

Minute

Asset Management Sub-committee

Tuesday, 1 February 2022, 09:30.

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

- Hazel Flett, Senior Committees Officer.

In Attendance

- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Karen Greaves, Head of Executive Support.
- 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.
- John Wrigley, Roads and Environmental Services Manager.
- Sandra Craigie, Committees Officer (for Items 8 to 13).

Observing

- Kirsty Groundwater, Communications Team Leader.
- Jenny McGrath, Community Council Liaison Officer (for Items 4 to 10).

Declaration of Interest

- Councillor John A R Scott – 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 Items 8 to 12, as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

3. Revenue Expenditure 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:

3.1. The revenue financial summary statement in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 31 December 2021, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £129,100.

3.2. The revenue financial detail by service area statement in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 31 December 2021, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

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

4. Corporate Asset Improvement Programmes – Expenditure Monitoring

Councillor John A R Scott declared a non-financial interest in this item, being Vice Chair 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:

4.1. The summary position of expenditure incurred, as at 31 December 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:

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

5. Corporate Asset Maintenance Programmes – Expenditure Monitoring

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

Noted:

5.1. The summary position of expenditure incurred, as at 31 December 2021, against the approved corporate asset maintenance programmes for 2021/22, as detailed in section 4.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

5.2. The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to the 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 for 2021/22.

6. Information Technology Capital Replacement Programme

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 IT and Facilities, on the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, the Sub-committee:

Resolved, in terms of delegated powers:

6.1. That the Information Technology Capital Replacement Programme for 2022/23, together with the indicative programme for 2023/24, attached as Appendix 1 to this Minute, to be funded from the allocation of £420,000 per annum within the approved capital programme, be approved.

6.2. That powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Head of Finance, to adjust the two-year programme, referred to at paragraph 6.1 above, as variations arose in order to maximise use of the annual capital allocation.

Councillors Andrew Drever and James W Stockan joined the meeting during discussion of this item.

7. Exclusion of the Public

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, the Sub-committee resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

8. Corporate Asset Maintenance and Improvement Programmes

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 7A of the Act.

After consideration of 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 Capital Programme Manager, the Sub-committee:

Noted:

8.1. The three-year projections for the Revenue Repairs and Maintenance and Capital Improvement Programmes for the period 2022/23 to 2024/25, attached as Appendix 1 to the report by the Interim Executive Director of Environmental, Property and IT Services.

8.2. That a multi-year approach to the Revenue Repairs and Maintenance and Capital Improvement Programmes allowed for additional flexibility to vary the timing of individual projects as a result of unforeseen events.

8.3. That, on 14 January 2021, when considering a revised Stage 2 Capital Project Appraisal in respect of the proposed extension and alterations to St Andrews Primary School, the Council resolved:

- That the existing provision within the General Fund capital programme in respect of the proposed extension and alterations to St Andrews Primary School be increased by £1,092,000, from £3,232,000 to £4,324,000.
- That the additional cost of £1,092,000 be secured through reductions in the annual Corporate Asset Improvement Programme budget, currently £1,351,000 per annum, of £546,000 in each of financial years 2021/22 and 2022/23.
- That powers be delegated to the Head of Finance to make contributions to the Repairs and Renewals Fund to enable reinstatement of the Corporate Asset Improvement Programme, should that prove affordable.

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

8.4. That the undernoted programmes for 2022/23, together with provisional programmes for 2023/24 and 2024/25, attached as Appendix 2 to this Minute, be approved:

- General Fund – Revenue Repairs and Maintenance Programme, to be funded from the allocation of £1,708,200 per annum set annually as part of the budget setting process.

- Strategic Reserve Fund Revenue Repairs and Maintenance Programme, to be funded from the allocation of £93,200 per annum set annually as part of the budget setting process.
- General Fund – Capital Improvement Programme, to be funded from the allocation of £805,400 for 2022/23, being the annual budget of £1,351,400 reduced by the contribution of £546,000 in respect of the proposed extension and alterations to St Andrews Primary School, as detailed at paragraph 8.3 above.
- Early Learning and Childcare projects in the sum of £252,000, to be funded from the allocation received from Scottish Government.
- Strategic Reserve Fund Capital Improvement Programme, to be funded from the allocation of £118,600 per annum within the approved capital programme.

8.5. That powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Head of Finance, to adjust the three-year programmes, referred to at paragraph 8.4 above, as variations arose in order to maximise use of the annual budget allocations.

9. Plant and Vehicle Replacement Programme

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 8 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the 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:

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

9.2. That issues with the supply chain had resulted in a number of items being carried over from the 2021/22 programme to a total value of £600,000, to be funded by a contribution from the Repairs and Renewals Fund which would be set aside at 31 March 2022 from underspends on the 2021/22 budget.

9.3. That opportunities to use green fuels and power Council vehicles from renewable sources continued to be explored.

9.4. That officers would continue to review the longer-term approach to fleet purchase across the entire Council fleet, taking advantage of new technology as viable alternatives emerged in the market.

9.5. That, in addition to the planned purchases for General Fund services, a total of £573,000 was to be spent on the purchase of vehicles on behalf of Non-General Fund services during 2022/23, the cost of which would be fully reimbursed by the relevant trading service, as detailed in Appendix 1 to the report by the Interim Executive Director of Environmental, Property and IT Services.

On the motion of Councillor Robin W Crichton, seconded by Councillor Andrew Drever, the Sub-committee resolved, in terms of delegated powers:

9.6. That the Plant and Vehicle Replacement Programmes for 2022/23, 2023/24 and 2024/25, attached as Appendix 3 to this Minute, be approved.

9.7. That powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Head of Finance, to adjust the programmes, referred to at paragraph 9.6 above, as variations arose and in order to maximise use of the annual capital allocations.

10. Request to Purchase Property

Shapinsay Development Trust – Smithy Restaurant and Museum

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a 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 Estates Manager, the Sub-committee:

Noted:

10.1. That Shapinsay Development Trust had submitted a request to purchase the Smithy Restaurant and Museum.

10.2. That Shapinsay Development Trust had consulted with the local community and there was strong community support for taking the Smithy Restaurant and Museum into community ownership.

10.3. That the Smithy Restaurant and Museum was currently leased to Shapinsay Community Council, who fully supported the proposed purchase of the building by Shapinsay Development Trust.

10.4. That the community had identified the Smithy Restaurant and Museum as a vital asset to the community and local economy and that ownership would help with sustainability of the community.

10.5. That Shapinsay Development Trust had secured funding support from the North Isles Landscape Partnership, Scottish Land Fund and the Council's Community Development Fund, towards the purchase cost and subsequent refurbishment of the Smithy Restaurant and Museum.

10.6. That a Community Benefit Assessment had been completed, attached as Appendix 4 and summarised in section 6 of the report by the Interim Executive Director of Environmental, Property and IT Services, which demonstrated that positive outcomes would arise should the Council support the request from Shapinsay Development Trust.

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

10.7. That the Smithy Restaurant and Museum be sold to Shapinsay Development Trust, on terms and conditions to be determined by the Solicitor to the Council.

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.

11. Request to Purchase Site at Garson Industrial Estate, Stromness

The Sub-committee noted that this item had been withdrawn.

12. Request to Purchase Site at Garson Industrial Estate, Stromness

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a joint report by the Interim Executive Director of Environmental, Property and IT Services and the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Estates Manager, the Sub-committee:

Resolved, in terms of delegated powers, what action should be taken with regard to a request to purchase a site at Garson Industrial Estate, Stromness.

The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

13. Conclusion of Meeting

At 11:49 the Chair declared the meeting concluded.

Signed: W Leslie Manson.