute to improved outcomes for communities so that it can evidence and monitor the impact.
- The council and its community planning partners should ensure clear performance management arrangements are in place to demonstrate that they are making progress towards delivering positive outcomes for the community.

- The council should consider how it can enhance its councillor training and development programme and encourage better uptake by councillors of personal development opportunities.

3.10. That, in response to the Accounts Commission's recommendations, the Chief Executive should develop a Best Value Response Plan for submission to the meeting of the Policy and Resources Committee scheduled for 17 April 2018.

3.11. That, following approval of the Best Value Response Plan, each individual action point be placed within either the Council Plan or appropriate Service Plan, for the purposes of performance monitoring, management, scrutiny and Public Performance Reporting.

4. Conclusion of Meeting

At 11:15 the Convener declared the meeting concluded

Signed: Harvey Johnston.