

# Minute

## Policy and Resources Committee

Tuesday, 23 November 2021, 09:30.

Microsoft Teams.



## Present

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

## Clerk

- Hazel Flett, Senior Committees Officer.

## In Attendance

- John W Mundell, Interim Chief Executive.
- Stephen Brown, Chief Officer/Executive Director, Orkney Health and Care (for Items 1 to 20).
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- James Wylie, Executive Director of Education, Leisure and Housing.
- James Buck, Head of Marine Services and Transportation (for Items 3 to 9).
- Karen Greaves, Head of Executive Support.
- Andrew Groundwater, Head of HR and Performance.
- Colin Kemp, Interim Head of Finance.
- Jim Lyon, Interim Head of Children and Families and Criminal Justice and Chief Social Work Officer (for Items 4.2 to 5).
- Roddy Mackay, Head of Planning, Development and Regulatory Services (for Items 1 to 21).
- Kenny MacPherson, Interim Head of IT and Facilities (for Items 1 to 21).
- Gavin Mitchell, Head of Legal Services.
- Lorna Richardson, Interim Head of Roads, Fleet and Waste.
- David Sawkins, Depute Harbour Master (Strategy and Support) (for Items 14 to 22).
- Richard Wild, Depute Harbour Master (Operations) (for Items 10 to 21).
- Sweyn Johnston, Strategic Projects Director (for Items 13 and 14).
- Shonagh Merriman, Interim Corporate Finance Senior Manager (for Items 1 to 22).
- Ian Rushbrook, Capital Programme Manager (for Items 1 to 3).
- Stuart Allison, Economic Development Manager (for Items 1 to 13).

## **Observing**

- Kirsty Groundwater, Project Officer (Communications and Engagement), Strategic Projects (for Items 14 to 22).
- Andrew Hamilton, Performance and Best Value Officer (for Items 1 to 6).
- Rebecca McAuliffe, Press Officer (for Items 2 to 22).

## **Declarations of Interest**

- Councillor Stephen Sankey – Item 12.
- Councillor Gwenda M Shearer – Item 12.
- Councillor Heather N Woodbridge – Item 12.

## **Chair**

- Councillor W Leslie Manson, Depute Leader.

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

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 22 and 23, 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. Revenue Expenditure Monitoring**

### **2.1. Policy and Resources**

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

Noted:

**2.1.1.** The revenue financial summary statement in respect of the undernoted services for the period 1 April to 30 September 2021, attached as Annex 1 to the report by the Head of Finance, which indicated an underspend position of £48,900:

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

**2.1.2.** The revenue financial detail by Service Area statement for the period 1 April to 30 September 2021, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

## **2.2. Summary**

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

Noted:

**2.2.1.** The summary revenue expenditure statement for the period 1 April to 30 September 2021, attached as Annex 1 to the report by the Head of Finance, which indicated the following:

- A total General Fund overspend of £297,700.
- A surplus in Sources of Funding of £106,000.
- A net Non-General Fund surplus of £9,048,000.

**2.2.2.** The financial detail across individual Sources of Funding for the period 1 April to 30 September 2021, including significant variances identified as Priority Actions, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

## **3. Capital Expenditure Monitoring**

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

Noted:

**3.1.** The summary financial position, as at 30 September 2021, in respect of the approved General Fund and Non-General Fund capital programmes, as detailed in section 3.1 of the report by the Head of Finance, which indicated the following:

- Actual expenditure incurred as at 30 September 2021 of £4,669,000.
- Annual budget of £27,816,000, which reflects slippage and current timescales for completion of individual projects, as recommended by the Policy and Resources Committee on 21 September 2021.
- Probable outturn as at 31 March 2022 of £22,602,000.

The Committee scrutinised:

**3.2.** The detailed analysis of capital expenditure, together with project updates in respect of the General Fund and the 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 being made with delivery of the approved capital programmes.

## 4. Performance Monitoring

### 4.1. Chief Executive's Service

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Head of Executive Support, the Committee:

Scrutinised:

**4.1.1.** The performance of the Chief Executive's Service for the reporting period 1 April to 30 September 2021, as set out in sections 3 to 5 and Annexes 1 and 2 of the report by the Chief Executive.

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

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

- 10 – Purchase to Pay – Develop and introduce Purchase to Pay system.

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

- 01 – Review of Twinning – target date extended to 30 April 2022.
- 02 – Capital Strategy – target date extended to 31 August 2022.
- 06 – Internal Communication – target date extended to 30 April 2022.
- 07 – Council Website – target date extended to 31 August 2022.
- 11 – Feedback – target date extended to 31 August 2022.
- 13 – Carbon Reduction – target date extended to 31 August 2022.

### 4.2. Corporate Services

After consideration of a joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Committee:

Scrutinised:

**4.2.1.** The performance of Corporate Services for the reporting period 1 April to 30 September 2021, as set out in sections 3 to 5 and Annexes 1 and 2 of the joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing.

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

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

- 04 – Gender Pay Gap Action Plan – To develop an action plan to address the Council's gender pay gap and occupational segregation.

**4.2.3.** That the undernoted action be amended as indicated:

- 03 – Review of Benchmarking arrangements – target date extended to 31 March 2022.

Due to internet connectivity issues, Councillor Owen Tierney was not present during all of the discussion for this item.

### **4.3. Council Delivery Plan**

After consideration of a joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Committee:

Scrutinised:

**4.3.1.** Progress made in respect of the targets within the Council Delivery Plan 2018 to 2023 for the period 1 April to 30 September 2021, as set out in Annex 1 to the joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing.

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

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

- 1.8a – Superfast Broadband – Lobby for Superfast Broadband – delivery of interim solutions to fibre-based broadband in parallel with R100 commitments.
- 2.5 – ‘Commissioned Provision’ opportunities for education and care – We will explore and commission ‘commissioned provision’ opportunities for education and care.
- 4.5 – Establish Crown Estates Marine Management Pilot Status – Establish Crown Estates marine management pilot status and Marine Planning Authority Functions – with focus on Island Authority governance and local expertise model.

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

- 4.1 – Low Carbon Energy Systems Innovation Hub – target date extended to 31 March 2025.
- 4.2 – Strategic Investment – target date extended to 31 March 2025.
- 4.9 – Islands Deal – target date extended to 31 December 2022.
- 1.1 – Inter-Island Ferry Services – target date extended to 30 April 2022.
- 1.4 – Airfield Strategy and Investment Plan – target date extended to 31 December 2022.
- 3.2 – Management of the School Estate – target date extended to 31 December 2022.
- 4.6 – Waste Management – target date extended to 31 December 2022.
- 5.13 – Maintenance Strategy – target date extended to 31 December 2022.

## **5. 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 2020/21, 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.

Councillors Barbara Foulkes and Magnus O Thomson joined the meeting at this point.

## **6. Integration Joint Board – Annual Performance Report**

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

Scrutinised the IJB's Annual Performance Report 2020/21, attached as Appendix 1 to the report by the Chief Officer/Executive Director, Orkney Health and Care, and obtained assurance that services commissioned by the IJB from the Council were performing to an acceptable standard.

## **7. Treasury Management – Mid-year Update**

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Interim Corporate Finance Senior Manager, the Committee:

Scrutinised the mid-year update, attached as Appendix 1 to the report by the Head of Finance, prepared by Link Treasury Services, the Council's Treasury Adviser, which covered the following elements of treasury management, and obtained assurance that the Treasury Management Practices had operated effectively for the period 1 April to 30 September 2021:

- An economic update for the first half of the 2021/22 financial year.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council's capital expenditure, as set out in the Capital Strategy and prudential indicators.
- A review of the Council's investment portfolio for 2021/22.
- A review of the Council's borrowing strategy for 2021/22.
- A review of compliance with Treasury and Prudential Limits for 2021/22.

## **8. Audio Casting – Review**

After consideration of a report by the Chief Executive, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Head of Executive Support, the Committee:

Noted:

**8.1.** That, on 19 February 2019, when considering a review of audio casting, the Policy and Resources Committee recommended:

- That the Council should continue to audio cast meetings of its committees.
- That the Chief Executive should purchase replacement audio-casting equipment, including a survey of the Chamber, together with dual user microphones with an electronic voting system, at a cost of £31,000, to be funded from the Capital Fund.
- That the audio casting provision be extended to include meetings of the following Committees:
  - Planning Committee.
  - Local Review Body.
- That a further review of audio-casting be undertaken following a period of operation of one year.

**8.2.** That the following meetings were currently audio cast and recorded:

- Development and Infrastructure Committee.
- Education, Leisure and Housing Committee.
- Orkney Health and Care Committee.
- Policy and Resources Committee.
- Monitoring and Audit Committee.
- Planning Committee.
- Local Review Body.
- General Meetings of the Council.
- Orkney's Integration Joint Board and its Audit Committee.

**8.3.** That, from 1 October 2021, the Council was no longer able to exclude the public from meetings of the Council, its committees and sub-committees for Coronavirus-related reasons, which had resulted in live audio casting of Council meetings resuming, including meetings not normally audio-cast, in order that the public were able to attend the meeting, by listening to the proceedings live.

**8.4.** The options in respect of audio-casting, as detailed in section 5 of the report by the Chief Executive, with the preferred option being to extend audio-casting to the remaining Committees and Sub-committees, where those meetings were held in the Chamber.

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

**8.5.** That the audio casting provision be extended to include the following Committees and Sub-committees, where those meetings were held in the Chamber:

- Licensing Committee.
- Harbour Authority Sub-committee.
- College Management Council Sub-committee.

- Asset Management Sub-committee.
- Human Resources Sub-committee.
- Investments Sub-committee.
- Pension Fund Sub-committee, together with Pension Board.
- Police and Fire Sub-committee.
- Community Development Fund Sub-committee.
- St Magnus Cathedral Sub-committee.

## **9. Harbour Authority Governance – Role of Duty Holder**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Head of Marine Services and Transportation, the Committee:

Noted:

**9.1.** The requirement, under the Port Marine Safety Code, to have an identified and designated Duty Holder for the Harbour Authority, which was currently the Harbour Authority Sub-committee.

**9.2.** That, at 00:01 on polling day, all elected members demitted office, effectively removing the mandated Duty Holder from the Harbour Authority structure, until such time as members were appointed to the Harbour Authority Sub-committee, normally in early June.

**9.3.** Options for the provision of Duty Holder responsibility, as detailed in section 4 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, with the preferred option being to induct additional Duty Holder members from the Senior Management Team Permanently and in order to provide continuity during local government election periods.

**9.4.** That, on 26 October 2021, the Harbour Authority Sub-committee recommended, to the Policy and Resources Committee, that the Chief Executive be authorised to nominate members of the Senior Management Team to act as additional Duty Holders for the Harbour Authority to ensure continuity during election periods.

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

**9.5.** That the Chief Executive be authorised to nominate a minimum of two members and up to a maximum of three members of the Senior Management Team to act as additional Duty Holders for the Harbour Authority to ensure continuity during election periods.

## **10. Orkney Health and Care Committee**

After consideration of a joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, copies of which had been circulated, the Committee:



Noted:

**10.1.** The analysis of health and social care reports submitted to various committees across the Council, NHS Orkney and the Integration Joint Board, for the period January 2019 to date, attached as Appendix 1 to the joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care.

**10.2.** That the Chief Officer had shared the findings of the analysis with all current members of the Orkney Health and Care Committee and sought their views on the effectiveness and value of the Committee.

**10.3.** That all elected members of the Committee felt that the function and purpose of the Orkney Health and Care Committee was of little added value, particularly in light of the governance arrangements in place via the Integration Joint Board, the Policy and Resources Committee and NHS Orkney structures.

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

**10.4.** That the Orkney Health and Care Committee be disestablished.

**10.5.** That, should the Orkney Health and Care Committee be disestablished, the Chief Executive should amend Appendix 1 to the Council's Standing Orders, relating to the Scheme of Appointment of Members to Committees.

**10.6.** That, the Chief Officer/Executive Director, Orkney Health and Care should arrange for regular briefings for all elected members on health and care matters in Orkney.

**10.7.** That the Chair or Vice Chair of the Integration Joint Board, whichever was the Council appointment, should, from a Council perspective, act as spokesperson on all health, social care and social work matters, including attendance at the Health and Social Care Board of the Convention of Scottish Local Authorities.

Due to internet connectivity issues, Councillor Stephen Sankey left the meeting during discussion of this item.

## **11. Review of Integration Scheme**

After consideration of a joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, copies of which had been circulated, the Committee:

Noted:

**11.1.** That, on 24 November 2020, when considering arrangements for a detailed review of the Integration Scheme, the Policy and Resources Committee noted:

- That the statutory review of the Integration Scheme was due no later than 5 February 2021.
- The outcome of the review of the Integration Scheme, undertaken in line with Scottish Government guidance due to the impact of COVID-19, as noted in section 4 of the joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, namely that there were currently no areas requiring immediate attention.

- The proposed process for a further, more detailed, review of the Integration Scheme, as set out in section 5 of the joint report by the Chief Executive and the Chief Officer/ Executive Director, Orkney Health and Care.

**11.2.** The Committee thereafter recommended that a more detailed review of the Integration Scheme be commenced by March 2021.

**11.3.** That, on 9 December 2020, the Joint Discussion Forum agreed that there would be no amendments to the delegated functions, although subsequent discussions suggested that maternity services should be removed from the delegated services.

**11.4.** That key officers from Orkney Islands Council and NHS Orkney had updated sections of the Integration Scheme to reflect more contemporary language, and to ensure the document better captured current policies and procedures.

**11.5.** That, on 28 April 2021, the proposed amendments to the Integration Scheme were submitted informally to Scottish Government.

**11.6.** That, on 3 August 2021, representatives from Orkney Islands Council and NHS Orkney met with Scottish Government officials to review the proposed scheme and agree some minor amendments.

**11.7.** That, as the proposed revisions to the Integration Scheme were relatively minor and removal of maternity services from the list of delegated services represented a managerial change that would present no alteration to the public experience of the service, it was considered that full public consultation was not necessary.

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

**11.8.** That the Integration Scheme, attached as Appendix 1 to this Minute, be approved and submitted to Scottish Government.

## **12. Review of the Council's COVID-19 Business Response Grants**

Councillor Gwenda M Shearer declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

Councillor Heather N Woodbridge declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Economic Development Manager, the Committee:

Noted:

**12.1.** That, on 16 April 2020, the Council established a Coronavirus Response Fund, with an opening balance of £5,000,000.

**12.2.** That the Council had established several financial support measures drawing from the Coronavirus Response Fund during the response phase to the pandemic, as follows:

- Business Hardship Support Grant Phase 1, launched on 1 May 2020.
- Business Hardship Support Grant Phase 2, launched on 9 December 2020.
- Emergency Loan Scheme, launched 25 May 2020.
- COVID-19 Response Grant – Orkney Islands Council 10% Top-up grant, launched 19 August 2020.
- Protective Equipment Grants, launched 19 August 2020.
- COVID-19 Recovery Development Grant, launched 19 August 2020.
- Hotel Job Support Grant, launched 13 November 2020.

**12.3.** That, from 1 December 2020 to 30 September 2021, the Economic Development service had processed the following:

- 77 successful applications for the Business Hardship Support Grant Phase 2, amounting to £275,000.
- 77 successful applications for COVID-19 Recovery Development Grant, amounting to £542,283.

**12.4.** That the Council's Coronavirus Response Fund had also been used to support a variety of recovery projects, emergency loans and initiatives, totalling £3,697,887 as at 30 September 2021, as detailed in section 11.2 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**12.5.** That applications to the Council's Business Hardship Support Grant scheme had significantly reduced in recent months and all Scottish Government COVID-19 grant support schemes had closed.

**12.6.** That applications for the Council's COVID-19 Recovery Development Grant were tending to evidence less relevance to the original criteria of the scheme.

**12.7.** That, although the worst impacts of lockdown restrictions had eased and business confidence continued to improve, certain sections of the Orkney business community still faced a level of uncertainty as another winter approached.

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

**12.8.** That the Business Hardship Support Grant Phase 2 and the Emergency Loan Scheme remain open to retain an emergency support mechanism for the business community.

**12.9.** That the Coronavirus Recovery Development Grant scheme be disestablished once the current ring-fenced funding was fully committed.

**12.10.** That powers be delegated to the Chief Executive, in consultation with the Chair and Vice Chair of the Development and Infrastructure Committee and the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, to determine funding requests in respect of COVID-19 recovery demands to support the business sector, which were outwith the existing criteria of the formal schemes, up to a value of £100,000 in respect of any application, to be met from the Council's Coronavirus Response Fund.

Councillor Stephen Sankey rejoined the meeting and Councillor Barbara Foulkes left the meeting at this point.

### **13. Scotland Loves Local – Orkney Gift Card**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Economic Development Manager, the Committee:

Noted:

**13.1.** That the Scottish Government had committed, under its Scotland Loves Local initiative, to launching a nationwide gift card scheme designed to promote local spending in local economies.

**13.2.** That Scotland's Towns Partnership was the organisation appointed to drive the resulting Scotland Loves Local campaign.

**13.3.** That Scotland's Towns Partnership wrote to all local authorities in April 2021, informing that the roll-out of the Gift Card platform across the whole of Scotland was fully funded for the first 12 months by the Scottish Government, and requested that local authorities sign a concordat as a commitment to support the roll out and longer-term delivery of the scheme.

**13.4.** That, at a meeting of the Scottish Local Authority Economic Development business group held on 21 October 2021, Scotland's Towns Partnership indicated a campaign launch date of 25 October 2021 and that 22 local authorities had signed the concordat.

**13.5.** That, since 2019, Kirkwall BID had been running a Kirkwall gift card scheme to encourage local spend, with initial funding support from the Council.

**13.6.** That, due to limited information, full assessment of the costs and benefits of the Scotland Loves Local initiative had thus far not been possible, with some reservations noted locally regarding the unknown level of leakage of money from the local economy.

Councillor Barbara Foulkes rejoined the meeting at this point.

Councillor Robin W Crichton, seconded by Councillor John A R Scott, moved that the Council decline to sign the concordat with Scotland's Towns Partnership.

Councillor Heather N Woodbridge moved an amendment that:

- The Council decline to sign the concordat with Scotland's Towns Partnership at this time.

- The Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should explore alternative options to provide an Orkney wide gift card that addressed concerns relating to breakages and other concerns, which might include the Scotland Loves Local option, and submit a further report to the Committee within 12 months.

On receiving no seconder, her amendment fell.

Councillor Steven B Heddle, seconded by Councillor Stephen Sankey, moved a further amendment, notice of which had been given, that the Council should agree to sign the concordat with Scotland's Towns Partnership.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, David Dawson, Steven B Heddle, John T Richards, Stephen Sankey, Gwenda M Shearer, Owen Tierney and Heather N Woodbridge (8).

For the Motion:

Councillors Alexander G Cowie, Norman R Craigie, Robin W Crichton, Andrew Drever, J Harvey Johnston, Rachael A King, W Leslie Manson, John A R Scott, Graham L Sinclair, James W Stockan, Magnus O Thomson and Duncan A Tullock (12).

Abstention:

Councillor Barbara Foulkes (1).

The Motion was therefore carried.

Councillor David Dawson, seconded by Councillor John T Richards, moved a further amendment, notice of which had been given, that consideration of signing the concordat with Scotland's Towns Partnership be deferred, to enable the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services to obtain further information on the value of the scheme and thereafter submit a further report, to the next meeting of the Committee.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Alexander G Cowie, David Dawson, Steven B Heddle, Rachael A King, John T Richards, Stephen Sankey, Gwenda M Shearer, James W Stockan, Owen Tierney and Duncan A Tullock (10).

For the Motion:

Councillors Stephen G Clackson, Norman R Craigie, Robin W Crichton, Andrew Drever, J Harvey Johnston, W Leslie Manson, John A R Scott, Graham L Sinclair, Magnus O Thomson and Heather N Woodbridge (10).

Abstention:

Councillor Barbara Foulkes (1).

On the casting vote of the Chair, the Motion was carried.

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

**13.7.** That the Council decline to sign the concordat with Scotland's Towns Partnership.

## **14. Community Benefit from Offshore Renewable Developments**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Strategic Projects Director, the Committee:

Noted:

**14.1.** That the offshore renewable energy industry in Scotland was growing rapidly, with significant potential for installation in Orkney waters, noting the Scottish Government's ambition for 11 gigawatts of offshore wind to be installed by 2030, and the potential for wave and tidal energy projects to be developed at scale in future.

**14.2.** That the outcome of the ScotWind leasing round, expected in early 2022, could potentially see the award of Option Agreements for up to three gigawatts of offshore wind in proximity to Orkney, with further leasing rounds expected in future.

**14.3.** That, whilst a draft version for the purposes of consultation of 'Scottish Government Good Practice Principles for Community Benefits from Offshore Renewable Energy Developments' was published in 2018, it was never finalised.

**14.4.** That the draft guidance, referred to at paragraph 14.3 above, was a useful starting point in community benefit discussions, but stopped short of setting a geographic extent, or financial quantum of benefit.

**14.5.** That it was therefore considered appropriate for the Council to agree a clear policy position to facilitate discussion with potential developers to secure maximum community benefit for Orkney from offshore renewable energy developments.

**14.6.** That, should the Policy on Community Benefit from Offshore Renewable Energy Developments be approved, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services would enter into discussions with offshore renewable energy developers to seek to maximise community benefits from any new offshore renewable energy generation development in line with the policy.

Councillor Robin W Crichton, seconded by Councillor Barbara Foulkes, moved that the Policy on Community Benefit from Offshore Renewable Energy Developments, as drafted by officers, be approved.

Councillor Stephen Sankey, seconded by Councillor Steven B Heddle, moved an amendment that the Policy on Community Benefit from Offshore Renewable Energy Developments, as drafted by officers, be approved, subject to the following addition as a sixth bullet point in the section headed "Policy":

- Orkney Islands Council would like to see carbon reduction projects prioritised in Community Benefit payments.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Norman R Craigie, Steven B Heddle, Rachael A King, W Leslie Manson, John T Richards, Stephen Sankey, John A R Scott and Owen Tierney (9).

For the Motion:

Councillors Alexander G Cowie, Robin W Crichton, David Dawson, Andrew Drever, Barbara Foulkes, J Harvey Johnston, Gwenda M Shearer, Graham L Sinclair, James W Stockan, Magnus O Thomson, Duncan A Tullock and Heather N Woodbridge (12).

The Motion was therefore carried.

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

**14.7.** That the Policy on Community Benefit from Offshore Renewable Energy Developments, attached as Appendix 2 to this Minute, be approved.

## **15. Proposed Extension of Cursiter Quarry**

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

After consideration of a report by the Interim Executive Director of Environmental, Property and IT Services, copies of which had been circulated, and after hearing a report from the Interim Head of Roads, Fleet and Waste, the Committee:

Noted:

**15.1.** That, in March 2015, the Council approved the business plan for the quarrying service, which indicated that expansion of Cursiter Quarry, by acquiring more rock reserves, was necessary to secure the long-term future of the site as a quarrying operation.

**15.2.** That, in July 2015, in order to facilitate the future expansion of Cursiter Quarry, the Council agreed that the necessary parcels of adjacent land should be purchased.

**15.3.** That, following an appeal to Scottish Ministers, planning permission for the proposed extension of Cursiter Quarry was granted on 30 June 2021.

Councillor Magnus O Thomson, seconded by Councillor John A R Scott, moved that:

- The Stage 2 Capital Project Appraisal in respect of the proposed extension of Cursiter Quarry be approved.
- As an exception to the Capital Project Appraisal process, due to concerns regarding the rapidly diminishing rock reserves within the quarry, the proposed extension of Cursiter Quarry be added to the capital programme for 2022/23 onwards, at a gross capital cost of £3,732,000.

Councillor Robin W Crichton, seconded by Councillor David Dawson, moved an amendment that the Stage 2 Capital Project Appraisal in respect of the proposed extension of Cursiter Quarry should not be approved.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Robin W Crichton, David Dawson, John T Richards, Stephen Sankey, Owen Tierney, Duncan A Tullock and Heather N Woodbridge (8).

For the Motion:

Councillors Alexander G Cowie, Norman R Craigie, Andrew Drever, Barbara Foulkes, Steven B Heddle, J Harvey Johnston, Rachael A King, W Leslie Manson, John A R Scott, Gwenda M Shearer, Graham L Sinclair, James W Stockan and Magnus O Thomson (13).

The Motion was therefore carried.

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

**15.4.** That the Stage 2 Capital Project Appraisal in respect of the proposed extension of Cursiter Quarry, attached as Appendix 3 to this Minute, be approved.

**15.5.** That, as an exception to the Capital Project Appraisal process, due to concerns regarding the rapidly diminishing rock reserves within the quarry, the proposed extension of Cursiter Quarry be added to the capital programme for 2022/23 onwards, at a gross capital cost of £3,732,000.

## **16. Kirkwall Pier – Water Break Tank System**

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

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Depute Harbour Master (Operations), the Committee:

Noted:

**16.1.** That the current water supply system on Kirkwall Pier did not conform to the Water Supply (Water Fittings) (Scotland) Byelaws 2014.



**16.2.** That, should the water supply system not be upgraded to include an appropriate air gap, the water supply to Kirkwall Pier could potentially be suspended, with the Council potentially open to prosecution under the Water Supply (Water Fittings) (Scotland) Byelaws 2014.

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

**16.3.** That the Stage 2 Capital Project Appraisal, in respect of the installation of a break tank on Kirkwall Pier, attached as Appendix 4 to this Minute, be approved

**16.4.** That the installation of a break tank on Kirkwall Pier be added to the non-General Fund capital programme for 2022/23, at a gross project cost of £200,000, including a 23% optimism bias, to be funded from the Miscellaneous Piers and Harbours Reserve Fund.

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

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 15 September 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Alexander G Cowie, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 15 September 2021, attached as Appendix 5 to this Minute, as a true record.

## **18. Investments Sub-committee**

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 16 September 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Rachael A King, to approve the Minute of the Meeting of the Investments Sub-committee held on 16 September 2021, attached as Appendix 6 to this Minute, as a true record.

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

### **19.1. Draft Minute of Meeting held on 5 October 2021**

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 5 October 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 5 October 2021, attached as Appendix 7 to this Minute, as a true record.

### **19.2. Draft Minute of Meeting held on 2 November 2021**

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 2 November 2021, copies of which had been circulated, the Committee:

Resolved:

**19.1.** On the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 2 November 2021 as a true record.

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

**19.2.** That the recommendation at paragraph 4.4 of the Minute of the Meeting of the Asset Management Sub-committee held on 2 November 2021, attached as Appendix 8 to this Minute, be approved.

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

After consideration of the draft Minute of the Meeting of the Human Resources Sub-committee held on 2 November 2021, copies of which had been circulated, the Committee:

Resolved:

**20.1.** On the motion of Councillor W Leslie Manson, seconded by Councillor John T Richards, to approve the Minute of the Meeting of the Human Resources Sub-committee held on 2 November 2021 as a true record.

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

**20.2.** That the recommendations at paragraphs 1.3 and 1.4 of the Minute of the Meeting of the Human Resources Sub-committee held on 2 November 2021, attached as Appendix 9 to this Minute, be approved.

## **21. Exclusion of Public**

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, 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.

Councillor Graham L Sinclair left the meeting at this point.

## **22. Hatston Pier – Reclamation Phase 1**

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

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

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Depute Harbour Master (Strategy and Support), the Committee:

Noted:

**22.1.** That, on 8 June 2021, when considering a Stage 1 Capital Project Appraisal in respect of the proposal to provide a pier extension and reclamation to the existing Hatston Pier and area, the Development and Infrastructure Committee recommended:

- That the Executive Director of Development and Infrastructure should submit a report, to the Policy and Resources Committee, regarding funding required to develop the Stage 2 Capital Project Appraisal in respect of the proposed extension of and seabed reclamation of Hatston Pier.
- That, subject to resources being secured, as an exception to the Capital Project Appraisal process, in order to ensure that progress with the proposed project is in line to meet the preferred developer announcement for the ScotWind off-shore leasing round due in early 2022, the Executive Director of Development and Infrastructure should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of the proposed extension of and seabed reclamation at Hatston Pier.

**22.2.** That an opportunity had arisen to use overburden material, due to be removed as part of the proposed extension to Cursiter Quarry that otherwise may be left unused for a period of time, to assist with the first phase of seabed reclamation works at Hatston Pier.

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

**22.3.** That the Stage 2 Capital Project Appraisal in respect of Phase 1 of the seabed reclamation at Hatston Pier, attached as Appendix 10 to this report, be approved.

**22.4.** That, as an exception to the Capital Project Appraisal process, due to an opportunity to obtain a large amount of infill material and long lead-in timescale involved with the procurement, permissions and construction of harbour works, Phase 1 of the seabed reclamation at Hatston Pier be added to the non-General Fund capital programme for 2021/22 onwards, at a total estimated cost of £7,793,000.

**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 Graham L Sinclair rejoined the meeting during discussion of this item.

### **23. Staff Appeals 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 1 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Staff Appeals Sub-committee held on 8 November 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Duncan A Tullock, seconded by Councillor Robin W Crichton, to approve the Minute of the Meeting of the Staff Appeals Sub-committee held on 8 November 2021, attached as Appendix 11 to this Minute, as a true record.

## **24. Conclusion of Meeting**

At 16:42 the Chair declared the meeting concluded.

Signed: (Depute Leader's signature).



# Orkney Integration Scheme

Between

Orkney Islands Council

And

NHS Orkney

<b>Date.</b>	<b>Issue.</b>	<b>Sections revised.</b>	<b>Status.</b>	<b>Distribution.</b>
02.02.15.	V1.		Consultation.	Public Consultation.
16.03.15.	V2.		Final draft.	Integrated Programme Board.
24.03.15.	V3.		Consultation feedback.	Orkney Islands Council.
26.03.15.	V3.		Consultation feedback.	NHS Orkney.
31.03.15.	V4.		OIC/NHSO amendments.	OIC/NHSO.
15.05.15.	V5.		Amendments (GM) following feedback from Scot Gov.	OIC/NHSO.
23.07.15.	V6.		Amendments (CC) to update outstanding text and to redraft care and clinical governance section.	OIC/NHSO.
27.07.15.	V7.		Review of draft (GM, CG, CS and CC) presented to Integration Programme Board (23.7.15).	OIC/NHSO.
30.07.15.	V8.		Final updated draft (CC).	GM/JT/CG/CS/LW.
10.08.15.	V8(2).		Version with proposed amendment from AB at 9.3.	GM/AB/CC/CS (not yet agreed by NHS Orkney).
16.09.15.	V9.		Version with added finance (acute set aside) budget.	CC (to be agreed by OIC delegated to Convener and CEO and to be agreed by NHS Orkney).
29.09.15.	V10.		Version with amendments received from Govt colleagues.	CC (to be agreed by OIC delegated to Convener and CEO and to be agreed by NHS Orkney).
13.10.15.	V11.		Updated.	CC (to be agreed by OIC delegated to Convener

<b>Date.</b>	<b>Issue.</b>	<b>Sections revised.</b>	<b>Status.</b>	<b>Distribution.</b>
				and CEO and to be agreed by NHS Orkney).
19.10.15.	V12.		Updated.	CC and GM (agreed by both OIC and NHS Orkney).
12.01.18.	V13.	Annex 1 and Annex 2.	Updated.	CEO NHS Orkney and CEO OIC.
12.04.21.	V14.	5 year statutory review – general revision.	Updated.	All NHS Orkney / OIC leads.
27.04.21.	V15.	Track-changed version for informal consultation with the Scottish Government.	Updated.	Paul Richardson, Iain MacAllister, Glen Deakin. (Scottish Government).
17.08.21.	V16.	Changes following consultation with the Scottish Government.	Updated.	OIC/NHSO.

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# 1. Introduction and Background

## 1.1. Foreword

1.1.1. The Public Bodies (Joint Working) (Scotland) Act 2014 requires health boards (constituted under section 2(1)(a) of the National Health Service (Scotland) Act 1978) and local authorities to integrate planning for, and delivery of certain adult health and social care services. These parties can also choose to integrate planning and delivery of other services including additional adult health and social care services beyond the minimum prescribed by Scottish Ministers and children's health and social care services.

1.1.2. The Public Bodies (Joint Working) (Scotland) Act 2014 ("the Act") requires health boards and local authorities to prepare, agree and consult on an integration scheme setting out how this joint working is to be achieved. There is a choice of ways in which they may do this:

- The Health Board and local authority (both as defined in section 1.2 below) delegate the responsibility for planning, resourcing and operational oversight of integrated health and social care services to a third body called an integration authority or integration joint board under section 1(4) (a) of the Act. This integration model is commonly referred to as a body corporate arrangement.
- The Health Board or local authority takes the lead responsibility for planning, resourcing and delivery of integrated health and social care services (under section 1 (4) (b) (c) and (d) of the Act. This integration model is commonly referred to as a lead agency arrangement.

1.1.3. In Orkney, NHS Orkney and Orkney Islands Council have opted to delegate functions to an integration joint board. This board is a separate legal entity.

1.1.4. The original Scheme as defined in section 1.2 below was approved by the Scottish Ministers in February 2016 and the Board (which has a distinct legal personality) was established by an Integration Joint Board Order of the Scottish Ministers as defined in section 1.2.

1.1.5. As a separate legal entity, an integration joint board has full autonomy to act on its own behalf and can accordingly make decisions in regard to its responsibilities and functions as it sees fit. However, the legislation that underpins the board requires that its voting members are appointed by the Health Board and Local Authority and whilst serving on the integration joint board its members must carry out their functions under the Act on behalf of the integration joint board itself, and not as members of the Health Board or Local Authority. It is therefore important that because the same individuals sit on the Integration Joint Board and the Health Board or Local Authority, accurate recording keeping and minute taking are essential for transparency and accountability purposes.

1.1.6. The Integration Joint Board is responsible for the strategic planning and oversight of functions delegated to it and for ensuring the delivery of these functions through its chief officer and Local Operational Delivery Arrangements as set out within section 3 of this Scheme. However, the Act provides that the Health Board and the Local Authority, acting jointly, can require an Integration Joint Board to

replace their Strategic Plan (as defined in section 1.2) in certain circumstances on the basis that they are jointly accountable for the delivery of improvements in health and wellbeing, people's experience of services and achieving sustainable and affordable service for Orkney in the long term.

## **1.2. Definitions and Interpretation**

1.2.1. In this Scheme, the following terms shall have the following meanings:

- “Board” means the Integration Joint Board as established by Order under section 9 of the Act.
- “Chair” means the Chair of the Integration Joint Board.
- “Chief Finance Officer” means the officer responsible for the administration of the Integration Joint Board's financial affairs appointed under section 95 of the Local Government (Scotland) Act 1973.
- “Chief Officer” means the Chief Officer of the Integration Joint Board whose role is defined in section 6 of this Integration Scheme.
- “Health Board” means the Orkney Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978 and having its offices at The Balfour, Forelands Road, Kirkwall, Orkney, KW15 1NZ.
- “Integration Joint Board Order” means the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014.
- “Integrated Services” means those services listed in both Annex 1 Part 2 and Annex 2 Part 2.
- “Local Authority” means Orkney Islands Council established under the Local Government (Scotland) Act 1994 and having its offices at School Place, Kirkwall, Orkney KW15 1NY.
- “Outcomes” means the Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act.
- “Parties” means Orkney Islands Council and Orkney Health Board (which may also be referred to as NHS Orkney).
- “Scheme” means this integration scheme.
- “Strategic Plan” means the plan which the Board is required to prepare and implement in relation to the delegated provision of health and social care services to adults and children in accordance with section 29 of the Act.

## **1.3 Aims and Outcomes of the Integration Scheme**

1.3.1. This Scheme is a legally binding contract between the Local Authority and the Health Board. This Scheme has established a body corporate arrangement as set out in section 1(4)(a) of the Act.

1.3.2. The purpose of the Board is to plan, resource and oversee the delivery of high quality health and social care services for and with the people of Orkney.

1.3.3. The main purpose of integration is to improve the health and wellbeing of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time. This Scheme is intended to achieve the Outcomes, namely that:

- People are able to look after and improve their own health and wellbeing and live in good health for longer.
- People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
- People who use health and social care services have positive experiences of those services, and have their dignity respected.
- Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
- Health and social care services contribute to reducing health inequalities.
- People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
- People using health and social care services are safe from harm.
- People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
- Resources are used effectively and efficiently in the provision of health and social care services.

1.3.4. The national outcome for children is:

- We grow up loved, safe and respected so that we realise our full potential.

1.3.5. The national outcomes and standards for social work services in the criminal justice system are:

- Community safety and public protection.
- The reduction of re-offending.
- Social inclusion to support desistance from offending.

## **1.4. Our Vision and Values**

### **1.4.1. Community Planning Vision and Values**

1.4.1.1. The Local Authority, the Health Board and the Board are all members of the Partnership Board of Orkney's Community Planning Partnership and share the same values.

"To strengthen and support Orkney's communities by enabling those developments which will have a positive and substantiable socio-economic impact, and utilise locally-available resources, whilst striving to preserve and enhance the rich natural and cultural heritage assets upon which Orkney's economy and society depends".

1.4.1.2. The shared mission is: "Working together for a better Orkney" and the seven key values are:

- Resilience.

- Enterprise.
- Equality.
- Fairness.
- Innovation.
- Leadership.
- Sustainability.

The Orkney Partnership focuses its collective resources of the Partnership on a small number of strategic priorities at one time. At present, the strategic priorities are strong communities, living well and a vibrant economy.

The Board contributes to all of these priorities.

1.4.1.3. The Orkney Health and Care Partnership – the delivery arm of the Board, agreed its own mission statement in the first year of the formation of the Board. It is: “Working together to make a real difference”.

#### **1.4.2. Board Vision and Values**

1.4.2.1. The Board approved its Strategic Plan 2019 – 2022 in 2019, which sets out the Board’s visions as “Getting it right for Orkney” and the Board’s values as ‘person-centred, enabling, caring and empowering’.

## **2. Integration Scheme**

### **2.1. The Parties**

#### 2.1.1.

In implementation of their obligations under the Act, the Parties hereby agree as follows:

2.1.1.1. In accordance with section 1(2) of the Act, the Parties have agreed that the integration model set out in section 1(4)(a) of the Act will be put in place for Orkney, namely the delegation of functions by the Parties to a body corporate that is to be established by order under section 9 of the Act ‘an integration joint board’. This Scheme came into effect in April 2016, as set out in the Integration Joint Board Order which established the Board.

### **2.2. Local Governance Arrangements**

2.2.1. In accordance with the Act, the Board has a legal personality distinct from the Parties, and the consequent authority to manage itself to:

- Prepare and implement a Strategic Plan in relation to the provision of health and social care services in accordance with the Act.
- Oversee the delivery of services delegated by the Parties in pursuance of the Strategic Plan.
- Allocate and manage the delegated budget in accordance with the Strategic Plan.

2.2.2. There is no role for either Party to independently sanction or veto decisions of the Board. However, the Act provides for the Health Board and the Local Authority, acting jointly, to require the Board to replace their Strategic Plan in certain circumstances given the Parties are jointly accountable for the delivery of improvements in health and wellbeing, people's experience of services and achieving sustainable and affordable services for Orkney in the long term.

## **2.3. Membership of the Board**

### **2.3.1. Voting Members**

- Three elected members of the Local Authority.
- Three non-executive directors of the Health Board, although article 3(5) of the Integration Joint Board Order permits otherwise if necessary.

### **2.3.2. Co-opted Non-voting Members**

- The Chief Officer of the Board.
- The Chief Finance Officer of the Board.
- Senior clinicians including:
  - A registered medical practitioner whose name is included in the list of primary medical services performers prepared by the Health Board in accordance with Regulations made under [section 17P](#) of the [National Health Service \(Scotland\) Act 1978](#).
  - A registered nurse who is employed by the Health Board or by a person or body with which the Health Board has entered into a general medical services contract.
  - A registered medical practitioner employed by the Health Board and not providing primary medical services.
- The Local Authority's Chief Social Work Officer.
- A patient/service user representative.
- A carer's representative.
- A representative of the third sector.
- A staff representative from each of the Parties.

### **2.3.3. Chair and Vice-chair**

2.3.3.1. An elected member of the Local Authority will be appointed to the role of Chair/Vice Chair by the Local Authority and be one of the elected members on the Board.

2.3.3.2. A non-executive member of the Health Board will be appointed to the role of the Chair/Vice Chair by the Health Board and be one of the non-executive Health Board members on the Board.

### **2.3.4. Period of Office**

2.3.4.1. The Chair and Vice Chair rotate every two years in May, to enable the appointments of Chair and Vice Chair to rotate equally between the Local Authority and the Health Board. The Chair does not have a casting vote. All other appointments with the exception of the Chief Officer, Chief Finance Officer of the Board and the Chief Social Work Officer, who are members of the Board by virtue of the Regulations and the post they hold, will be for a period of two years.

2.3.4.2. In addition, individual Board appointments will be made as required when a position becomes vacant for any reason. Any member of the Board can be appointed for a further term.

2.3.4.3. The standing orders of the Board set out the dispute resolution mechanism to be used in the case of an equality of votes cast in relation to any decision put to a meeting of the Board.

### **2.4. Delegation of Functions**

2.4.1. The functions that are delegated by the Health Board to the Board are set out in Part 1 of Annex 1. The services to which these functions relate, which are delegated by the Health Board and which are to be integrated are set out in Part 2 of Annex 1. The functions in Part 1 are being delegated only to the extent that they relate to services listed in Part 2 of Annex 1.

2.4.2. The functions that are delegated by the Local Authority to the Board are set out in Part 1 of Annex 2. The services to which these functions relate, which are delegated by the Local Authority and which are to be integrated are set out in Part 2 of Annex 2.

2.4.3. Both adult and children's services are included within this Scheme.

2.4.4. In exercising its functions, the Board must take into account the Parties' requirements to meet their respective statutory obligations. Apart from those functions delegated by virtue of this Scheme, the Parties retain their distinct statutory responsibilities and formal decision making roles.

## **3. Local Operational Delivery Arrangements**

### **3.1. Responsibilities of the Board on behalf of the Parties**

3.1.1. The Board has the responsibility for the planning of Integrated Services. This is achieved through the Strategic Plan.

3.1.2. The Board has responsibility for the operational oversight of Integrated Services.

3.1.3. In this regard the Health Board and the Local Authority will support the Board to fulfil its operational oversight role whilst remaining accountable for the operational delivery of health and care services which will be through the Chief Officer who in this regard is also responsible to the Board. The Chief Officer is line managed by the Chief Executives of both Parties.

3.1.4. The Board is responsible for the planning of those limited acute hospital services delegated to it. The Health Board is responsible for the operational delivery and management of all acute services. The Chief Officer and the senior manager responsible for the delivery and management of hospital services will ensure joint arrangements are in place to enable effective working relationships across the whole health and care system. The Health Board is responsible for providing information on a regular basis to the Board on the operational delivery of all acute services and associated spend.

3.1.5. The Chief Officer will continue to be a member of the senior management teams of both the Health Board and the Local Authority to ensure strategic links are maintained for the purposes of overall planning and policy development.

3.1.6. The Parties will continue to support the Board to work closely with Orkney's Community Planning Partnership Board to help contribute to the delivery of the wider community planning objectives notably addressing inequalities.

### **3.2 Corporate Support Services**

3.2.1. The Parties will continue to provide appropriate corporate support to the Board as required and negotiated between the Board and the Parties. The detail of the agreement between the Parties and the Board in this regard will be set out in supplementary documentation to this Scheme. The agreement will include, but not be limited to the following service areas:

- Finance.
- HR/Personnel.
- IT.
- Administrative support.
- Performance reporting including risk management.
- Legal Services.
- Internal Audit.

3.2.2. Corporate Support Services arrangements will be reviewed annually as part of the budget setting and planning processes of the Parties and the Board. This will be achieved through discussion at the senior management teams of the Parties and through the regular accountability meetings with the Chief Executives and Chief Officer.

## **4. Strategic Plan**

4.1. The Parties will continue to provide support for strategic planning through their respective strategic planning and Corporate Support Services systems. The Health Board will provide necessary activity and financial data for the planned use of services provided by other Health Boards for strategic planning purposes; and the Council will provide necessary activity and financial activity for the planned use by other Local Authorities for strategic planning purposes. This support to the Board will ensure compliance with its duty under s30(3) of the Act.



4.2. The Parties will inform the Board where they intend to make a change to service provision which may have an impact on the delivery of the Strategic Plan.

4.3. When preparing the Strategic Plan, the Board must ensure that it is consistent with the need to operate within the Board budget and determine and allocate a budget amount to each function that is to be carried out by one or both Parties.

#### **4.4. Performance Targets, Improvement Measures and Reporting Arrangements**

4.4.1. The Parties will identify a core set of indicators that relate to Integrated Services delegated to the Board as listed in Annexes 1 and 2 including the national indicators and targets that the Parties currently report against. A list of indicators and measures which relate to integration functions will be collated in an 'integration dashboard' known as the performance system.

4.4.2. The Parties will be responsible for sharing all performance information, targets and indicators with the Board. The improvement measures will be a combination of existing and new measures to allow assessment at a local level. The performance targets and improvement measures will be linked to the national and local Outcomes and will provide analysis to inform change and chart performance.

4.4.3. The dashboard/performance system once established will state where the responsibility for each measure lies. Where there is an ongoing requirement in respect of organisational accountability for a performance target for the Health Board or the Local Authority this will be taken into account by the Board when preparing the Strategic Plan.

4.4.4. The Parties are obliged to meet targets for functions which are not delegated to the Board but which are affected by the performance and funding of integration functions. The Parties also set a number of local targets which may similarly be affected. Therefore, when preparing performance management information, the Parties agree that the effect on both integration and non-integration functions must be considered and details provided to the Board for consideration when preparing the Strategic Plan. These targets are currently available and set out in the Local Authority's Council Plan monitoring report and the Health Board's Annual Operational Plan and in Performance Management Reports both to the Local Authority and to the Health Board.

4.4.5. Community Planning Outcome Targets are set out in the Local Outcomes Improvement Plan (LOIP).

### **5. Clinical and Care Governance**

5.1. The detailed clinical and care governance arrangements have been approved taking account of the Scottish Government's Clinical and Care Governance Framework published in December 2014. These arrangements are set out below.

5.2. The Parties established a joint Clinical and Care Governance Committee ('CCGC') which replaced existing arrangements. The CCGC includes members of the Board and representatives of the relevant professional groups for all health and

social care professions. Details of the membership of the CCGC are set out in the terms of reference of the CCGC.

5.3. The CCGC will ensure that there is appropriate assurance for both the Board and the Health Board on the standards of health and care services provided.

5.4. The CCGC will fulfil the role with regard to the clinical governance arrangements of all the health services delivered or purchased by the Health Board as required by statute including health services delegated to the Board. The CCGC will also oversee the care governance arrangements for all social care services provided or purchased by the Local Authority delegated to the Board.

5.5. The CCGC will provide advice and information through direct reporting to the Parties and to the Board as necessary and required including input and advice from professional advisory groups, for example, Area Clinical Forum, Public Protection Committee and from professional lead officers working both in the Health Board and the Local Authority (social care services). The Chief Officers' Group (COG) will provide a report annually on the work of the Public Protection Committee and the implications for the local authority area to the CCGC.

5.6. Reports to the Parties and the Board will cover the quality of service delivery, continuous improvement, organisational and individual care risks, clinical and professional standards and the compliance with legislation and guidance.

5.7. The Board will be responsible for ensuring the Strategic Plan is consistent with good Clinical and Care Governance and is appropriately informed on the relevant clinical and care standards and will be guided on this by the CCGC.

5.8. The CCGC will provide advice as necessary to the Strategic Planning Group and localities.

5.9. The Parties, as the bodies employing the staff and being directed to provide the services, will be responsible for ensuring the clinical and care governance standards are delivered. This will apply to services provided directly by the Parties or purchased from other health boards, local authorities, and third and independent sector providers.

5.10. The Parties will be responsible through commissioning and procurement arrangements for the quality and safety of services procured from the third and independent sectors and ensure that the services are delivered in accordance with the Strategic Plan.

5.11. The Chief Officer manages the Integrated Services and is accountable for these through the Parties' Chief Executives. The Chief Officer is accountable for the care standards and safe delivery of these Integrated Services i.e. ensuring that they are person centred, effective and delivered to agreed clinical and care governance standards.

5.12. Working alongside the Chief Officer the Parties will ensure that staff working in integrated services have the necessary skills and knowledge to deliver the appropriate standards of care. Managers will manage teams of Health Board staff,

Local Authority staff or both and will promote best practice, cohesive working and provide guidance and development to their teams. This will include effective staff supervision and implementation of staff support policies.

5.13. The clinical and care governance arrangements require appropriate oversight of professional standards. A number of professional lead officer roles are in place across the Local Authority and the Health Board e.g. Medical Director, Director of Nursing, Midwifery and Allied Health Professions, Chief Social Work Officer (CSWO), Director of Public Health and Chief Pharmacist. The professional lead officers have statutory functions relating to professional regulatory bodies and a legal duty to their respective regulatory authorities to ensure that professional standards are maintained.

5.14. The professional lead officer can provide professional advice to, or raise issues directly with, the Board, in writing, or through the representatives on the Board. The Parties would expect the Board to respond in writing to issues raised in this way. In addition, the professional lead officers will be responsible for reporting directly to the Local Authority (CSWO) or the Health Board (Medical, Nurse, Dental, Pharmacy and Public Health Directors).

5.15. The Parties and the Board will continue to support the Chief Officer and the professional lead officers to liaise and communicate regularly to ensure that their respective roles in relation to professional standards are met.

5.16. The members of the Board will continue to actively promote through its planning and commissioning role an organisational culture that supports human rights and social justice; values partnership working through example; affirms the contribution of staff through the application of best practice, including learning and development; and is transparent and open to innovation, continuous learning and improvement.

## **6. Chief Officer**

6.1. The Board shall appoint a Chief Officer in accordance with section 10 of the Act. The arrangements in relation to the Chief Officer agreed by the Parties are:

6.2. The Chief Officer reports directly to both the Chief Executive of the Local Authority and the Chief Executive of the Health Board and is a full member of the senior management teams of both the Local Authority and the Health Board.

6.3. The management structure for operational delivery of the Integrated Services managed by the Chief Officer is through a single hierarchical management structure illustrated in the detailed organisational structure diagram, which is included in supplementary documentation to the Scheme. The management structure and levels of authority including the management of services in localities are summarised in supplementary documentation to the Scheme.

6.4. The Chief Executives of the Local Authority and the Health Board, at the request of the Board and in conjunction with the Chief Officer where appropriate, are responsible for making cover arrangements through the appointment or nomination

of a suitable interim replacement or depute in the event that the Chief Officer is absent or otherwise unable to carry out their functions.

6.5. The Chief Officer and the senior manager for acute services both sit on the Health Board senior management team, and will continue with joint arrangements to ensure effective working relationships across the whole health and care system.

## **7. Workforce**

7.1. The Parties will continue to ensure that there is an effective joint staff forum where staffing issues, professional issues and concerns relevant to joint working can be raised and discussed, where difficulties can be explored and resolved and where shared routes forward can be agreed. The structure and membership of groups are set out in supplementary documentation to the Scheme.

7.2. A workforce development strategy and action plan will continue to be maintained by the staff supporting the HR strategic management of the delivery of the Integrated Services that is under the direction of the Chief Officer including services delivered in localities.

7.3. A training plan agreed by the Parties and agreed with the Board will be maintained as part of the supplementary documentation to the Scheme. Training support functions will be provided by the Parties to the integrated services managed by the Chief Officer. The training plan will be refreshed annually.

## **8. Finance**

### **8.1. General Principles – Financial Governance**

8.1.1. The Board shall continue to determine its own internal financial governance arrangements in line with Scottish Government guidance. The Chief Finance Officer will continue to respond to the decisions of the Board and the principles of financial governance that have been set out in this Scheme.

8.1.2. The Board will continue to have no cash transactions and, until directed otherwise, will not directly engage or provide grants to third parties.

8.1.3. The Local Authority and the Health Board will ensure their payments to the Board are sufficient to fund the delegated functions. The Local Authority and the Health Board will continue to provide an integrated budget for the Board and the Chief Executives of the Health Board and the Local Authority through the Officer appointed pursuant to section 95 of the Local Government (Scotland) Act 1973 will continue to hold the Chief Finance Officer of the Board to account for the use of the financial resources allocated to the Board for the delegated functions that shall be managed by the Chief Officer. Both Partners agree to make a revenue contribution to the Board representing the level of resources available for the service areas delegated to the Partnership.

8.1.4. The Board will continue to monitor its financial position and make arrangements for the provision of regular, timely, reliable and relevant financial information on its financial position. The Board, the Local Authority and the Health Board will share financial information to ensure all Parties have a full understanding

of their current financial information and future financial challenges and funding streams.

8.1.5. The Board will maintain its own financial regulations. These will be reviewed periodically by the Chief Finance Officer and with a report on the review and proposed changes submitted to the Board.

## **8.2 Chief Finance Officer**

8.2.1. The Board will continue to have regard to the current CIPFA guidance on the role of the Chief Finance Officer in local government and any Scottish Government or professional guidance on the operating parameters of the Chief Finance Officer and also on the appointment of a Chief Finance Officer.

## **8.3. Roles and Responsibilities – Finance**

8.3.1. The Chief Finance Officer will continue to be responsible for preparing the Board accounts (including gaining the assurances required for the governance statement) and financial planning (including the financial section of the Strategic Plan) and will provide financial advice and support to the Chief Officer and the Board ensuring compliance with statutory reporting requirements as a body under the relevant legislation, including the Annual Financial Statement.

8.3.2. The officer appointed by the Local Authority pursuant to section 95 of the Local Government (Scotland) Act 1973 and the Health Board's Accountable Officer (Chief Executive) are responsible for the resources that are allocated by the Board to their respective organisations for operational delivery.

8.3.3. The Chief Finance Officer will continue to work with the officer appointed by the Local Authority pursuant to section 95 of the Local Government (Scotland) Act 1973 and the Health Board's Director of Finance to ensure both organisations work together to develop systems which allow the recording and reporting of the Board's financial transactions.

## **8.4. Resources Delegated to the Board**

8.4.1. The Board's three year Strategic Plan will continue to incorporate a Medium Term Financial Plan for its resources. On an annual basis a financial statement will be prepared setting out the amount the Board intends to spend to implement its three year Strategic Plan. The Medium Term Financial Plan will be prepared for the Board following discussions with the Local Authority and the Health Board. The approved Plan will be supplied to the partner organisation in regard to plans on achieving efficiency savings and financial balance.

8.4.2. The Medium Term Financial Plan will be prepared to take account of the previous year payment as a baseline that will be adjusted to take account of:

- Activity changes arising from the impact on resources in respect of increased demand (e.g. demographic pressures and increased prevalence of long term conditions) and for other planned activity changes.
- Cost inflation on pay and other costs.
- Efficiency savings that can be applied to budgets.

- Performance on outcomes. The potential impact of efficiencies on agreed outcomes must be clearly stated and open to challenge by the Council and the Health Board.
- Legal requirements that result in additional and unavoidable expenditure commitments.
- Transfers to/from the set aside budget for hospital services.
- Budget savings required to ensure budgeted expenditure is in line with funding available including an assessment of the impact and risks associated with these savings.

8.4.3. The funding available to the Board will be dependent on the funding available to the Local Authority and the Health Board and the corporate priorities of both. Both Parties will provide indicative three year allocations to the Board subject to annual approval through the respective budget setting processes. These indicative allocations will take account of changes in NHS funding and changes in local authority funding.

8.4.4. The budgets for the integrated services will be pooled by the Board under the direction of the Chief Officer supported by the Chief Finance Officer. The pooled budget envelope for each theme in the Strategic Plan will be prioritised and detailed budget allocations will be made for the services to be delivered by the Parties under the direction of the Board in line with the agreed priorities set out in the Strategic Plan and any associated strategic planning document.

## **8.5. Financial Management of the Board**

8.5.1. The Board is able to hold reserves. There is an expectation that they will achieve a break-even position each year unless there are clear plans to create/utilise reserves. The Board cannot budget for a position which would result in the reserves moving into a deficit.

8.5.2. The Local Authority will host the financial transactions specific to the Board.

8.5.3. The term payment is used to maintain consistency with legislation and does not represent physical cash transfer. As the Board does not operate a bank account, the net difference between payments into and out of the Board will result in a balancing cash payment between the Local Authority and the Health Board. Any cash transfer will take place between the Parties monthly in arrears based on the annual budgets set by the Parties and the directions from the Board. A final transfer will be made at the end of the financial year on closure of the annual accounts of the Board to reflect in-year budget adjustments agreed. An initial schedule of payments will be agreed within the first 40 working days of each new financial year and may be updated taking into account any additional payments in-year.

## **8.6. In Year Variations in the Spending of the Board**

8.6.1. Any potential deviation from a break even position should be reported to the Board, the Local Authority and the Health Board at the earliest opportunity.

8.6.2. Where it is forecast that an overspend will arise then the Chief Officer and Chief Finance Officer of the Board will identify the cause of the forecast overspend

and in consultation with both Parties, prepare a recovery plan setting out how they propose to address the forecast overspend and return to a breakeven position. The Chief Officer and Chief Finance Officer of the Board will consult the officer appointed by the Local Authority pursuant to section 95 of the Local Government (Scotland) Act 1973 and Director of Finance of the Health Board in preparing the recovery plan as part of a one system approach. The recovery plan shall be approved by the Board.

8.6.3. A recovery plan will aim to bring the forecast expenditure of the Board back in line with the budget within the current financial year. Where an in year recovery cannot be achieved then any recovery plan that extends into later years should ensure that over the period of the strategic plan forecast expenditure does not exceed the resources made available. Any recovery plan extending beyond in year will require approval of the Local Authority and the Health Board in addition to the Board.

8.6.4 Where a recovery plan extends beyond the current year any shortfall (the amount recovered in later years) will be charged to reserves held by the Board.

8.6.5. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board. Such arrangements should describe additional recovery plans and a clear formal agreement by the Board and the Parties to break even within a defined timescale.

8.6.6. Subject to there being no outstanding payments due to the partner bodies, the Board will retain any underspend to build up its own reserves and the Chief Finance Officer will update the reserves policy for the Board as and when required.

8.6.7. Redeterminations to payments made by the Local Authority and the Health Board to the Board would apply under the following circumstances:

- Additional one off funding is provided to the Partner bodies by the Scottish Government, or some other body, for expenditure within a service area delegated to the Board. This would include in year allocations for NHS and redeterminations as part of the local government finance settlement. The payments to the Board should be adjusted to reflect the amount of these as they relate to the delegated services.
- The Parties agree that an adjustment to the payment is required to reflect changes to demand and activity levels.
- Where either Party requires to reduce the payment to the Board any proposal requires a justification to be set out and then agreed by both Parties and the Board.

8.6.8. Where payments by the Local Authority and the Health Board are agreed under paragraphs 8.4 to 8.6.7 above they should only be varied as a result of the circumstances set out in paragraph 8.6.7. Any proposal to amend the payments outwith the above, including any proposal to reduce payments as a result of changes in the financial circumstances of either the Local Authority or the Health Board requires a justification to be set out and the agreement of both Parties.

## **8.7. Financial Reporting to the Board**

8.7.1. The responsibility for preparation of the annual accounts of the Board will continue to rest with the Chief Finance Officer of the Board. The reporting requirements for the annual accounts are set out in legislation and regulations and will be prepared following the CIPFA Local Authority Code of Practice.

8.7.2. The Board is subject to the audit and accounts provisions of a body under section 106 of the Local Government (Scotland) Act 1973 (section 13). This will continue to require audited annual accounts to be prepared under the reporting requirements specified in the relevant legislation and regulations (section 12 of the Local Government in Scotland Act 2003 and regulations under section 105 of the Local Government (Scotland) Act 1973). These will be proportionate to the limited number of transactions of the Board whilst complying with the requirements for transparency and true and fair reporting in the public sector.

8.7.3. The Chief Finance Officer of the Board will agree a timetable for the preparation of the annual accounts with the external auditors, Director of Finance of the Health Board and the officer appointed by the Local Authority pursuant to section 95 of the Local Government (Scotland) Act 1973. The timetable for production of the annual accounts of the Board will be set in accordance with guidance from the Scottish Government.

8.7.4. As part of the financial year-end procedures and in order to develop the year-end financial statements, the Chief Finance Officer of the Board will co-ordinate an exercise agreeing the value of balances and transactions with the Local Authority and the Health Board finance teams. Each of the Parties will submit to the Chief Finance Officer of the Board their recorded income, expenditure, receivable and payable balance with the Board. The Local Authority or Health Board respective finance representatives will then work to resolve any differences arising.

8.7.5. As part of the process of preparing the annual accounts of the Board the Chief Finance Officer will be responsible for agreeing balances between the Board, Local Authority and Health Board during the financial year. The Chief Finance Officer will also be responsible for provision of other information required by the Local Authority and the Health Board to complete their annual accounts including group accounts.

8.7.6. The Chief Finance Officer will ensure appropriate systems and processes are in place to:

- Allow execution of financial transactions.
- Ensure an effective internal control environment over such transactions.
- Maintain a record of the income and expenditure of the Board.
- Enable reporting of the financial performance and position of the Board.
- Maintain records of budgets, budget savings, forecast outturns, variances, variance explanations, proposed remedial actions and financial risks.

8.7.7. Recording of all financial information in respect of the integrated services will be in the financial ledger of the Party which is delivering the services on behalf of the Board.



8.7.8. The Parties will provide the required financial administration to enable the transactions for delegated functions (e.g. payment of suppliers, payment of staff, raising of invoices etc.) to be administered and financial reports to be provided to the Chief Finance Officer.

8.7.9. Throughout the financial year the Board will receive comprehensive financial monitoring reports, including for the sum set aside. The format and frequency (on at least a quarterly basis) of the reports will be agreed by the Chief Officer and the Chief Finance Officer in conjunction with the Director of Finance of the Health Board and the officer appointed by the Local Authority pursuant to section 95 of the Local Government (Scotland) Act 1973. The reports will set out information on actual expenditure and budget for the year to date and forecast outturn against annual budget together with explanations of significant variances and details of any action required. These reports will also set out progress with achievement of any budgetary savings required.

8.7.10. Where any report to the Board has a significant financial implication for either of the Parties agreement of that Party is required before submission of the report to the Board.

## **8.8. Capital Expenditure and Non-Current Assets**

8.8.1. The Board will not receive any capital allocations or grants nor will it own any property or other non-current assets. The Local Authority and the Health Board will:

- Continue to own any property or non-current assets used by the Board.
- Have access to sources of funding for capital expenditure.
- Manage and deliver any capital expenditure on behalf of the Board.

8.8.2. The Strategic Plan will inform the financial strategy of the Board and will provide the basis for the Board to present proposals to the Local Authority and the Health Board to influence the Parties' financial five year Plans.

8.8.3. The Chief Officer will work with the relevant officers in the Local Authority and the Health Board to prepare a bid for capital funding for property and other non-current assets used by the Board. This will be approved by the Board.

## **8.9. VAT**

8.9.1 The Board will not be required to be registered for VAT, on the basis that it is not delivering any supplies that fall within the scope of VAT. The actual delivery of functions delegated to the Board will continue to be the responsibility of the Local Authority and the Health Board.

## **9. Participation and Engagement**

9.1. The review of the Scheme has involved consultation with the 'standard consultees' set out in the Public Bodies (Joint Working) (Prescribed Consultees) (Scotland) Regulations 2014, which apply to preparing an integration scheme or revised integration schemes. These consultees are set out below:

- Health professionals.

- Users of health care.
- Carers of users of health care.
- Commercial providers of health care (if operating within the area to which the Scheme applies).
- Non-commercial providers of health care.
- Social care professionals.
- Users of social care.
- Commercial providers of social care (if operating within the area to which the Scheme applies).
- Non-commercial of social care.
- Staff of the Health Board and Local Authority who are not health professionals or social care professionals.
- Non-commercial providers of social housing.
- Third sector bodies carrying out activities to health or social care.

9.2. In the support that the Parties provide to the Board they will ensure they adhere to a person centred approach, ensuring compassion, respect, equality and fairness. Community and staff involvement and engagement remain crucial to supporting the Board in planning and implementing effective service change and service development, as well as supporting the Board in its commitment to realising continuous improvement in quality, effectiveness and efficiency in service delivery and outcomes.

9.3. The Parties will build on their existing solid foundations, to support the Board's approach to participation and engagement. Further, the Parties will support the Board by taking a coproduction approach within communities and localities.

9.4. To inform this, the Parties will take account of current Statutory Guidance CEL 4 (2010) Informing, Engaging and Consulting with People in Developing Health and Community Care Services and the 'National Standards for Community Engagement' as incorporated in the Orkney Community Planning Partnership's Consultation and Engagement Guidelines as adopted by the Local Authority and the Health Board.

9.5. The Parties, in supporting the Board, will establish a communications and engagement group. The group will be responsible for the development, implementation and monitoring of the communications and engagement strategy. The Group will be in place by September 2015 and the Strategy will be approved by March 2016. Feedback from communities and staff on their experiences of the Board's services will help inform the development of the Strategy.

9.6. Whilst formal arrangements are essential for the Board, they need not be constraining. There is a history in Orkney of involving community representatives on review and project groups and using the co-chair model to advantage. The aim is to maintain this inclusive approach, keeping communities at the heart of the process, within the framework of robust organisational arrangements. Ongoing positive relationships with Voluntary Action Orkney, Orkney's community councils, specialist organisations, care groups, independent care providers, and other health and social

care related community and voluntary groups will add richness to this inclusive approach.

## **10. Information Sharing and Confidentiality**

10.1. The Chief Officer will ensure that the Information Sharing Protocol ('ISP') remains in place, and that the Scottish Accord on the Sharing of Personal Information ('SASPI') continues to be adopted. Information will continue to be shared in accordance with the Data Protection Act (2018) and Information Commissioner's Code of Practice on Data Sharing. The ISP will include procedures for the sharing of information and will be agreed with the Parties.

10.2. The ISP will remain focused on the purposes underlying the sharing of specific sets of information. It is intended for operational management and staff. It provides details of:

- The processes for sharing information.
- The specific purposes served.
- The people it impacts upon.
- The relevant legislative powers.
- What data is to be shared.
- The consent processes involved.
- Any required operational procedures and processes for review.

10.3. The ISP will be formally reviewed on a rolling three year basis unless changes in legislation or national policy indicate that this should be reviewed earlier.

10.4. The Chief Officer will ensure appropriate arrangements are in place in respect of information governance and the requirements of the Scottish Information Commissioner's Office.

10.5. All staff managed within Integrated Services are required to comply with the data protection policies of their employing organisations and the requirements of the ISP.

## **11. Complaints and compliments**

11.1. Complaints provide valuable information which can be used to improve service provision and customer satisfaction. The set of applicable complaints handling procedures enable the Board and the delegated services to address a customer's dissatisfaction and may help to prevent the same problem from happening again, contributing to the continuous improvement of services. The three complaints procedures are: the Board's Complaint Handling Procedure 2021 which is for complaints about the Board as a governance body; the Social Work Complaints Handling Procedure, which is for service users and carers who receive social work and social care services; and the Health Board's Complaints Handling Procedure, which is for service users who receive health care services. The requirement for separate policies reflect distinct statutory requirements, although all three procedures are based on the Scottish Public Services Ombudsman's Model Complaints Handling Procedure. There will remain a single administrative point of

contact for complainants for each Party to co-ordinate complaints specific to the delegated functions to ensure that the requirements of existing prescribed elements of health and social work complaints processes are met. In the event that complaints are received by the Board or the Chief Officer, the Parties will work together to achieve, where possible a joint response identifying the lead Party in the process and confirming this to the individual raising the complaint.

11.2. All complaints procedures will be clearly explained, well publicised, accessible, will allow for timely recourse and will sign-post independent advocacy services. The person making the complaint will always be informed which policies are being applied to their complaint. Both Parties are committed to ensuring that anyone making a complaint has a positive experience that takes account of the integrated arrangements. If the complaint remains unresolved by internal processes, the complainant may refer the matter to the Scottish Public Services Ombudsman through the relevant complaints handling procedure.

11.3. Compliments will also be recorded in line with the Parties' existing policies and processes.

11.4. Complaints management will be a standing item on the agenda of the Clinical and Care Governance Committee (referred to at 5.), the remit of which will include identifying learning from upheld complaints across all delegated functions. With the support of the Parties' complaints officers, the Chief Officer will report statistics on complaint outcomes and compliments to the Board and ensure information briefings are provided to staff so that integrated services are made aware of complaint findings and the learning for services.

## **12. Claims, Handling Liability and Indemnity**

12.1. The Parties and the Board recognise that they could receive a claim arising from, or which relates to, the work undertaken on behalf of the Board.

12.2. The Parties agree to ensure that any such claims are progressed quickly and in a manner which is agreeable between them.

12.3. So far as reasonably practicable, the normal common law and statutory rules relating to liability will apply.

12.4. Each Party will assume responsibility for progressing claims which relate to any act or omission on the part of one of their employees.

12.5. Each Party will assume responsibility for progressing claims which relate to any building which is owned or occupied by them.

12.6. In the event of any claim against the Board or in respect of which it is not clear which party should assume responsibility, the Chief Officer will liaise with the Chief Executives of the Parties (or their representatives) and determine which party should assume responsibility for progressing the claim.

## **13. Risk Management**

13.1. A shared risk management strategy will remain in place and will include risk monitoring and a reporting process for the Parties and the Board. In maintaining, reviewing and monitoring this shared risk management strategy the Chief Officer will review the corporate/strategic risk registers of the Parties and the Board which will provide a list of risks to be incorporated into the Partnership's risk register and service risk registers. The Chief Officer will utilise the system of one of the Parties to avoid duplication.

13.2. The Chief Officer will lead the review of risk management arrangements of the Board with support from the risk management functions of the Parties. The Board will be required to regularly update and agree its approach to risk management and how it communicates strategic risks to the Parties by the Chief Officer. The Board in this regard will pay due regard to the corporate risks of the Parties.

13.3. Any agreement on the sharing of risk management across the Parties and the Board for significant risks that impact on integrated service provision will be set out in the risk management strategy and Board risk register.

## **14. Dispute Resolution Mechanism**

14.1. In the event of any dispute between the Parties in relation to any matter provided for in this Scheme or any of the duties, obligations, rights or powers imposed or conferred upon them by the Act ('Dispute'), the provision of this section 14 will apply.

14.2. Either Party will give to the other written notice of the Dispute, setting out its nature and full particulars (a Dispute Notice), together with relevant supporting documents. The party giving the Dispute Notice will provide a copy to the Chair of the Board. On service of the Dispute Notice, the Chief Executives of the Parties will meet and attempt in good faith to resolve the Dispute.

14.3. Where the matter remains unresolved within 21 days of the service of the Dispute Notice the Parties will inform the Chair of the Board and may proceed to mediation with a view to resolving the issues. Any mediator will be external to the Parties and will be identified and appointed with the agreement of the Chair of the Health Board and Leader of the Local Authority - costs will be met equally. The timeframe to resolve the issue will be agreed prior to the start of the mediation process by the Leader of the Local Authority and Chair of the Health Board and notified to the Chair of the Board. If agreement cannot be reached a referral will be made to the President of The Law Society of Scotland inviting the President to appoint a mediator.

14.4. The Chair of the Board will inform Scottish Ministers in writing of the Dispute and agreed timetable to conclude the mediation process. During this time both Parties will cooperate with each other to mitigate any adverse effect on service delivery pending resolution of the Dispute.

14.5. If the issue remains unresolved after following the steps outlined above, the Chair of the Board will inform Scottish Ministers in writing. Scottish Ministers may then advise the Parties how to proceed.

14.6. Nothing in the Scheme will prevent either Party from seeking legal remedy or from commencing or continuing court proceedings in relation to a Dispute.

## Annex 1. (Part 1). Functions that are to be delegated by the Health Board to the Board.

Functions delegated under section 1(6) of the Act

<b>The National Health Service (Scotland) Act 1978(a).</b>	
<p>All functions of Health Boards conferred by, virtue of, the National Health Service (Scotland) Act 1978.</p>	<p>Except functions conferred by or by virtue of:</p> <ul style="list-style-type: none"> <li>• Section 2(7) (Health Boards).</li> <li>• Section 9 (local consultative committees).</li> <li>• Section 17A (NHS contracts).</li> <li>• Section 17C (personal medical or dental services).</li> <li>• Section 17J (Health Boards' power to enter into general medical services contracts).</li> <li>• Section 28A (remuneration for Part II services).</li> <li>• Section 48 (residential and practice accommodation).</li> <li>• Section 57 (accommodation and services for private patients).</li> <li>• Section 64 (permission for use of facilities in private practice).</li> <li>• Section 79 (purchase of land and moveable property).</li> <li>• Section 86 (accounts of Health Boards and the Agency).</li> <li>• Section 88 (payment of allowances and remuneration to members of certain bodies connected with the health services).</li> <li>• Paragraphs 4, 5, 11A and 13 of Schedule 1 to the Act(Health Boards).</li> </ul> <p>And functions conferred by —</p> <ul style="list-style-type: none"> <li>• The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000.</li> <li>• The Health Boards (Membership and Procedure) (Scotland) Regulations 2001.</li> </ul>

	<ul style="list-style-type: none"> <li>• The National Health Service (Primary Medical Services Performers Lists) (Scotland) Regulations 2004.</li> <li>• The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2018 .</li> <li>• The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006.</li> <li>• The National Health Service (Discipline Committees) (Scotland) Regulations 2006.</li> <li>• The National Health Service (Appointment of Consultants) (Scotland) Regulations 2009.</li> <li>• The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009. and</li> <li>• The National Health Service (General Dental Services) (Scotland) Regulations 2010.</li> </ul>
<p><b>Disabled Persons (Services, Consultation and Representation) Act 1986.</b> Section 7 (persons discharged from hospital).</p>	
<p><b>Community Care and Health (Scotland) Act 2002.</b> All functions of Health Boards conferred by, or by virtue of, the Community Care and Health (Scotland) Act 2002.</p>	
<p><b>Mental Health (Care and Treatment) (Scotland) Act 2003.</b> All functions of Health Boards conferred by, or by virtue Except functions conferred by section 22 (approved of, the Mental Health (Care and Treatment) (Scotland) medical practitioners) Act 2003.</p>	
<p><b>Education (Additional Support for Learning) (Scotland) Act 2004.</b> Section 23 (other agencies etc. to help in exercise of functions under this Act).</p>	
<p><b>Public Health, etc. (Scotland) Act 2008.</b> Section 2 (duty of Health Boards to protect public health); Section 7 (joint public health protection plans).</p>	
<p><b>Public Services Reform (Scotland) Act 2010.</b> All functions of Health Boards conferred by, or by virtue of, the Public Services Reform (Scotland) Act 2010; Except functions conferred by — section 31(Public functions: duties to provide information on certain expenditure etc.); and section 32 (Public functions: duty to provide information on exercise of functions).</p>	



**Patient Rights (Scotland) Act 2011.**

All functions of Health Boards conferred by, or by virtue of, the Patient Rights (Scotland) Act 2011.

**Children and Young People (Scotland) Act 2014**

All functions of Health Boards conferred by, or by virtue of, [Part 4](#) (provision of named persons) and [Part 5](#) (child's plan) of the [Children and Young People \(Scotland\) Act 2014](#).

**Carers (Scotland) Act 2016.**

Section 12 (Duty to prepare young carer statement); Section 31 (Duty to prepare local carer strategy).

Functions delegated under section 1(8) of the Act

**The [National Health Service \(Scotland\) Act 1978](#)**

Except functions conferred by or by virtue of—

- [section 2\(7\)](#) (Health Boards);
- [section 2CB1](#) (functions of Health Boards outside Scotland);
- [section 9](#) (local consultative committees);
- [section 17A](#) (NHS contracts);
- [section 17C](#) (personal medical or dental services);
- [section 17I](#) (use of accommodation);
- [section 17J](#) (Health Boards' power to enter into general medical services contracts);
- [section 28A](#) (remuneration for [Part II](#) services);
- [section 38](#) (care of mothers and young children);
- [section 38A](#) (breastfeeding);
- [section 39](#) (medical and dental inspection, supervision and treatment of pupils and young persons);
- [section 48](#) (residential and practice accommodation);
- [section 55](#) (hospital accommodation on part payment);
- [section 57](#) (accommodation and services for private patients);

	<ul style="list-style-type: none"> <li>• <a href="#">section 64</a> (permission for use of facilities in private practice);</li> <li>• <a href="#">section 75A</a> (remission and repayment of charges and payment of travelling expenses);</li> <li>• <a href="#">section 75B</a> (reimbursement of the cost of services provided in another EEA state);</li> <li>• <a href="#">section 75BA</a> (reimbursement of the cost of services provided in another EEA state where expenditure is incurred on or after 25 October 2013);</li> <li>• <a href="#">section 79</a> (purchase of land and moveable property);</li> <li>• <a href="#">section 82</a> use and administration of certain endowments and other property held by Health Boards);</li> <li>• <a href="#">section 83</a> (power of Health Boards and local health councils to hold property on trust);</li> <li>• <a href="#">section 84A</a> (power to raise money, etc., by appeals, collections etc.);</li> <li>• <a href="#">section 86</a> (accounts of Health Boards and the Agency);</li> <li>• <a href="#">section 88</a> (payment of allowances and remuneration to members of certain bodies connected with the health services);</li> <li>• <a href="#">section 98</a> (charges in respect of nonresidents); and</li> <li>• <a href="#">paragraphs 4, 5, 11A and 13 of Schedule 1</a> to the Act (Health Boards);</li> </ul>
	<p>and functions conferred by—</p> <ul style="list-style-type: none"> <li>• The <a href="#">National Health Service (Charges to Overseas Visitors) (Scotland) Regulations 1989</a>;</li> <li>• The <a href="#">Health Boards (Membership and Procedure) (Scotland) Regulations 2001/302</a>;</li> <li>• The <a href="#">National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000</a>;</li> </ul>

	<ul style="list-style-type: none"> <li>• <a href="#">The National Health Service (Primary Medical Services Performers Lists) (Scotland) Regulations 2004</a>;</li> <li>• <a href="#">The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2018</a>;</li> <li>• <a href="#">The National Health Service (Discipline Committees) (Scotland) Regulations 2006</a>;</li> <li>• <a href="#">The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006</a>;</li> <li>• <a href="#">The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009</a>;</li> <li>• <a href="#">The National Health Service (General Dental Services) (Scotland) Regulations 2010</a>; and</li> <li>• <a href="#">The National Health Service (Free Prescriptions and Charges for Drugs and Appliances) (Scotland) Regulations 2011</a>.</li> </ul>
<p><b><a href="#">Disabled Persons (Services, Consultation and Representation) Act 1986</a></b></p> <p>Section 7 (Persons discharged from hospital)</p>	
<p><b>Community Care and Health (Scotland) Act 2002</b></p> <p>All functions of Health Boards conferred by, or by virtue of, the <a href="#">Community Care and Health (Scotland) Act 2002</a>.</p>	
<p><b>Mental Health (Care and Treatment) (Scotland) Act 2003</b></p>	
<p>All functions of Health Boards conferred by, or by virtue of, the <a href="#">Mental Health (Care and Treatment) (Scotland) Act 2003</a>.</p>	<p>Except functions conferred by—</p> <ul style="list-style-type: none"> <li>• <a href="#">section 22</a> (approved medical practitioners);</li> <li>• <a href="#">section 34</a> (inquiries under <a href="#">section 33</a>: co-operation);</li> <li>• <a href="#">section 38</a> (duties on hospital managers: examination, notification etc.);</li> <li>• <a href="#">section 46</a> (hospital managers' duties: notification);</li> <li>• <a href="#">section 124</a> (transfer to other hospital);</li> <li>• <a href="#">section 228</a> (request for assessment of needs: duty on</li> </ul>

	<p>local authorities and Health Boards);</p> <ul style="list-style-type: none"> <li>• <a href="#">section 230</a> (appointment of patient's responsible medical officer);</li> <li>• <a href="#">section 260</a> (provision of information to patient);</li> <li>• <a href="#">section 264</a> (detention in conditions of excessive security: state hospitals);</li> <li>• <a href="#">section 267</a> (orders under <a href="#">sections 264 to 266</a>: recall);</li> <li>• <a href="#">section 281</a> (correspondence of certain persons detained in hospital);</li> </ul>
	<p>and functions conferred by—</p> <ul style="list-style-type: none"> <li>• The <a href="#">Mental Health (Safety and Security) (Scotland) Regulations 2005</a>;</li> <li>• The <a href="#">Mental Health (Cross border transfer: patients subject to detention requirement or otherwise in hospital) (Scotland) Regulations 2005</a>;</li> <li>• The <a href="#">Mental Health (Use of Telephones) (Scotland) Regulations 2005</a>; and</li> <li>• The <a href="#">Mental Health (England and Wales Crossborder transfer: patients subject to requirements other than detention) (Scotland) Regulations 2008</a>.</li> </ul>
<p><b><a href="#">Education (Additional Support for Learning) (Scotland) Act 2004</a></b></p> <p>Section 23 (other agencies etc to help in exercise of functions under this Act.</p>	
<p><b>Public Services Reform (Scotland) Act 2010</b></p>	
<p>All functions of Health Boards conferred by, or by virtue of, the <a href="#">Public Services Reform (Scotland) Act 2010</a></p>	<p>Except functions conferred by—</p> <ul style="list-style-type: none"> <li>• <a href="#">section 31</a> (public functions: duties to provide information on certain expenditure etc.); and</li> <li>• <a href="#">section 32</a> (public functions: duty to provide information on exercise of functions).</li> </ul>
<p><b>Patient Rights (Scotland) Act 2011</b></p>	

All functions of Health Boards conferred by, or by virtue of, the <a href="#">Public Services Reform (Scotland) Act 2010</a>	Except functions conferred by The <a href="#">Patient Rights (complaints Procedure and Consequential Provisions) (Scotland) Regulations 2012/3623</a> .
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## **Annex 1 (Part 2). Services currently provided by Health Board which are to be integrated.**

- Accident and emergency services provided in the Balfour Hospital for planning and operational oversight purposes with the Chief Officer working closely with Board staff responsible for operational management of hospital services.
- Inpatient hospital services/budgets provided within the Balfour Hospital and capacity in the delegated specialties used in other hospitals located in other Health Boards will form the set aside portion of the hospital budget.
- Macmillan palliative care services provided in the Balfour Hospital also includes cancer chemotherapy. It is proposed that the service is not split into hospital palliative and cancer care, however it is proposed to allocate a number of bed days (corresponding budget).
- Mental health services provided in a hospital – transfer bed budget to the IJB.
- Community mental health teams/service.
- Clinical Psychology Service.
- Substance misuse services (ADP budget).
- District nursing services.
- Health visiting.
- School nursing.
- Primary medical services provided under a general medical services contract, and arrangements for the provision of services made under section 17C of the National Health Service (Scotland) Act 1978, or an arrangement made in pursuance of section 2C(2) of the National Health Service (Scotland) Act 1978.
- General dental services provided under arrangements made in pursuance of section 25 of the National Health (Scotland) Act 1978.
- Public Dental Services.
- Ophthalmic services provided under arrangements made in pursuance of section 17AA or section 26 of the National Health Service (Scotland) Act 1978.
- Pharmaceutical services and additional pharmaceutical services provided under arrangements made in pursuance of sections 27 and 27A of the National Health Service (Scotland) Act 1978.
- Services providing primary medical services to patients during the out-of-hours period.
- Palliative care services provided outwith a hospital.
- Community learning disability services.
- Continence services.
- Services provided by health professionals that aim to promote public health.
- Community Physiotherapy, speech and language, dietetic and OT services.
- Intermediate Care services.
- Family Health Service Prescribing.

- Resource Transfer, including Voluntary services.

## Annex 2 (Part 1). Functions delegated by the Local Authority to the Board.

Set out below is the list of functions that must be delegated by the Local Authority to the Board, as set out in the Public Bodies (Joint Working) (Prescribed Local Authority Functions, etc.) (Scotland) Regulations 2014. Following this, a second list of additional local authority functions is set out which are to be delegated by choice. These fall within the relevant sections of the Acts set out in the Schedule to the Public Bodies (Joint Working) (Scotland) Act 2014.

### Part 1.

Functions which must be delegated by the Local Authority to the Board for the purposes of section 1(7) of the Act.

Enactment conferring function.	Limitation.
<b>National Assistance Act 1948.</b>	
Section 48 (Duty of councils to provide temporary protection for property of persons admitted to hospitals etc).	
<b>The Disabled Persons (Employment) Act 1958.</b>	
Section 3 (Provision of sheltered employment by local authorities).	
<b>The Social Work (Scotland) Act 1968</b>	
Section 1 (Local authorities for the administration of the Act).	So far as it is exercisable in relation to another integration function.
Section 4 (Provisions relating to performance of functions by local authorities).	So far as it is exercisable in relation to another integration function.
Section 8 (Research).	So far as it is exercisable in relation to another integration function.
Section 10 (Financial and other assistance to voluntary organisations etc for social work).	So far as it is exercisable in relation to another integration function.
Section 12 (General social welfare services of local authorities).	Except insofar as it is exercisable in relation to the provision of housing support services.
Section 12A (Duty of local authorities to assess needs).	So far as it is exercisable in relation to another integration function.
Section 28 (Burial or cremation of the dead).	So far as it is exercisable in relation to persons cared for or assisted under another integration function.



<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 29 (power of local authority to defray expenses of parent, etc., visiting persons or attending funerals).	
Section 59 (Provision of residential and other establishments by local authorities and maximum period for repayment of sums borrowed for such provision).	So far as it is exercisable in relation to another integration function.
<b>The Local Government and Planning (Scotland) Act 1982</b>	
Section 24(1) (The provision of gardening assistance for the disabled and the elderly).	
<b>Disabled Persons (Services, Consultation and Representation) Act 1986(5).</b>	
Section 2 (Rights of authorised representatives of disabled persons).	
Section 3 (Assessment by local authorities of needs of disabled persons).	
Section 7 (Persons discharged from hospital).	In respect of the assessment of need for any services provided under functions contained in welfare enactments within the meaning of section 16 and which have been delegated.
Section 8 (Duty of local authority to take into account abilities of carer).	In respect of the assessment of need for any services provided under functions contained in welfare enactments (within the meaning set out in section 16 of that Act) which are integration functions.
<b>The Adults with Incapacity (Scotland) Act 2000.</b>	
Section 10 (Functions of local authorities).	
Section 12 (Investigations.)	
Section 37 (Residents whose affairs may be managed).	Only in relation to residents of establishments which are managed under integration functions.
Section 39 (Matters which may be managed).	Only in relation to residents of establishments which are managed under integration functions.

<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 41 (Duties and functions of managers of authorised establishment).	Only in relation to residents of establishments which are managed under integration functions.
Section 42 (Authorisation of named manager to withdraw from resident's account).	Only in relation to residents of establishments which are managed under integration functions.
Section 43 (Statement of resident's affairs).	Only in relation to residents of establishments which are managed under integration functions.
Section 44 (Resident ceasing to be resident of authorised establishment).	Only in relation to residents of establishments which are managed under integration functions.
Section 45 (Appeal, revocation, etc.).	Only in relation to residents of establishments which are managed under integration functions.
<b>The Housing (Scotland) Act 2001.</b>	
Section 92 (Assistance for housing purposes).	Only in so far as it relates to an aid or adaptation.
<b>The Community Care and Health (Scotland) Act 2002.</b>	
Section 5 (Local authority arrangements for of residential accommodation outwith Scotland).	
Section 14 (Payments by local authorities towards expenditure by NHS bodies on prescribed functions).	
<b>The Mental Health (Care and Treatment) (Scotland) Act 2003.</b>	
Section 17 (Duties of Scottish Ministers, local authorities and others as respects Commission).	
Section 25 (Care and support services, etc.).	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 26 (Services designed to promote well-being and social development).	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 27 (Assistance with travel).	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 33 (Duty to inquire).	

<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 34 (Inquiries under section 33: Co-operation).	
Section 228 (Request for assessment of needs: duty on local authorities and Health Boards).	
Section 259 (Advocacy).	
<b>The Housing (Scotland) Act 2006.</b>	
Section 71(1)(b) (Assistance for housing purposes).	Only in so far as it relates to an aid or adaptation.
<b>The Adult Support and Protection (Scotland) Act 2007.</b>	
Section 4 (Council's duty to make inquiries).	
Section 5 (Co-operation).	
Section 6 (Duty to consider importance of providing advocacy and other).	
Section 11 (Assessment Orders).	
Section 14 (Removal orders).	
Section 18 (Protection of moved person's property).	
Section 22 (Right to apply for a banning order).	
Section 40 (Urgent cases).	
Section 42 (Adult Protection Committees).	
Section 43 (Membership).	
<b>Social Care (Self-directed Support) (Scotland) Act 2013.</b>	
Section 5 (Choice of options: adults).	
Section 6 (Choice of options under section 5: assistances).	
Section 7 (Choice of options: adult carers).	
Section 9 (Provision of information about self-directed support).	
Section 11 (Local authority functions).	
Section 12 (Eligibility for direct payment: review).	

<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 13 (Further choice of options on material change of circumstances).	Only in relation to a choice under section 5 or 7 of the Social Care (Self-directed Support) (Scotland) Act 2013.
Section 16 (Misuse of direct payment: recovery).	
Section 19 (Promotion of options for self-directed support).	
<b>Carers (Scotland) Act 2016.</b>	
Section 6 (Duty to prepare adult carer support plan).	
Section 21 (Duty to set local eligibility criteria).	
Section 24 (Duty to provide support).	
Section 25 (Provisions of support to carers: breaks from caring).	
Section 31 (Duty to prepare local carer strategy).	
Section 34 (Information and advice services for carers).	
Section 35 (Short breaks services statements).	

## Part 2

Functions which are conferred by an enactment and are delegated by the Local Authority to the Board pursuant to section 1(5)(a) of the Act.

<b>Enactment conferring function.</b>	<b>Limitation.</b>
<b>National Assistance Act 1948.</b>	
Section 45 (Recovery in cases of misrepresentation or non-disclosure).	
<b>Matrimonial Proceedings (Children) Act 1958.</b>	
Section 11 (Reports as to arrangements for future care and upbringing of children).	
<b>The Social Work (Scotland) Act 1968.</b>	
Section 5 (Powers of Secretary of State).	

Enactment conferring function.	Limitation.
Section 6B (Local authority inquiries into matters affecting children.).	
Section 27 (Supervision and care of persons put on probation or released from prisons, etc.).	
Section 27ZA (Advice, guidance and assistance to persons arrested or on whom sentence deferred).	
Section 78A (Recovery of contributions).	
Section 80 (Enforcement of duty to make contributions).	
Section 81 (Provisions as to decrees for ailment).	
Section 83 (Variation of trusts).	
Section 86 (Adjustment between authority providing accommodation, etc. and authority of area of residence).	
<b>The Children Act 1975.</b>	
Section 34 (Access and maintenance).	
Section 39 (Reports by local authorities and probation officers).	
Section 40 (Notice of application to be given to local authority).	
Section 50 (Payments towards maintenance of children).	
<b>Health and Social Services and Social Security Adjudications Act 1983.</b>	
Section 21 (Recovery of sums due to local authority where persons in residential accommodation have disposed of assets).	
Section 22 (Arrears of contributions charged on interest in land in England and Wales).	
Section 23 (Arrears of contributions secured over interest in land in Scotland).	
<b>Foster Children (Scotland) Act 1984.</b>	
Section 3 (Local authorities to ensure well-being of and to visit foster children).	

Enactment conferring function.	Limitation.
Section 5 (Notification by persons maintaining or proposing to maintain foster children).	
Section 6 Notification by persons ceasing to maintain foster children).	
Section 8 (Power to inspect premises).	
Section 9 (Power to impose requirements as to the keeping of foster children).	
Section 10 (Power to prohibit the keeping of foster children).	
<b>The Children (Scotland) Act 1995.</b>	
Section 17 (Duty of local authority to child looked after by them).	
Section 20 (Publication of information about services for children).	
Section 21 (Co-operation between authorities).	
Section 22. (Promotion of welfare of children in need).	
Section 23 (Children affected by disability).	
Section 25 (Provision of accommodation for children, etc.).	
Section 26 (Manner of provision of accommodation to child looked after by local authority).	
Section 26A (Provision of continuing care: looked after children).	
Section 27 (Day care for pre-school and other children).	
Section 29 (Aftercare).	
Section 30 (Financial assistance towards expenses of education or training and removal of power to guarantee indentures, etc.).	
Section 31 Review of case of child looked after by local authority).	

<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 32 (Removal of child from residential establishment).	
Section 36 (Welfare of certain children in hospitals and nursing homes, etc.).	
Section 38 (Short term refuges for children at risk of harm).	
Section 76 (Exclusion orders).	
<b>Criminal Procedure (Scotland) Act 1995.</b>	
Section 51 (Remand and committal of children and young persons).	
Section 203 (Reports).	
Section 234B (Drug treatment and testing order).	
Section 245A (Restriction of liberty orders).	
<b>The Adults with Incapacity (Scotland) Act 2000.</b>	
Section 40 (Supervisory bodies).	
<b>The Community Care and Health (Scotland) Act 2002.</b>	
Section 6 (Deferred payment of accommodation costs).	
<b>Management of Offenders, etc. (Scotland) Act 2005.</b>	
Sections 10 (Arrangements for assessing and managing risks posed by certain offenders).	
Section 11 (Review of arrangements).	
<b>Adoption and Children (Scotland) Act 2007.</b>	
Section 1 (Duty of local authority to provide adoption service).	
Section 5 (Guidance).	
Section 6 (Assistance in carrying out functions under sections 1 and 4).	
Section 9 (Assessment of needs for adoption support services).	
Section 10 (Provision of services).	
Section 11 (Urgent provision).	

<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 12 (Power to provide payment to person entitled to adoption support service).	
Section 19 (Notice under Section 18 local authorities duties).	
Section 26 (looked after children - adoption is not proceeding).	
Section 45 (Adoption support plans).	
Section 47 (Family member's right to require review of plan).	
Section 48 (Other cases where authority under duty to review plan).	
Section 49 (Re-assessment of needs for adoption support services).	
Section 51 (Guidance).	
Section 71 (Adoption allowance schemes).	
Section 80 (Permanence Orders).	
Section 90 (Precedence of certain other orders).	
Section 99 (Duty of local authority to apply for variation or revocation).	
Section 101 (Local authority to give notice of certain matters).	
Section 105 (Notification of proposed application for order.)	
<b>The Adult Support and Protection (Scotland) Act 2007.</b>	
Section 7 (Visits).	
Section 8 (Interviews).	
Section 9 (Medical examinations).	
Section 10 (Examination of records, etc.).	
Section 16 (Right to remove adult at risk)	
<b>Children's Hearings (Scotland) Act 2011.</b>	
Section 35 (Child assessment orders).	
Section 37 (Child protection orders).	



<b>Enactment conferring function.</b>	<b>Limitation.</b>
Section 42 (Parental responsibilities and rights directions).	
Section 44 (Obligations of local authority).	
Section 48 (Application for variation or termination).	
Section 49 (Notice of an application for variation or termination).	
Section 60 (Local authorities duty to provide information to Principal Reporter).	
Section 131 (Duty of implementation authority to require review).	
Section 144 (Implementation of a compulsory supervision order; general duties of implementation authority).	
Section 145 (Duty where order requires child to reside in a certain place).	
Section 166 (Review of requirement imposed on local authority).	
Section 167 (Appeal to Sheriff Principal: section 166).	
Section 180 (Sharing of information: panel members).	
Section 183 (Mutual Assistance).	
Section 184 (Enforcement of obligations of health board under section 183).	
<b>Social Care (Self-directed Support) (Scotland) Act 2013.</b>	
Section 8 (Choice of options; children and family members).	
Section 10 (Provision of information; children under 16).	
<b>Carers (Scotland) Act 2016.</b>	
Section 12 (duty to prepare a young carer statement).	

**Part 2.**

Functions, conferred by virtue of enactments, prescribed for the purposes of section 1(5)(b) of the Act.

Enactment conferring function	Limitation
<b>The Community Care and Health (Scotland) Act 2002.</b>	
Section 4 The functions conferred by Regulation 2 of the Community Care (Additional Payments) (Scotland) Regulations 2002.	
<b>The Children's Hearings (Scotland) Act 2011</b>	
Section 153 (Secure accommodation: regulations).	

## **Annex 2 (Part 2). Services currently provided by Orkney Islands Council which are to be integrated**

The functions listed in part 1 of this annex relate to the following services:

- Social work services for adults and older people.
- Services and support for adults with physical disabilities and learning disabilities.
- Mental health services.
- Drug and alcohol services.
- Adult protection and domestic abuse.
- Carers and support services.
- Community care assessment teams.
- Support services.
- Care home services.
- Adult placement services.
- Aspects of housing support, including aids and adaptations.
- Day services.
- Local area co-ordination.
- Respite provision.
- Occupational therapy services.
- Re-ablement services, equipment and telecare.

Additional services, delegated by choice:

- Social work services for children and young people.
- Child Care Assessment and Care Management.
- Looked After and Accommodated Children.
- Child Protection.
- Adoption and Fostering.
- Special Needs/Additional Support.
- Early Intervention.
- Through-care Services.
- Youth Justice Services.
- Social Work Criminal Justice Services.
- Services to Courts and Parole Board.
- Assessment of offenders.
- Diversions from Prosecution and Fiscal Work Orders.
- Supervision of offenders subject to a community based order.
- Through care and supervision of released prisoners.
- Multi Agency Public Protection Arrangements.

# Orkney Islands Council Policy on Community Benefit from Offshore Renewable Energy Developments

## Statement of intent

The Council will seek to maximise community benefits from new offshore renewable energy generation developments, and to help direct these benefits fairly and equitably into supporting the communities of Orkney.

## Background

Offshore renewable energy generation includes a variety of technology types including fixed offshore wind, floating offshore wind, wave energy, and tidal energy. These technologies are at different stages of commercialisation.

Installation of offshore renewable energy generation is expected to increase significantly over time, noting the Scottish Government's ambition for 11 gigawatts of offshore wind to be installed by 2030, and the significant potential for wave and tidal energy projects to be developed at scale in future.

Community benefits are a voluntary measure provided by a developer outside of planning and licensing processes, recognising that developers benefit from the exploitation of resources from a region and allowing communities to see positive effects through the lifetime of a development and to invest in a long-term legacy for generations to come.

As per Scottish Government guidelines, community benefits are not a compensation for any perceived negative impacts and are complementary to, but separate from, supply chain benefits. For the avoidance of doubt any commercial service agreement that a developer may enter into with local entities (including the Council) bears no relation to community benefit.

## Policy

Orkney Islands Council's policy on community benefit from offshore renewable energy developments is as follows:

- We expect all developers of commercial offshore renewable energy projects in Orkney waters to commit to providing community benefit to Orkney and will seek to enter discussions with developers to achieve this.
- We will seek to ensure the fair and equitable distribution of benefits received as part of any community benefit scheme.
- We expect developers to enact a Community Benefit policy in line with the draft 'Scottish Government Good Practice Principles for Community Benefits from Offshore Renewable Energy Developments' 2018, or any future updated iteration of that document.

- In the absence of a clear position from the Scottish Government on the appropriate level of community benefit from offshore renewable generation, the starting point for determining the level of community benefit which should be delivered is £5,000 per megawatt installed per year index linked (as per onshore developments).
- We do not spatially limit our interest or claim for community benefit payments for Orkney and will seek community benefit from any project in waters adjacent to Orkney, regardless of distance from shore.
- There are numerous ways in which community benefit may be delivered (whether monetary or in-kind), but developers should be able to clearly demonstrate the value of community benefit that has been provided.

The above policy relates to offshore renewable energy generation projects. Location of ancillary onshore infrastructure related to offshore generation is a separate consideration, for which the Council may seek to negotiate separate community benefit arrangements.

The Council recognises that some offshore renewable generation projects, particularly in the wave and tidal energy sectors, are pre-commercial. The above policy is only applicable to commercial projects.

The above policy does not confer support for any proposed development.

# Capital Project Appraisal – Stage 2

**Capital Programme: General Fund.**

**Client Service: Roads, Fleet and Waste.**

**Project Name: Proposed Extension of Cursiter Quarry.**

## 1. Background

1.1. Cursiter Quarry, which is owned and managed by the Council, has been operating since the early 1950s and is one of two major producers of construction stone and aggregates in Orkney. It is the sole producer of surfacing materials. It provides product to both the Council's Roads Service and to other external customers within Orkney.

1.2. The existing mineral reserves of Cursiter Quarry are finite and are almost exhausted, with existing supplies being augmented by those brought in from external sources. The quarrying service business plan, which included the case for extension of the quarry, was approved by Council in March 2015 and subsequently updated in 2018. Authorisation was provided in July 2015 to proceed with the necessary land purchase.

1.3. A planning application for the quarry development was granted in June 2021.

## 2. Options Available

2.1. Two options were considered:

- Option 1 – No development of the quarry.
- Option 2 – Purchase of the necessary adjacent land to enable outward expansion.

2.2. Option 1 would mean that the quarry would run out of useable rock reserves by around 2022. This scenario would leave only very limited local supply of construction stone and aggregates and require the Roads Service to procure the necessary materials from an alternative commercial source. This was not considered to be a viable option and would have also required local contractors to find alternative sources of supply. Alternatively, the quarry could import rock from an external source which, again, was not considered to be a viable option, taking into account the costs and environmental impact.

2.3. Option 2 was approved by Council in July 2015 and work then began to develop the planned approach to developing the quarry. This required a new planning application to be submitted as the current operation is authorised by planning permission granted in 2003, which is nearing the limit of its permitted extraction. This was done in 2019 with planning permission granted in June 2021 following an appeal to Scottish Ministers.

2.4. The purpose of the Stage 2 CPA is primarily seeking to secure the addition of the project to the capital programme with the funding necessary to carry out the enabling works for the expansion. That is, the stripping of the overburden in the area earmarked for future quarrying and the moving of the quarry boundary, together with necessary landscaping and environmental mitigations. This work is due to be carried out in two stages, as detailed in the Environmental Impact Assessment which accompanied the planning application. Details of this can be found in the paper submitted to the Planning Committee in August 2020 <https://www.orkney.gov.uk/Council/C/planning-committee-19-august-2020.htm> (Item 5.1).

2.5. Without this expansion, the quarry is expected to very quickly run out of rock reserves (very possibly within the next 12 months), resulting in either the need to import materials from a source external to Orkney or an inability to meet the demands of the local market, including both Council departments and external customers.

### 3. Land Purchase Requirement

3.1. Three parcels of land adjacent to the quarry require to be purchased to enable the expansion. Negotiations have taken place between the Council and the landowners and the parties' respective solicitors are in the process of concluding the purchase.

### 4. Project Appraisal

	Criteria	Response
1.	Protects Existing Statutory Provision	A continued, secure, supply of construction stone and aggregate will ensure that the Council is able to meet its obligations with regards to road management and maintenance for the next 30 years plus any other statutory obligations which lead to the need for construction projects.
2.	Meets Corporate Priority / Community Planning Goal	The project will support the Council Plan Strategic Priority themes of; <ul style="list-style-type: none"> <li>• Thriving Communities – The Orkney Community is able to access work, learning and leisure through a modern, robust infrastructure which supports all our communities and meets the requirements of 21st-century life.</li> <li>• Enterprising Communities – A carbon neutral vibrant economy which supports local businesses and stimulates investment in all our communities</li> </ul>

	<b>Criteria</b>	<b>Response</b>
3.	Protects Existing Assets	The project will ensure that the existing Cursiter Quarry will be able to operate for the next 30 years. Without this expansion it is likely that the quarry will cease to be able to operate in its current form within the next year.
4.	Minimises Capital Cost	The costs of the quarry expansion have been developed with a view to best practice and to achieve the necessary balance between cost and benefit. Identification of appropriate markets for the top cover could enable recovery of some of the expected costs.
5.	Maximises Investment from External Sources	No external investment sources are available for this project.
6.	Beneficial Impact on Revenue Expenditure	No anticipated revenue savings or increases are associated with this development. However, it is noted that the quarry operates as a Trading Account and, as such, currently returns a surplus to the Council. Continued operation of the quarry, in its expanded form will ensure the continuation, and possible increase, of this contribution. If the quarry does not expand it will quickly become unable to provide product to the local market and income will drop significantly.
7.	Linked to Other Council Provision	
(a)	Enhances Statutory Provision	There is no direct link to other statutory provisions
(b)	Protects or Enhances Discretionary Provision	There is no direct link to other discretionary provisions
8.	Re-use of Derelict Land or Building	This project will not reuse derelict land or buildings.
9.	Promote or Enhance Orkney's Environment	A thorough Environmental Impact Assessment has been carried out for this project, as part of the planning application. All relevant mitigation actions identified in the EIA and 70 planning conditions will be incorporated into the works in order to ensure no detrimental impact on the environment.
10.	Promote or Enhance Orkney's Heritage	This project will not directly promote or enhance Orkney's Heritage. However, the quarry proposal includes an end-of-life



	Criteria	Response
		restoration plan and a staged restoration of the existing quarry. If the development does not proceed then this work, which forms part of the consented scheme, may not be delivered or be only possible on much reduced scale. This would also require a source of funding to be identified.
11.	Economic Prosperity or Sustainable Communities	The project will ensure a continued supply of construction stone and aggregate to the local building companies and other contractors. This will enable them to continue to meet the demands of the community, ensure employment of the large number of people engaged in this area and create sustainable long-term futures for the people of Orkney.
12.	Enhances Council operations or Improves Health and Safety	This project will improve and enhance the delivery of existing road asset management and maintenance services whilst ensuring a continued supply of construction materials to local businesses. Failure to implement this project will result in the quarry quickly running out of rock reserves and being no longer able to operate.

## 5. Financial Implications

5.1. A financial assessment of capital expenditure is detailed in Annex 1. The estimated capital cost of the works is £3.7m excluding the land acquisition which has been approved previously.

5.2. The land to be acquired for the quarry expansion has been regarded as a strategic land acquisition, with the purchase price to be funded, in the first instance, from the Strategic Reserve Fund; and subsequently transferred from the Strategic Reserve Fund, as part of a phased approach, to the Quarry Account (General Fund) at current valuation. As future valuations are clearly not available the land purchase cost is included in the Loan Charges calculation that has been prepared for the Stage 2 Capital Project Appraisal on a royalty basis to illustrate how the project can be paid for.

5.3. Costs of £2.2m would be incurred across financial years 2022/23 and 2023/24 and a further £1.5m expended in 8 – 10 years' time for the final stage of the expansion. The initial development will be phased to accommodate and exploit potential markets / destinations for the top cover removed and therefore the exact spend profile for this phase is still to be determined. Income from the disposal of the overburden is not, however, reflected in this sum, due to the uncertainty of available markets and prices.

5.4. The phased nature of the work, with the first phase taking place immediately and the second in 8 – 10 years' time, is required by the Environmental Impact Assessment carried out as part of the planning application.

5.5. The Quarry is operated as a trading account and is expected to be financially self-sustaining and also to contribute a surplus of £500,000 back to the Council, which has been used in recent years to offset the costs of the main internal customers, being predominantly the Roads Service.

5.6. The principal assumptions made in calculating the Loan Charges for the quarry expansion are:

Annual extraction/sale of rock	75,000 tonnes
Accessible rock reserves purchased	3,000,000 tonnes
Additional quarry life	40 years
Interest and debt management	2.65% (3.65% by year 10)
Portion of current surplus applied	£94,000 per annum

5.7. The total loan repayment costs including interest over 40 years and a royalty to the Strategic Reserve Fund comes to £6.785 million on which the average loan charges and royalty are £169,630 per annum over 40 years. Recovery of these costs will be done through adjustments to the sale price, noting that this will be done in a way that reflects the existing commercial environment and does not pass on an undue burden to internal customers, and the relevant revenue budgets. This may reduce the surplus available to transfer to the General Fund but is considered to be the most effective way of recovering the costs.

5.8. The loan charges calculations do not take account of other large capital projects that might occur and require large volumes of material greatly in excess of the assumed 75,000 annual tonnes. Where such works do occur and exceed the estimates, this will allow the borrowing to be repaid earlier, thereby reducing the interest charges. No account has been taken of the possible sale of some of the overburden.

5.9. The revenue costs associated with the quarry expansion are detailed in the financial assessment of revenue expenditure, attached as Annex 2.

## 6. Risk Assessment

6.1. Risk of not proceeding:

- The quarry will run out of usable rock reserves within the next year, resulting in a loss of local supply to Council Services and to external organisations
- Increased costs to Council Services for the procurement of construction stone and aggregate, with increased likelihood that supplies will need to be sourced from external suppliers

- Inability for local contractors to source appropriately priced building materials for projects, resulting in the slowing of any housebuilding programmes or any other major projects which may be faced with increased costs.

#### 6.2. Risk of proceeding:

- Ongoing concern from a small number of people in the community who have expressed their discontent with the proposed expansion, however these will be dealt with under the 70 separate planning conditions attached to the appeal decision.
- Inability to procure the contract for the removal of the overburden within the necessary timescale, resulting in the need to source further supplies of stone externally. Due to the nature of the work, it requires to be carried out during the summer months to avoid problems with marginal materials and run-off that would be heightened by winter working.
- Need to minimise any potential disruption to ongoing operation of the quarry.

## 7. Conclusion

7.1. Expansion of the quarry at Cursiter will ensure an ongoing supply of locally produced construction stone and aggregate to both Council services and external organisations. This will enable cost-effective road asset maintenance and replacement plus ensure local contractors have access to reasonably priced building materials, ensuring that projects are affordable and can be developed within existing budgets.

7.2. The planning permission for the quarry expansion contains a large number of conditions (70), designed to ensure that the expansion does not cause any additional nuisance to the surrounding area and that all environmental issues are appropriately addressed. Work is underway to ensure compliance with these conditions and the project team is confident that they will all be met as required.

## 8. Recommendations

8.1. It is recommended that the expansion of Cursiter Quarry is added to the capital programme, at a cost of £3.7m, with £2.2m to be spent in financial year 2022/23 – financial year 2023/24 and a further £1.5m in financial year 2030/31 – financial year 2032/33.

## 9. Accountable Officers

9.1. Hayley Green, Interim Executive Director of Environmental, Property and IT Services, Email [Hayley.green@orkney.gov.uk](mailto:Hayley.green@orkney.gov.uk)

9.2. Lorna Richardson, Interim Head of Roads, Fleet and Waste, Email [lorna.richardson@orkney.gov.uk](mailto:lorna.richardson@orkney.gov.uk)

9.3. Steve Killeen, Quarrying Manager, Email [steve.killeen@orkney.gov.uk](mailto:steve.killeen@orkney.gov.uk)

## **10. Annexes**

10.1. Annex 1 – Financial Assessment of Capital Expenditure.

10.2. Annex 2 – Financial Assessment of Revenue Expenditure.

STAGE 2 - CAPITAL PROJECT APPRAISAL  
FINANCIAL ASSESSMENT OF ASSOCIATED CAPITAL EXPENDITURE IMPLICATIONS

Capital Programme: **General Fund**

Client Service: **Roads, Fleet and Waste**

Project Name: **Cursiter Quarry Expansion**

		1	2	3	4	5		
<b>CAPITAL COSTS</b>	<b>Total £ 000</b>	<b>2021/22 £ 000</b>	<b>2022/23 £ 000</b>	<b>2023/24 £ 000</b>	<b>2024/25 £ 000</b>	<b>2025/26 £ 000</b>	<b>Onwards £ 000</b>	<b>Notes</b>
<b>1. Initial Costs (at inflated prices)</b>								
Land or Property Purchase	-	-	-	-	-	-	-	
Other Site Costs (including Fees)	3,557.0	-	1,707.0	350.0	-	-	1,500.0	
Construction or Improvements	-	-	-	-	-	-	-	
Information Technology Costs	-	-	-	-	-	-	-	
Plant, Vehicles & Equipment	-	-	-	-	-	-	-	
Professional Fees - Consultant	100.0	-	75.0	-	-	-	25.0	
- In-house	75.0	-	50.0	-	-	-	25.0	
<b>Gross Capital Expenditure</b>	<b>3,732.0</b>	<b>-</b>	<b>1,832.0</b>	<b>350.0</b>	<b>-</b>	<b>-</b>	<b>1,550.0</b>	
<b>2. Initial Funding (at inflated prices)</b>								
Government Grants	-	-	-	-	-	-	-	
Other Grants	-	-	-	-	-	-	-	
Other Financial Assistance	-	-	-	-	-	-	-	
<b>Total Grants Recievable, etc.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Capital Cost of Project</b>	<b>3,732.0</b>	<b>-</b>	<b>1,832.0</b>	<b>350.0</b>	<b>-</b>	<b>-</b>	<b>1,550.0</b>	
<b>Net Council Capital Expenditure</b>	<b>3,732.0</b>	<b>-</b>	<b>1,832.0</b>	<b>350.0</b>	<b>-</b>	<b>-</b>	<b>1,550.0</b>	
<b>Net Present Value</b>	<b>3,276.7</b>	<b>-</b>	<b>1,744.8</b>	<b>317.5</b>	<b>-</b>	<b>-</b>	<b>1,214.5</b>	
Cost of Capital		5%	5%	5%	5%	5%	5%	
Year		0	1	2	3	4	5	

STAGE 2 - CAPITAL PROJECT APPRAISAL  
FINANCIAL ASSESSMENT OF ASSOCIATED REVENUE BUDGET IMPLICATIONS

**Capital Programme:** **General Fund**

**Client Service:** **Roads, Fleet and Waste**

**Project Name:** **Cursiter Quarry Expansion**

		1	2	3	4	5		
<b>REVENUE COSTS / (SAVINGS)</b>	<b>Total £ 000</b>	<b>2021/22 £ 000</b>	<b>2022/23 £ 000</b>	<b>2023/24 £ 000</b>	<b>2024/25 £ 000</b>	<b>2025/26 £ 000</b>	<b>Onwards £ 000</b>	<b>Notes</b>
<b>1. Full Year Operating Costs (at inflated prices)</b>	Please see note below							
Staff Costs	-	-	-	-	-	-	-	
Other Staff Costs (incl. recruitment, etc.)	-	-	-	-	-	-	-	
Property Costs	-	-	-	-	-	-	-	
Supplies and Services	-	-	-	-	-	-	-	
Transport, Vessel and Plant Costs	-	-	-	-	-	-	-	
Administration Costs	-	-	-	-	-	-	-	
Apportioned Costs	-	-	-	-	-	-	-	
Third Party Payments	-	-	-	-	-	-	-	
Finance and Loan Charges	845	-	169	169	169	169	169	
Miscellaneous Expenditure	-	-	-	-	-	-	-	
<b>Gross Revenue Expenditure / (Saving)</b>	<b>845</b>	<b>-</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	
<b>2. Operating Income (at inflated prices)</b>								
Government Grants	-	-	-	-	-	-	-	
Other Grants	-	-	-	-	-	-	-	
Rents and Lettings	-	-	-	-	-	-	-	
Sales	375	-	75	75	75	75	75	
Fees and Charges	-	-	-	-	-	-	-	
Miscellaneous Income	470	-	94	94	94	94	94	
<b>Gross Revenue Income</b>	<b>845</b>	<b>-</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	
<b>Net Revenue Expenditure / (Saving) of Project</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Increase / (Reduction) in Revenue Costs	-	-	-	-	-	-	-	
Net Present Value	-	-	-	-	-	-	-	
Cost of Revenue		3%	3%	3%	3%	3%	3%	
Year		0	1	2	3	4	5	

**Notes** - Additional narrative on main assumptions and support working papers

1 As noted in the covering report. It is anticipated that this project will be cost-neutral in terms of revenue.

# Capital Project Appraisal – Stage 2

**Capital Programme: Non-General Fund.**

**Client Service: Marine Services.**

**Project Name: Kirkwall Pier – Water Break Tank System.**

## 1. Background

1.1. Currently at Kirkwall Pier, water is supplied to various hose points and buildings directly from a 150mm feed line coming directly off the Scottish Water system.

1.2. Under the Water Supply (Water Fittings) (Scotland) Byelaws 2014, any Harbour or Pier is considered category 5 site. Category 5 fluids pose the highest risk of contamination, potentially presenting a serious hazard to health. This would make the installation of such a system a regulatory requirement.

1.3. High risks of exposure to fluid category 5 may include, but are not limited to:

- Filling on board water systems.
- Water used in connection with sewage disposal.
- Industrial processes.
- Pressurised systems.
- Sea water fire-fighting systems.
- Pipework and connection points likely to become submerged.

1.4. Under these byelaws water fittings which are exposed to fluid risk category 5 contaminates should incorporate a backflow prevention device which provides protection against fluid category 5.

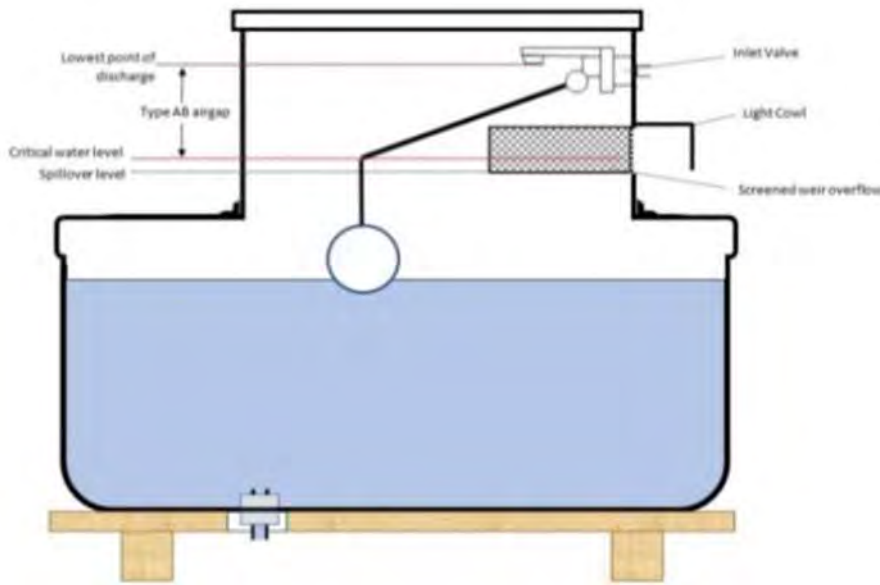
## 2. Options available

2.1. Orkney Harbours are proposing to install a whole site backflow protection system in the form of a “break tank” on Kirkwall Pier to separate the water delivered on the pier from the Scottish Water system.

2.2. The service plans to run a tender exercise to design and build a small break tank (circa 5m<sup>3</sup>) and pump system which will deliver water to Kirkwall Pier at a pressure just lower than that supplied by Scottish Water. This would be similar to the system at Hatston Pier but without the large storage facility.

2.3. This would allow the Council to comply with the byelaws by having an air gap at the break tank and only allowing the pier system to be contaminated in the event of backflow from a category 5 fluid source.

2.4. The diagram below is an example of a simple break tank offering backflow prevention via an air gap.



2.5. Backflow prevention could also be provided at the point of supply (such as a DC interceptor device attached to a tap, which will discharge water through ventholes in the event of backflow/blockage) however these devices restrict the length of hose that can be used to less than 1m (due to the back pressure activating the backflow prevention) which makes these devices unsuitable for harbour users to fill water tanks or wash decks. This system would also not address the needs of larger scale users, such as the outer north isles ferries fleet, which require a connection to a large diameter hydrant to take water.

2.6. There is a plan for the smaller piers to use a much smaller break tank system at each outlet to provide a hose for small vessels. However, it will be more cost effective for Kirkwall Pier to be covered by a whole site backflow protection system and a smaller break tank system would not meet the needs of larger scale water users.

2.7. Stromness Harbour will be considered at a later date.

### 3. Land Purchase Requirements

3.1. There is no requirement for land purchase for this capital project.

### 4. Project Appraisal

	Criteria	Response
1.	Protects Existing Statutory Provision	This project allows for the continued provision of water while complying with the Water Supply (Water Fittings) (Scotland) Byelaws 2014.



	<b>Criteria</b>	<b>Response</b>
2.	Meets Corporate Priority / Community Planning Goal	The project does not meet any current corporate priorities and/or community planning goals.
3.	Protects Existing Assets	The system would allow the continued supply of water to Kirkwall Pier allowing local and visiting vessels to the pier to draw the water they need for their crew and/or operation.
4.	Minimises Capital Cost	Minimum cost would be achieved by tendering a design and build contract.
5.	Maximises Investment from External Sources	There is no envisaged investment from external sources.
6.	Beneficial Impact on Revenue Expenditure	There will be an ongoing cost to the service of maintaining this system. A similar system at Hatston Pier costs £8,000 per annum to service, however it is envisioned that the two sites would be serviced by the same contractor reducing costs overall.  There will also be additional revenue costs associated with the system and electricity to run the pumps that this project envisions being installed.
7.	Linked to Other Council Provision	
(a)	Enhances Statutory Provision	This project will allow the continued supply of water to Kirkwall Pier which is essential to the running of the Outer North Isles ferry fleet. Supply of water to Council offices on the pier is a requirement as both an employer.
(b)	Protects or Enhances Discretionary Provision	This project will protect supply of water on Kirkwall Pier and to the vessels that rely on this for their operations. While this is not a statutory provision, it is expected by all harbour users.
8.	Re-use of Derelict Land or Building	This project does not re-use derelict land.
9.	Promote or Enhance Orkney's Environment	This project will have no impact on Orkney's Environment.
10.	Promote or Enhance Orkney's Heritage	This project will have no impact on Orkney's Heritage.
11.	Economic Prosperity or Sustainable Communities	This project will allow the businesses which operate vessels and/or rely on such vessels

	Criteria	Response
		operating from Kirkwall pier to continue operating.
12.	Enhances Council operations or Improves Health and Safety	This project will reduce eliminate the chance of a category 5 water source being allowed to enter the Scottish Water system from a Council site.

## 5. Financial Implications

5.1. The financial assessment of capital and revenue expenditure are attached as Annexes 1 and 2 respectively.

5.2. The project has an estimated capital cost of £162,000, to which optimism bias of 23% has been added to give an estimate of £200,000 to complete the project.

## 6. Risk Assessment

6.1. There are two main risks associated with not progressing this project. The water supplier may cut of the supply to the pier to protect their system for contamination from a category 5 contamination source. The Council could be prosecuted under the Water Supply (Water Fittings) (Scotland) Byelaws 2014.

## 7. Conclusion

7.1. In to maintain the current, expected, level of service to the harbour users in Kirkwall and to protect the Council from potential legal action under the Water Supply (Water Fittings) (Scotland) Byelaws 2014 some form of backflow prevention system must be fitted on Kirkwall Pier.

## 8. Recommendation

8.1. It is recommended that £200,000 be allocated to the installation of such a system. It is envisioned that the system would be designed, and installation started in the 2022/2023 financial year, with the project being completed in the 2023/2024 financial year.

## 9. Accountable Officers

9.1. James Buck, Head of Marine Services, Transportation and Harbour Master, Email: [james.buck@orkney.gov.uk](mailto:james.buck@orkney.gov.uk)

9.2. Richard Wild, Deputy Harbour Master: Operations, Email: [richard.wild@orkney.gov.uk](mailto:richard.wild@orkney.gov.uk)

## 10. Annexes

Annex 1 – Financial Assessment of Capital Expenditure.

Annex 2 – Financial Assessment of Revenue Expenditure.

STAGE 2 - CAPITAL PROJECT APPRAISAL  
FINANCIAL ASSESSMENT OF ASSOCIATED CAPITAL EXPENDITURE IMPLICATIONS

<b>Capital Programme:</b>	<b>Non-General Fund</b>
<b>Client Service:</b>	<b>Marine Services</b>
<b>Project Name:</b>	<b>Kirkwall Pier Water Break Tank System</b>

		1	2	3	4	5	Onwards	Notes
<b>CAPITAL COSTS</b>	<b>Total £ 000</b>	<b>2021/22 £ 000</b>	<b>2022/23 £ 000</b>	<b>2023/24 £ 000</b>	<b>2024/25 £ 000</b>	<b>2025/26 £ 000</b>	<b>£ 000</b>	
<b>1. Initial Costs (at inflated prices)</b>								
Land or Property Purchase	-	-	-	-	-	-	-	
Other Site Costs (including Fees)	-	-	-	-	-	-	-	
Construction or Improvements	123.00	-	102.00	21.0	-	-	-	
Information Technology Costs	-	-	-	-	-	-	-	
Plant, Vehicles & Equipment	-	-	-	-	-	-	-	
Professional Fees - Consultant	39.00	-	30.00	9.0	-	-	-	
- In-house	-	-	-	-	-	-	-	
Contingency for Optimism Bias	38.00	-	38.00	-	-	-	-	
<b>Gross Capital Expenditure</b>	<b>200.00</b>	<b>-</b>	<b>170.00</b>	<b>30.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	2
<b>2. Initial Funding (at inflated prices)</b>								
Government Grants	-	-	-	-	-	-	-	
Other Grants	-	-	-	-	-	-	-	
Other Financial Assistance	-	-	-	-	-	-	-	
<b>Total Grants Recievable, etc.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Capital Cost of Project</b>	<b>200.00</b>	<b>-</b>	<b>170.00</b>	<b>30.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Council Capital Expenditure</b>	<b>200.00</b>	<b>-</b>	<b>170.00</b>	<b>30.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Present Value</b>	<b>180.11</b>	<b>-</b>	<b>154.20</b>	<b>25.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Cost of Capital		5%	5%	5%	5%	5%	5%	
Year		1	2	3	4	5		

**Notes** - Additional narrative on main assumptions and support working papers

1 Assuming Civil works and supply of materials in 21/22 with install and comissioning in 22/23

2 Prices based on pre -tender estimate and include 23% optimism bias

STAGE 2 - CAPITAL PROJECT APPRAISAL  
FINANCIAL ASSESSMENT OF ASSOCIATED REVENUE BUDGET IMPLICATIONS

<b>Capital Programme:</b>	<b>Non-General Fund</b>
<b>Client Service:</b>	<b>Marine Services</b>
<b>Project Name:</b>	<b>Kirkwall Pier Water Break Tank System</b>

		1	2	3	4	5		
<b>REVENUE COSTS / (SAVINGS)</b>	<b>Total £ 000</b>	<b>2021/22 £ 000</b>	<b>2022/23 £ 000</b>	<b>2023/24 £ 000</b>	<b>2024/25 £ 000</b>	<b>2025/26 £ 000</b>	<b>Onwards £ 000</b>	<b>Notes</b>
<b>1. Full Year Operating Costs (at inflated prices)</b>								
Staff Costs	-	-	-	-	-	-	-	
Other Staff Costs (incl. recruitment, etc.)	-	-	-	-	-	-	-	
Property Costs	-	-	-	-	-	-	-	
Supplies and Services	-	-	-	-	-	-	-	
Transport, Vessel and Plant Costs	42.47	-	8.00	8.24	8.49	8.74	9.00	3
Administration Costs	-	-	-	-	-	-	-	
Apportioned Costs	-	-	-	-	-	-	-	
Third Party Payments	-	-	-	-	-	-	-	
Finance and Loan Charges	200	-	170.00	30.00	-	-	-	4
Miscellaneous Expenditure	-	-	-	-	-	-	-	
<b>Gross Revenue Expenditure / (Saving)</b>	<b>242.47</b>	<b>-</b>	<b>178.00</b>	<b>38.24</b>	<b>8.49</b>	<b>8.74</b>	<b>9.00</b>	
<b>2. Operating Income (at inflated prices)</b>								
Government Grants	-	-	-	-	-	-	-	
Other Grants	-	-	-	-	-	-	-	
Rents and Lettings	-	-	-	-	-	-	-	
Sales	31.79	4.03	5.22	5.38	5.58	5.70	5.88	1,2
Fees and Charges	-	-	-	-	-	-	-	
Miscellaneous Income	-	-	-	-	-	-	-	
<b>Gross Revenue Income</b>	<b>31.79</b>	<b>4.03</b>	<b>5.22</b>	<b>5.38</b>	<b>5.58</b>	<b>5.70</b>	<b>5.88</b>	
<b>Net Revenue Expenditure / (Saving) of Project</b>	<b>210.68</b>	<b>- 4.03</b>	<b>172.78</b>	<b>32.86</b>	<b>2.91</b>	<b>3.04</b>	<b>3.12</b>	
Increase / (Reduction) in Revenue Costs	210.68	- 4.03	172.78	32.86	2.91	3.04	3.12	
Net Present Value	<b>188.90</b>	- 4.03	162.86	30.07	2.59	2.62	3.12	
Cost of Revenue			3%	3%	3%	3%	3%	
Year		1	2	3	4	5		

**Notes** - Additional narrative on main assumptions and support working papers

1 20/21 sales are year to date figures

2 Forward figures are based on lowest year sales (20/21) + 3% per year

3 Ongoing cost is for annual maintenance based on current cost for Hatston water tanks, it is expected that by sharing costs both sites will see a reduction in

4 Capital expenditure to be funded by a contribution from current revenue (CFCR) utilising prior year Miscellaneous Piers and Harbours fund balances.

## Minute

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

Wednesday, 15 September 2021, 14:15.

Microsoft Teams.



## **Present**

### **Pension Fund Sub-committee:**

Councillors W Leslie Manson, Alexander G Cowie, Steven B Heddle and Rachael A King.

### **Pension Board:**

### **Employer Representatives:**

Councillors J Harvey Johnston, Owen Tierney and Duncan A Tullock, Orkney Islands Council.

### **Trade Union Representatives:**

Karen Kent (Unison) and Eileen Swanney (Unison).

## **Clerk**

- Sandra Craigie, Committees Officer.

## **In Attendance**

- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- Colin Kemp, Interim Head of Finance.
- Shonagh Merriman, Accounting Manager (Corporate Finance) (for Items 3 to 6).
- Paul Maxton, Solicitor.

### **Audit Scotland:**

- Colin Morrison, Senior Auditor.

### **Hymans Robertson:**

- David Walker, Chief Investments Officer.
- Kameel Kapitan, Associate Consultant.

## **Observing**

- Lorraine Stout, Press Officer.

## **Apologies**

### **Pension Sub-committee:**

- Councillor Barbara Foulkes.
- Councillor Stephen Sankey.
- Councillor James W Stockan.

## **Not Present**

### **Pension Board:**

### **Trade Union Representatives:**

- Eoin Miller (Unite).
- Mark Vincent (GMB).

## **Declarations of Interest**

- No declarations of interest were intimated.

## **Chair**

- Councillor W Leslie Manson.

## **1. Form of Voting**

The Sub-committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll (recorded vote).

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

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 5, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **3. Revenue Expenditure Outturn**

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

Noted:

**3.1.** The revenue expenditure outturn statement in respect of Pension Fund services for financial year 2020/21, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £119,399,800.

The Sub-committee scrutinised:

**3.2.** 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.

#### **4. Revenue Expenditure Monitoring**

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

Noted:

**4.1.** The revenue financial summary statement, in respect of service areas for which the Pension Fund Sub-committee was responsible, for the period 1 April to 30 June 2021, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £5,823,000.

**4.2.** The revenue financial detail by service area statement, in respect of service areas for which the Pension Fund Sub-committee was responsible, for the period 1 April to 30 June 2021, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

**4.3.** 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.

#### **5. Statement of Managed Pension Funds**

On the motion of Councillor W Leslie Manson, seconded by Councillor Rachael A King, the Sub-committee resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Associate Consultant, Hymans Robertson, the Sub-committee:

Noted:

**5.1.** The investment monitoring report for the Pension Fund produced by Hymans Robertson, the Council's appointed investment advisor, attached as Appendix 1 to the report by the Head of Finance, relating to the performance of managed funds for the quarter to 30 June 2021.

**5.2.** That the Pension Fund investments returned a gain of £30,900,000, or 6.1%, over the quarter to 30 June 2021, which was 1.1% ahead of the benchmark and was considered good.

**5.3.** That the value of the Pension Fund had increased by 23.0% over the 12-month period to 30 June 2021, being 7.6% ahead of the target, which was considered exceptional.

**5.4.** That an average return of 12.7% per annum for the Pension Fund remained 3.1% ahead of the target over the five-year period.

**5.5.** The Governance Summary extracted from Baillie Gifford's performance report for the quarter ending 30 June 2021, attached as Appendix 2 to the report by the Head of Finance.

**5.6.** The Corporate Governance Summary extracted from Legal and General's investment report for the quarter ending 30 June 2021, attached as Appendix 3 to the report by the Head of Finance.

## **6. Conclusion of Meeting**

At 15:00 the Chair declared the meeting concluded.

Signed: W Leslie Manson.



## Minute

### Investments Sub-committee

Thursday, 16 September 2021, 14:15.

Microsoft Teams.



### Present

Councillors W Leslie Manson, Alexander G Cowie, Steven B Heddle, Rachael A King and James W Stockan.

### Clerk

- Sandra Craigie, Committees Officer.

### In Attendance

- Colin Kemp, Interim Head of Finance.
- Shonagh Merriman, Accounting Manager (Corporate Finance).
- Michael Scott, Solicitor.

### Observing

- Lorraine Stout, Press Officer (for Items 1 to 5).

### Apologies

- Councillor Barbara Foulkes.
- Councillor Stephen Sankey.

### Declarations of Interest

- No declarations of interest were intimated.

### Chair

- Councillor W Leslie Manson.

## 1. Form of Voting

The Sub-committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll (recorded vote).

## 2. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 6, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

### **3. Revenue Expenditure Outturn**

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

Noted:

**3.1.** The revenue expenditure outturn statement in respect of Strategic Reserve Fund services for financial year 2020/21, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £40,188,800.

The Sub-committee scrutinised:

**3.2.** 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.

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

### **4. Revenue Expenditure Monitoring**

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

Noted:

**4.1.** The revenue financial summary statement, in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 30 June 2021, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £821,600.

**4.2.** The revenue financial detail by service area statement, in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 30 June 2021, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

**4.3.** 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.

### **5. Temporary Loans**

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Accounting Manager (Corporate Finance), the Sub-committee:

Noted:

**5.1.** The status of the temporary loan portfolio as at 30 June 2021, as detailed in section 3 of the report by the Head of Finance.

**5.2.** That, for the period 1 April to 30 June 2021, the temporary loans portfolio made a return of £19,469.38 at an average interest rate of 0.25%.

The Sub-committee scrutinised:

**5.3.** The temporary loans portfolio, detailed in sections 3 and 4 of the report by the Head of Finance, and obtained assurance that the Treasury Management Strategy was being adhered to by the Finance Service and the temporary loans portfolio was producing an acceptable rate of return.

Councillor Alexander G Cowie left the meeting at this point.

## **6. Statement of Managed Funds**

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, the Sub-committee resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Accounting Manager (Corporate Finance), the Sub-committee:

Noted:

**6.1.** The investment monitoring report for the Strategic Reserve Fund produced by Hymans Robertson, the Council's appointed investment advisor, attached as Appendix 1 to the report by the Head of Finance, relating to the performance of managed funds for the quarter to 30 June 2021.

**6.2.** That the performance of the Strategic Reserve Fund investments was considered good in absolute terms over the quarter to 30 June 2021, with the value of the Fund increasing by 4.0%, however this was only 0.3% ahead of the benchmark.

**6.3.** That the performance of the Strategic Reserve Fund had been positive over the 12-month period to 30 June 2021, with the value of the Fund increasing by 16.0% which, at 3.5% ahead the benchmark, was considered very good.

**6.4.** The Sustainable Investment Report as at 30 June 2021, produced by Schroders, attached as Appendix 2 to the report by the Head of Finance.

**6.5.** The Stewardship Expectations Report for 2021, produced by Blackrock, attached as Appendix 3 to the report by the Head of Finance.

**6.6.** The Governance Summary extracted from Baillie Gifford's performance report for the quarter ending 30 June 2021, attached as Appendix 4 to the report by the Head of Finance.

**6.7.** The Barings Global High Yield Credit Strategies Environmental, Social and Governance report, attached as Appendix 5 to the report by the Head of Finance.

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

## **7. Conclusion of Meeting**

At 15:22 the Chair declared the meeting concluded.

Signed: W Leslie Manson.

## Minute

### Asset Management Sub-committee

Tuesday, 5 October 2021, 14:00.

Microsoft Teams.



### Present

Councillors W Leslie Manson, Norman R Craigie, Robin W Crichton, Andrew Drever, Steven B Heddle, John A R Scott and James W Stockan.

### Clerk

- Sandra Craigie, Committees Officer.

### In Attendance

- John W Mundell, Interim Chief Executive (for Items 1 to 4).
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Karen Greaves, Head of Executive Support (for Items 1 to 4).
- Colin Kemp, Interim Head of Finance.
- Kenny MacPherson, Interim Head of IT and Facilities.
- Garry Burton, Leisure and Culture Service Manager.
- Kerry Spence, Service Manager (Community Learning, Development and Employability).
- Michael Scott, Solicitor.
- Graeme Christie, Estates Manager.
- Hazel Flett, Senior Committees Officer.

### Observing

- Ian Rushbrook, Capital Programme Manager.
- Elizabeth Dennison, Asset Management Surveyor (for Items 1 to 3).
- Richard Smith, Community Learning Officer.
- Rebecca McAuliffe, Press Officer.
- Lorraine Stout, Press Officer.

### Declarations of Interest

- Councillor Robin W Crichton – Item 4.
- Councillor Andrew Drever – Item 4.

### Chair

- Councillor W Leslie Manson.

## **1. Form of Voting**

The Sub-committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll (recorded vote).

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

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Appendix 1 of Item 3, 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. Former Herring Factory, Stromness**

### **Request to Lease at Less than Market Value**

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Head of Executive Support, the Sub-committee:

Noted:

- 3.1.** That the former Herring Factory, known as Factory Unit (G24), Garson Industrial Estate, Stromness, had mainly been vacant since 2012, generating no rental income, but incurring annual property costs in excess of £36,000 per annum.
- 3.2.** That, at the Special General Meeting held on 14 January 2021, the Council resolved that Factory Unit (G24), Garson Industrial Estate, Stromness, be advertised for sale on the open market, with offers assessed by the Asset Management Sub-committee and a decision on disposal of the property made at that point.
- 3.3.** That the property had recently been advertised on the open market for sale and previously for lease but, to date, no offers had been received.
- 3.4.** That the Council had subsequently received three expressions of interest from charitable organisations to lease Factory Unit (G24), Garson Industrial Estate, Stromness, at below market rent.
- 3.5.** That all three charitable organisations provided a wide range of community benefit to a range of members of the community.
- 3.6.** That, in order to maximise use of the facility to ensure successful achievement of the charitable organisations' aims, some alterations or repairs were required to the building.
- 3.7.** The proposal that the Council should undertake the necessary alterations and repairs to make the building fit for purpose, at an estimated cost of £35,000, to be funded from the annual corporate asset improvement and maintenance programmes.

On the motion of Councillor Robin W Crichton, seconded by Councillor John A R Scott, the Sub-committee resolved, in terms of delegated powers:

**3.8.** That Factory Unit (G24), Garson Industrial Estate, Stromness, be transferred from the Strategic Reserve Fund to the General Fund, at market value, to be funded by a contribution from the General Fund unearmarked balances.

**3.9.** That the Chief Executive should arrange for the appropriate alterations and initial repairs to Factory Unit (G24), Garson Industrial Estate, Stromness, to be costed and thereafter instruct the works, to be funded from the annual corporate asset improvement and maintenance programmes.

**3.10.** That Factory Unit (G24), Garson Industrial Estate, Stromness, be offered for lease to Orkney Men's Shed, Orkney Historical Boat Society and Stromness Drama Club, at a rent of £1 per annum, for a period of 10 years with a 5-year break clause, on terms and conditions to be determined by the Solicitor to the Council, subject to the following:

- The alterations referred to at paragraph 3.9 above being feasible to proceed.
- Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

## **4. Orkney Amateur Weight Lifting Club**

### **Stromness Squash Court – Request for Community Asset Transfer**

Councillor Robin W Crichton declared a non-financial interest in this item, in that he had previously been an office bearer of Stromness Squash Club, but concluded that his interest did not preclude his involvement in the discussion.

Councillor Andrew Drever declared a non-financial interest in this item, in that a close relative was a key member of Orkney Amateur Weight Lifting Club, and left the meeting at this point.

After consideration of a joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Interim Head of IT and Facilities, the Sub-committee:

Noted:

**4.1.** That the Community Empowerment (Scotland) Act 2015 (the Act), which came into effect on 23 January 2017, enabled community transfer bodies to request an asset transfer.

**4.2.** That a request for asset transfer must be determined on community benefits which the proposal would deliver, with the criteria set out within the Act detailed in section 4.1 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing.

**4.3.** That, in terms of the Act, a request must be agreed unless there were reasonable grounds for refusal, however there was no guidance on what might constitute reasonable grounds for refusal.

**4.4.** That Orkney Amateur Weight Lifting Club had submitted an application for a community asset transfer in respect of part of the Stromness Squash Court premises, as detailed in Appendices 1 to 14 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing.

**4.5.** That a public consultation exercise, as required by the Act, had been carried out in respect of the application from Orkney Amateur Weight Lifting Club, with responses generally supportive, as detailed in Appendix 15 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing.

**4.6.** That a Community Benefit Assessment had been completed, as detailed in section 7 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing, which demonstrated that positive outcomes would arise should the Council support the request from Orkney Amateur Weight Lifting Club.

**4.7.** The options appraisal detailed in section 11 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing, with the preferred option being Option 2, namely to lease part of Stromness Squash Court to Orkney Amateur Weight Lifting Club for a period of 50 years at £1 per month on Full Repairing terms.

Councillor Robin W Crichton, seconded by Councillor Norman R Craigie, moved that:

- The application from Orkney Amateur Weight Lifting Club for a community asset transfer in respect of part of the Stromness Squash Club building be approved.
- Powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Executive Director of Education, Leisure and Housing, to negotiate and conclude, with Orkney Amateur Weight Lifting Club, the lease of part of the Stromness Squash Club building, for a period of 50 years, at a nominal rent of £1 per annum, on Internal Repairing terms, and on such other terms and conditions determined by the Solicitor to the Council, subject to the following:
  - Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

Councillor Steven B Heddle moved an amendment that:

- The application from Orkney Amateur Weight Lifting Club for a community asset transfer in respect of part of the Stromness Squash Club building be approved.
- Powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Executive Director of Education, Leisure and Housing, to negotiate and conclude, with Orkney Amateur Weight Lifting Club, the lease of part of the Stromness Squash Club building, for a period of 50 years, at a nominal rent of £1 per month, on Full Repairing terms, and on such other terms and conditions determined by the Solicitor to the Council, subject to the following:
  - Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.



On receiving no seconder, his amendment fell, and the Sub-committee:

Resolved, in terms of delegated powers:

**4.8.** That the application from Orkney Amateur Weight Lifting Club for a community asset transfer in respect of part of the Stromness Squash Club building be approved.

**4.9.** That powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Executive Director of Education, Leisure and Housing, to negotiate and conclude, with Orkney Amateur Weight Lifting Club, the lease of part of the Stromness Squash Club building, for a period of 50 years, at a nominal rent of £1 per annum, on Internal Repairing terms, and on such other terms and conditions determined by the Solicitor to the Council, subject to the following condition:

- Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

## **5. Conclusion of Meeting**

At 15:12 the Chair declared the meeting concluded.

Signed: W Leslie Manson.

## Minute

### Asset Management Sub-committee

Tuesday, 2 November 2021, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



### Present

Councillors W Leslie Manson, Norman R Craigie, Robin W Crichton, Steven B Heddle, John A R Scott and James W Stockan.

### Clerk

- Sandra Craigie, Committees Officer.

### In Attendance

- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Kenny MacPherson, Interim Head of IT and Facilities.
- Lorna Richardson, Interim Head of Roads, Fleet and Waste.
- Shonagh Merriman, Interim Corporate Finance Senior Manager.
- Michael Scott, Solicitor.
- Thomas Aldred, Interim IT Services Manager.
- Graeme Christie, Estates Manager.
- Ian Rushbrook, Capital Programme Manager.

### Observing

- Rebecca McAuliffe, Press Officer.

### Apology

- Councillor Andrew Drever.

### Declaration of Interest

- Councillor John A R Scott – Items 2 and 3.

### Chair

- Councillor W Leslie Manson.

## 1. 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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

**1.1.** 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 30 September 2021, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £177,400.

**1.2.** 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 30 September 2021, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

**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.

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

## **2. Corporate Asset Maintenance Programmes – Expenditure Monitoring**

Councillor John A R Scott declared a non-financial interest in this item, being a Council-appointed trustee of the Pickaquoy Centre Trust, 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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

**2.1.** The summary position of expenditure incurred, as at 30 September 2021, against the approved corporate asset maintenance programmes, as detailed in section 4.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

**2.2.** 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 maintenance programmes.

## **3. Corporate Asset Improvement Programmes – Expenditure Monitoring**

Councillor John A R Scott declared a non-financial interest in this item, being a Council-appointed trustee of the Pickaquoy Centre Trust, 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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

**3.1.** The summary position of expenditure incurred, as at 30 September 2021, against the approved corporate asset capital improvement and replacement programmes for 2021/22, as detailed in section 4.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

**3.2.** The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved corporate asset capital improvement and replacement programmes for 2021/22.

#### **4. Former Abattoir, H21, Hatston Industrial Estate**

After consideration of a report by the Interim Executive Director of Environmental, Property and IT Services, copies of which had been circulated, and after hearing a report from the Interim Head of Roads, Fleet and Waste, the Sub-committee:

Noted:

**4.1.** That, on 20 January 2020, when reviewing options for future use of the site of the former abattoir, H21, Hatston Industrial Estate, the Asset Management Sub-committee resolved, in terms of delegated powers:

- That the proposed demolition of the former abattoir, H21, Hatston Industrial Estate, be progressed through the Capital Project Appraisal process, at the earliest available opportunity.
- That, in the interim period as the proposed demolition progressed through the Capital Project Appraisal process, the Executive Director of Corporate Services should advertise part of site H21 on the open market, for a period of six months, for sale or lease, in its existing condition, with any notes of interest reported to the Sub-committee for determination.
- That, once demolished, the site of the former abattoir, H21, Hatston Industrial Estate, be retained by the Council and be made available for lease, in whole or in part, to commercial interests in accordance with the industrial estate letting policy.

**4.2.** That, due to the outbreak of the COVID-19 pandemic, the actions detailed in paragraph 4.1 above had not yet been progressed.

**4.3.** That, on 7 September 2021, when reviewing the preferred treatment options and proposed site for a new waste facility, the Development and Infrastructure Committee recommended, to the Asset Management Sub-committee, that the site of the former Abattoir/Cull Hall at Hatston, incorporating the existing Household Waste Recycling Centre and associated infrastructure, be adopted as the preferred location of the proposed new waste management facilities.

On the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, the Sub-committee resolved to **recommend to the Council:**

**4.4.** That the site of the former Abattoir/Cull Hall at Hatston Industrial Estate, incorporating the existing Household Waste Recycling Centre and associated infrastructure, be designated as the preferred site for the proposed new Integrated Waste Facility.

## **5. Conclusion of Meeting**

At 11:17 the Chair declared the meeting concluded.

Signed: W Leslie Manson.

# Minute

## Human Resources Sub-committee

Tuesday, 2 November 2021, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



## Present

Councillors W Leslie Manson, Alexander G Cowie, Robin W Crichton, Steven B Heddle, John T Richards and Duncan A Tullock.

## Clerk

- Sandra Craigie, Committees Officer.

## In Attendance

- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- James Wylie, Executive Director of Education, Leisure and Housing.
- Gavin Mitchell, Head of Legal Services.
- Andrew Groundwater, Head of HR and Performance.

## Observing

- Lorraine Stout, Press Officer.

## Apologies

- Councillor Gwenda M Shearer.
- Councillor James W Stockan.

## Declarations of Interest

- No declarations of interest were intimated.

## Chair

- Councillor W Leslie Manson.

## 1. Leave of Absence Policy

After consideration of a report by the Executive Director of Education, Leisure and Housing, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Sub-committee:

Noted:

**1.1.** That the Council's policy in respect of Leave of Absence was last reviewed in October 2016.

**1.2.** The revised Leave of Absence Policy, attached as Appendix 1 to the report by the Executive Director of Education, Leisure and Housing, which had been amended to ensure it was fully compliant and up to date with relevant employment law, statutory provisions and existing terms and conditions of employment.

Councillor Steven B Heddle moved that the revised policy on Leave of Absence, incorporating minor points and typographical errors raised by members, be approved.

On receiving no seconder his motion fell.

On the motion of Councillor Duncan A Tullock, seconded by Councillor W Leslie Manson, the Sub-committee resolved to **recommend to the Council**:

**1.3.** That the revised policy on Leave of Absence be approved, subject to incorporating minor points and typographical errors raised by members, and section 3.8.1 of the policy being amended as follows:

- Leave of Absence with pay, up to a maximum of two days, will be granted to employees who wish to attend their own graduation ceremony provided the qualifications directly relate to their employment and leave of absence is approved in advance with line management.

**1.4.** That the revised policy on Leave of Absence, attached as Appendix 1 to this Minute and incorporating the amendments referred to at paragraph 1.3 above, be approved.

## **2. Conclusion of Meeting**

At 14:31 the Chair declared the meeting concluded.

Signed: W Leslie Manson.



**ORKNEY**  
ISLANDS COUNCIL

# Leave of Absence Policy and Procedure

October 2021

Next scheduled for review October 2026

**All our written information can be made available, on request, in a range of different formats and languages. If you would like this document in any other language or format, please contact HR Support on 01856873535 extension 2250 or email [hrsupport@orkney.gov.uk](mailto:hrsupport@orkney.gov.uk)**



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# 1. Policy Statement

## 1.1. Policy Statement

1.1.1. This policy is to inform all employees of their rights and responsibilities when requesting leave of absence and to establish consistent treatment of all employees to whom this policy applies.

1.1.2. The Council is committed to be a good employer and to developing people and supportive employment policies. This approach not only allows employees to balance their personal and working lives but also helps us to maintain employee productivity, loyalty and motivation. In keeping with this, we recognise that from time to time, employees' lives outside of work may necessitate some form of support from the Council. Consideration will therefore be given to allow employees access, where appropriate, to special leave and depending on the nature of the request, this may be paid or unpaid

## 1.2. Scope of Policy

1.2.1. The scope of this policy applies to all employees of Orkney Islands Council on Scottish Joint Council (SJC), Orkney College Academic, and Chief Officials Conditions of Service and on permanent and temporary contracts. Part-time and job share staff are entitled to the same provisions with the exception of paid leave, which will be on a pro-rated basis. Teaching staff are subject to a separate Leave of Absence policy as agreed with the Orkney Joint Negotiating Committee for Teachers.

## 1.3. Definitions

1.3.1. Immediate family – for the purposes of this policy 'immediate family' is defined as spouse/partner, parent, child, brother/sister, foster parent or foster child, any of the aforementioned whose relation is 'in-law' or 'step' would also be part of this definition. Under special circumstances grandparents or aunt/uncle may be classed as immediate family i.e. if the member of staff has been raised by them.

1.3.2. Entitlements – all periods of time quoted within the policy are on the basis of 5 day working. Any employees working less than 5 days per week would normally receive the appropriate pro-rata entitlement.

1.3.3. Pay – for all periods of unpaid leave, it is essential to ensure that the necessary documentation is completed and passed to the Payroll section.

# 2. Procedure

## 2.1. Requesting Leave of Absence

2.1.1. The policy on leave of absence is based on the principle that employees should not make personal arrangements which conflict with work time other than in the circumstances outlined in this policy. It is recognised that certain requests, in the case of emergencies, will be at short notice, but wherever possible, requests for leave should be planned and submitted in advance.

In order to request Leave of Absence you should use the Leave of Absence Request form as per appendix 1 of this document and send to your Line Manager as appropriate.

## **2.2. Approval of Leave of Absence**

2.2.1. Leave of absence requests require to be approved by a Head of Service or Executive Director.

2.2.2. Applications for leave of absence should be considered and a decision confirmed normally within 14 calendar days of the receipt of the completed application by the Head of Service/Executive Director.

## **2.3. Appeal**

2.3.1. Where a request for a leave of absence (paid or unpaid) is declined the employee can appeal within 14 calendar days in writing to the relevant Executive Director and ask for their request for leave of absence to be re-considered. Any such appeal will normally only consider the application submitted and will not require a formal hearing/meeting to be convened.

2.3.2. Where an application for leave of absence was originally considered by an Executive Director, any appeal will be considered by another Executive Director of the Council.

## **2.4. Pay and Pensions Issues**

2.4.1. For all periods of unpaid leave, Line Managers must ensure that the necessary documentation is completed to stop pay for the period of leave. For leave periods of longer than 30 days, the appropriate action must be taken if the employee wishes to continue with their pension contributions.

## **2.5. Pension Regulations in Relation to Unpaid (Special) Leave**

2.5.1. Pension regulations state: "If you are granted unpaid leave of absence, including jury service, the period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of absence. The amount of pension lost is calculated as the appropriate fraction of your lost pensionable pay for that period of absence (i.e. 1/49th of your lost pensionable pay if you were in the main section of the scheme or 1/98th if you were in the 50/50 section)."

2.5.2. "If you wish to purchase the amount of lost pension and make the election within 30 days of returning to work (or such longer period as your employer allows) then the cost of the APC is split between you and your employer. You will pay one-third of the cost and your employer will pay the rest. This is known as a Shared Cost Additional Pension Contributions (SCAPC). You can pay these additional contributions in a one-off lump sum or through regular payments from your wages. The maximum period of absence you can elect to buy back by a SCAPC is a period of 3 years."

2.5.3. "If you are absent for a day or more due to a trade dispute the period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of absence. The amount of pension lost is calculated as the appropriate fraction of your lost pensionable pay for that period of absence (i.e. 1/49th of your lost pensionable pay if you were in the main section of the scheme or 1/98th if you were in the 50/50 section)."

2.5.4. "The cost of purchasing the amount of lost pension for the period of absence would be met fully by you (unless your employer voluntarily chooses to contribute to the APC)."

2.5.5. You should contact the Pension Section for further information about paying Additional Pension Contributions.

### **3. Leave of Absence for Personal and Family Reasons**

#### **3.1. Severe illness of immediate family - with pay for up to three days**

3.1.1. The Council recognises and is sympathetic to the demands placed on staff by family illness or injury and wishes to fulfil a supportive role when these occur. Nevertheless, the Council has a duty to recognise and to minimise the potential service disruption and cost which results from staff absence, as far as is compatible with good employment relations and existing agreements.

3.1.2. Severe illness is intended to cover emergency situations where incapacitating or life-threatening injury or illness forms the basis of the request and will not be interpreted as referring to normal childhood ailments. In all cases "severe" will be strictly interpreted.

3.1.3. When absence is requested in order to support members of immediate family who are afflicted by injury or illness of a less severe nature, paid leave of absence will not normally be granted, and staff should be aware of the need to establish support from elsewhere. Where a member of staff does not report for work in such circumstances the appropriate absence returns will need to be submitted and pay will be deducted.

3.1.4. Employees who, through the ongoing illness of members of their immediate family, find it necessary to request leave of absence on a recurring basis should consult their Line Manager. Advice may be sought from Human Resources and a discussion undertaken to:

- clarify the situation with regard to the long-term implications.
- where practicable, consider revising working arrangements to lessen the adverse effects of such absence.
- consider investigating the possibility of obtaining support from other sources.

#### **3.2. Personal/Individual Medical Appointments**

3.2.1. Employees are expected to make every effort to arrange their own medical appointments outwith work time and the provisions of the Council's Flexi-time Scheme apply in respect of this. However, where this is not possible, or the employee works in a post not subject to the provisions of Flexitime, reasonable paid leave may be granted. Employees should however still try and arrange such appointments to minimise disruption to their work e.g. at the start or end of their shift or during unpaid breaks. For this purpose, medical appointments include necessary and preventative GP, dentist and optician appointments.

3.2.2. For appointments where the employee cannot influence the timing or location, e.g. to attend preventative medical examinations such as hospital/consultant appointments as an out-patient, paid leave of absence will be awarded, and employees will therefore not be required to complete sickness absence forms. Where such appointments involve being admitted to and discharged from hospital for treatment, the absence should be treated as sickness absence.

3.2.3. In all cases sufficient notice and evidence should be provided. Time off will not normally be refused unless, for example, their absence would leave service users/children/customers at risk. Employees should present appointment cards etc. as evidence of their appointment.

3.2.4. This section is not intended to cover time off in respect of dependents/family members, for that please refer to section 3.6.

### **3.3. Family bereavement**

3.3.1. In the case of absence following the death of the employee's immediate family, leave of absence with pay for up to three days shall be granted. In situations where the death is outwith Orkney, sympathetic consideration should be given to apply discretion to extend the time off in such cases, to allow travel up to an additional two days.

3.3.2. In the case of relatives outwith immediate family, e.g. an aunt/uncle or grandparent, leave of absence with pay for one day shall be granted. In situations where the death is outwith Orkney, sympathetic consideration should be given to apply discretion to extend the time off in such cases, to allow travel up to an additional two days.

3.3.3. Leave of absence related to bereavement leave can be taken at any time between the death and the day after the funeral. This covers situations where the funeral is to be held some weeks following the death and includes employees' travelling time, where necessary. Part-time workers will have a pro-rata entitlement calculated for this leave.

3.3.4. Where time does not permit applications to be made in the normal manner, emergency requests for leave should be made to the Line Manager after which a leave of absence application will be made retrospectively.

### **3.4. Parental Bereavement Leave**

3.4.1. Parents and primary carers i.e. adopters, foster parents, guardians and those classed as kinship carers (those that have assumed responsibility for looking after a child in the absence of parents) and parents that have suffered a still birth (after 24 weeks of pregnancy) have a right to two weeks statutory parental bereavement leave in the event of the death of their child.

3.4.2. Leave can be taken at any point following the death of the child up to 56 weeks following the death.

3.4.3. The Council policy position is that the right to this leave is available from day one of employment and the 2 weeks' leave will be on full pay. This is above the statutory entitlements.

3.4.4. If an employee loses more than a child, they will be entitled to take a separate period of parental bereavement leave for each child.

3.4.5. Managers must not ask for or seek any form of evidence of the child's death i.e. a copy of the death certificate.

3.4.6. Given the distress and sensitivity of such situations, it is not expected that applications may be able to be made in the normal manner. Emergency requests for leave should be made to the Line Manager after which a leave of absence application will be made retrospectively.

### **3.5. Funerals**

3.5.1. For attendance at funerals other than as detailed above, up to one day of unpaid leave may be allowed at the discretion of the Line Manager as appropriate. In certain circumstances it may be possible for employees to work back these hours or use the provisions of the Council's Flexi-time Scheme to incorporate the time off.

### **3.6. Time off For Dependants (Statutory Entitlement)**

3.6.1. All employees have a legal right to take unpaid leave to deal with a family emergency involving a dependant (defined as a partner, child or parent, or someone who lives with the employee as part of the family). This covers emergencies only, so if the employee knew beforehand that time off was needed, alternative arrangements should have been made.

3.6.2. The amount of time allowed is that which is necessary to deal with the emergency and to make longer-term care arrangements, not to undertake longer term subsequent commitments. Normally, this will be one or two days, but this will depend on individual circumstances.

3.6.3. Typical circumstances that may result in the employee exercising this right within the terms of this policy may include situations where the employee has to deal with:-

- Unexpected disruption or breakdown of care arrangements for a dependent, (for example, the nurse who comes to take care of an elderly relative fails to turn up as arranged).
- A dependant who has fallen ill, is injured or assaulted (for example, the employee's child is injured while at school or in after school care).
- A dependant who has gone into labour.

3.6.4. Line Managers should use their discretion and common sense in these situations and where possible, employees should have the opportunity to make the time up later or to use some of their annual leave. If the employee has accrued flexi-time hours, then these can be used to accommodate such a situation. If none of the options outlined are possible then the time off to deal with the emergency is unpaid.

3.6.5. Please note Orkney Islands Council will normally grant leave with pay if these circumstances are covered under paragraph 3.1 Severe Illness of Family Member.

### **3.7. Interviews**

3.7.1. Job interviews for external organisations will be unpaid. Interviews for posts within Orkney Islands Council will normally be with pay if held during normal working hours and the time off should be agreed in advance with your Line Manager.

### **3.8. Attendance at own graduation**

3.8.1. Leave of Absence with pay, up to a maximum of two days, will be granted to employees who wish to attend their own graduation ceremony provided the qualifications directly relate to their employment and leave of absence is approved in advance with line management.

3.8.2. Where qualifications are not related to their employment, then annual leave flexitime, or unpaid leave can be used for time off to attend Graduation Ceremonies, including those held outwith Orkney. No travel or subsistence is paid for this purpose.

### **3.9. Unpaid Leave of Absence**

3.9.1. There is no right to unpaid leave of absence, although requests can be made where the period of leave cannot be covered through other normal procedures i.e. annual leave, career break etc.

3.9.2. At least four weeks' notice is usually required and will be expected. If a request is made with less than this then the request may be denied because of the difficulties in planning efficient service delivery. If there is a reasonable explanation as to why four weeks' notice could not be given, then the request should not be unreasonably refused purely on the basis of sufficient notice having been provided.

3.9.3. Leave of absence without pay should not be considered for longer than three months. Reference should be made to the Council Career Break Policy for requests for periods of leave in excess of three months.

3.9.4. An employee who takes time off work despite having a request for unpaid leave rejected will be subject to normal disciplinary procedures for unauthorised absence.

3.9.5. When considering a request for any period of unpaid leave, the employee's length of service, attendance record, and any other requests for leave (both paid and unpaid) should be considered. It is also important to ensure that the workplace is able to cope with the absence.

## **4. Leave of Absence for Public Duties and Voluntary Activities**

### **4.1. Public duties**

4.1.1. Employees who are considering undertaking public duties should inform their Line Manager and seek prior approval from their Head of Service to undertake the duties. They should provide an indication of the level of commitment this entails, i.e. the anticipated number of occasions and amount of time off likely to be required. It should not be assumed such a request will be granted, as all requests must be considered with regard for the exigencies of the service.

4.1.2. Should an appointment be made, the employee should inform his/her Line Manager. Evidence of public and voluntary body appointments should be provided by the employee. The Manager should monitor the impact these absences have to ensure there is a minimal detriment to service provision.

4.1.3. The following public duties will qualify staff for paid leave of absence, subject to prior approval from your Executive Director:

- Children's Panel.
- Honorary Sheriff.

4.1.4. The following public duties will qualify staff for paid leave of absence, subject to prior approval from your Head of Service:

- Emergency Services.
- Jury duty.
- Obligatory attendance at court, e.g. called as a witness.

4.1.5. Where paid leave of absence has been approved in respect of public duties payment is made on the expectation that where a claim can be made to the organisation for loss of income this should be claimed and paid to the Council, where possible.

## **4.2. Parent Councils**

4.2.1. Leave of Absence with pay may be granted for employees who are Parent Council representatives to allow attendance at short-leeting meetings and interview panels or associated training.

## **4.3. Sporting, recreational, social and cultural activities**

- Representing your country in sport or coaching will qualify the participant for leave of absence with pay up to five days in any one leave year.
- If representing Orkney, unpaid leave of absence may be granted.
- If representing Orkney at the Island Games, appropriate leave of absence (with or without pay) for all participants will be decided by the Chief Executive, considering the duration of the Games and required travel arrangements.

## **4.4. Armed Forces**

4.4.1. Members of the British Armed Forces Reserve taking part in formal training may be granted up to fifteen days leave of absence in any one year, subject to the approval of the Head of Service to whom application must be made, in the normal manner, before each absence.

4.4.2. Salary costs must be claimed by the employee and submitted to the Armed Forces; payments received (up to the value of normal salary) should be paid to the Authority.

## **4.5. Foster Carers**

4.5.1. Council employees who are foster/kinship carers (under formal fostering arrangements) are entitled to up to five days paid leave per year to attend approved training and meetings related to their fostering responsibilities as laid out below.

4.5.2. Training:

- Child protection training (One off training refreshed 5 yearly).
- Studio 3 training (Challenging Behaviour).
- Child specific training as required – e.g. epilepsy training.

4.5.3. Meetings:

- Child's review meeting – 6 monthly.
- Fostering and Adoption/Permanency panel meetings – Initial approval, annual review, permanency panel, plus occasional ad hoc attendance.

4.5.4. This leave can be taken in whole or part days. Where both foster carers are employed by the Council only one of the individuals can take the leave or the leave may be apportioned between them.



4.5.5. Paid leave of absence is not available for foster carers to deal with routine situations relating to the young person i.e. sickness absence of a child, school appointments, school closures/in-service days or routine medical appointments i.e. Doctor, Dentist, Optician etc. In these circumstances the other relevant Council policy/procedures would apply.

## **4.6. Retained Firefighters**

4.6.1. Retained Fire Fighters shall where necessary in terms of their regular working pattern, be granted paid leave of absence to undertake their initial training course and any ongoing mandatory training requirements. This is subject to the approval of the Head of Service to whom application must be made, in the normal manner, before each absence.

4.6.2. Initial training for service in Orkney is normally delivered via a two-week residential course, run out of Orkney.

4.6.3. Release from employment, where necessary to attend ongoing mandatory training, shall be limited to a maximum of up to 5 days (pro-rata for part-time or part-week employees) paid leave of absence per year.

4.6.4. Where agreement is given for an employee to be a Retained Firefighter, any routine necessary release from scheduled work to attend call outs will be on the basis of unpaid leave.

## **4.7. Police Scotland - Special Constabulary**

4.7.1. Members of the Special Constabulary shall where necessary in terms of their regular working pattern, be granted paid leave of absence to undertake their initial training course and any ongoing mandatory training requirements. This is subject to the approval of the Head of Service to whom application must be made, in the normal manner, before each absence.

4.7.2. Initial training for remote communities such as Orkney is normally delivered over six weekends in Orkney (not normally concurrent weekends) rather than the three-week residential course at the Scottish Police College, Tulliallan.

4.7.3. Release from employment, where necessary to attend ongoing mandatory training, shall be limited to a maximum of up to 5 days (pro-rata for part-time or part-week employees) paid leave of absence per year.

4.7.4. Whilst it is not normally expected that release from employment shall be required, where agreement is given for an employee to be in Police Scotland – Special Constabulary, any routine necessary release from scheduled work to undertake duties will be on the basis of paid leave, subject to operational exigencies.



### Leave of Absence Request Form

Name		Job Title	
Service		Section	

#### PERIOD OF ABSENCE (INCLUSIVE)

Time off required from / to:	
------------------------------	--

#### REASON FOR APPLICATION – (See notes below)

<b>Signed</b>	<b>Date</b>

**Notes:** Bereavement - state relationship if any.

#### ESTABLISHMENT (Brief Comment by Line Manager)

I confirm that the request is as per policy and that cover arrangements, where required, can be made.	
	working hours / working days <b>paid leave</b> <i>and / or</i>
	working hours / working days <b>unpaid leave*</b>
<b>Signed</b>	<b>Date</b>

Where the appropriate Manager has exercised his/her discretion and recommended leave of absence in line with the policy for emergency requests, he/she should initial this box. This form should be submitted for approval before commencement of absence wherever possible.

#### APPROVAL by appropriate Head of Service/Executive Director

<b>Signed</b>		<b>Date</b>	
<b>Please tick</b>	With Pay	Without Pay	

\* If unpaid leave is approved, Payroll must be notified of the amount of unpaid leave being taken.

#### FOR ADMIN PURPOSES

Notification of change  
form completed

Copy of form placed in employee's  
personal file

Appendix 10.

## **Stage 2 Capital Project Appraisal**

### **Hatston Pier – Reclamation Phase 1**

Pages 1209 to 1216.

Resolved that, under section 50A(4) of the Local Government (Scotland) Act 1973, the public were excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 8 and 9 of Part I of Schedule 7A of the Act.

**This constitutes a summary of the Appendix in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

### **Local Government (Scotland) Act 1973 – Schedule 7A**

#### **Access to Information: Descriptions of Exempt Information**

- Paragraph 8.       The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.
- Paragraph 9.       Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

## Minute

### Staffing Appeals Sub-committee

Monday, 8 November 2021, 10:00.

Microsoft Teams.



### Present

Councillors W Leslie Manson, Alexander G Cowie, Robin W Crichton, John T Richards, Gwenda M Shearer and Duncan A Tullock.

### Clerk

- Gavin Mitchell, Head of Legal Services.

### In Attendance

- Andrew Groundwater, Head of HR and Performance.
- Hazel Flett, Senior Committees Officer.
- Management Representative (for Item 6).
- Appellant (for Item 6).
- Appellant's representative (for Item 6).

### Apologies

- Councillor Steven B Heddle.
- Councillor James W Stockan.

### Declarations of Interest

- Councillor W Leslie Manson.
- Councillor John T Richards.

### Chair

- Councillor W Leslie Manson – for preliminaries and Items 1 to 3.
- Councillor Duncan A Tullock – for Items 5 and 6.

## 1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **2. Exclusion of Public**

On the motion of Councillor W Leslie Manson, seconded by Councillor Duncan A Tullock, 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 class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **3. Declarations of Interest**

Councillor W Leslie Manson declared a non-financial interest in this appeal and left the meeting at this point.

Councillor John T Richards declared a non-financial interest in this item and left the meeting at this point.

Signed: W Leslie Manson.

## **4. Appointment of Chair**

As the Chair of the Sub-committee had declared an interest and left the meeting, the Clerk called for nominations for Chair.

The Sub-committee resolved that Councillor Duncan A Tullock be appointed Chair for the remainder of the meeting.

Councillor Duncan A Tullock took the Chair for the remainder of the meeting.

## **5. Briefing from Clerk on Procedure**

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 hearing a briefing from the Clerk regarding procedure, the Sub-committee:

Noted that the meeting had been convened to consider an appeal against dismissal.

**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.**

## **6. Appeal Against Dismissal**

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.

Following conclusion of its deliberations, the Sub-committee:

Resolved, unanimously, in terms of delegated powers, what action should be taken with regard to an appeal against dismissal.

**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.**

## **7. Conclusion of Meeting**

At 15:30 the Chair declared the meeting concluded.

Signed: Duncan A Tullock.