

Minute

Policy and Resources Committee

Tuesday, 27 November 2018, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



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, Owen Tierney, Duncan A Tullock and Kevin F Woodbridge.

Clerk

- Alistair Buchan, Chief Executive.

In Attendance

- Gavin Barr, Executive Director of Development and Infrastructure.
- Gillian Morrison, Executive Director of Corporate Services.
- Sally Shaw, Chief Officer/Executive Director, Orkney Health and Care.
- Wilfred Weir, Executive Director of Education, Leisure and Housing (for Items 1 to 27).
- Gareth Waterson, Head of Finance.
- Brian Archibald, Head of Marine Services, Engineering and Transportation (for Items 1 to 27).
- Peter Diamond, Head of Education (Leisure, Culture and Inclusion) (for Items 1 to 3 and 17 to 21).
- Karen Greaves, Head of Executive Support.
- Hayley Green, Head of IT and Facilities (for Items 1 to 27).
- Andrew Groundwater, Head of HR and Performance.
- Roddy Mackay, Head of Planning, Development and Regulatory Services (for Items 13 to 27).
- Gavin Mitchell, Head of Legal Services.
- Leslie Rendall, Revenues Manager (for Items 1 to 9).
- Ian Rushbrook, Capital Programme Manager (for Items 1 to 3 and 17 to 27).
- Malcolm Russell, Safety and Contingencies Manager (for Items 9 to 16).
- Catherine Diamond, Principal Teacher Early Years (for Items 17 to 21).
- James Green, Senior Policy Planner (Development and Marine Planning) (for Items 26 and 27).
- Hazel Flett, Senior Committees Officer.

Observing

- David Sawkins, Deputy Harbour Master, Strategy and Support (for Items 17 to 27).
- Luke Fraser, Team Leader (Policy and Planning) (for Items 7 to 9).
- David Hartley, Communications Team Leader (for Items 17 to 27).
- Andrew Hamilton, Performance and Best Value Officer (for Items 1 to 5).
- Rebecca McAuliffe, Press Officer (for Items 1 to 16).

Not Present

- Councillor Magnus O Thomson.

Declarations of Interest

- Councillor Robin W Crichton – Item 9.
- Councillor Andrew Drever – Item 9.
- Councillor Steven B Heddle – Item 9.
- Councillor Rachael A King – Item 9.
- Councillor W Leslie Manson – Item 9.
- Councillor Stephen Sankey – Item 9.
- Councillor Graham L Sinclair – Item 9.
- Councillor James W Stockan – Item 9.
- Councillor Kevin F Woodbridge – Items 5 and 9.

Chair

- Councillor James W Stockan.

1. Disclosure of Exempt Information

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 25 to 28, 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 joint report by the Chief Executive, the Executive Director of Corporate Services, the Executive Director of Development and Infrastructure and 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 2018, attached as Annex 1 to the joint report by the Chief Executive, the Executive Director of Corporate Services, the Executive Director of Development and Infrastructure and the Head of Finance, indicating an underspend position of £479,300:

- 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 2018, attached as Annex 2 to the joint report by the Chief Executive, the Executive Director of Corporate Services, the Executive Director of Development and Infrastructure and the Head of Finance.

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 joint report by the Chief Executive, the Executive Director of Corporate Services, the Executive Director of Development and Infrastructure and the Head of Finance.

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 2018, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund underspend of £667,000.
- A surplus in Sources of Funding of £44,100.
- A net Non-General Fund surplus of £6,308,800.

2.2.2. The financial detail across individual Sources of Funding for the period 1 April to 30 September 2018, attached as Annex 2 to the report by the Head of Finance.

3. Capital Expenditure Monitoring

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

Noted the detailed analysis of capital expenditure, together with project updates, in respect of the General Fund and the Non-General Fund capital programmes, for the period 1 April to 30 September 2018, attached as Appendix 1 to the report by the Head of Finance.

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:

Noted the performance of the Chief Executive's Service for the reporting period 1 April to 30 September 2018, as set out in sections 3 to 5 and Annexes 1 and 2 of the report by the Chief Executive.

4.2. Corporate Services

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, the Committee:

Noted the performance of Corporate Services for the reporting period 1 April to 30 September 2018, as set out in sections 3 to 5 and Annexes 1 and 2 of the report by the Executive Director of Corporate Services.

5. Council Delivery Plan – Performance Monitoring

Councillor Kevin F Woodbridge declared a financial interest in this item, in that he was a mutton producer and might utilise any future facility referenced at Action 4.11 of the Council Delivery Plan, however, as that specific Action was not discussed, he did not leave the meeting.

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

Noted:

5.1. Progress made in respect of the targets within the Council Delivery Plan 2018 to 2023 for the reporting period 1 April to 30 September 2018, as set out in Annex 1 to the joint report by the Chief Executive and the Executive Director of Corporate Services.

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

5.2. That the undernoted action, that had been progressed to completion, be closed, whilst continuing to be referenced in future Council Delivery Plan performance monitoring reports:

- Action BV4b – Where appropriate, make explicit the link between Council committee recommendations and the Local Outcomes Improvement Plan.

Councillor J Harvey Johnston joined the meeting at this point.

6. Enterprising Communities – Strategic Operating Principles

After consideration of a joint report by the Chief Executive and the Executive Director of Development and Infrastructure, copies of which had been circulated, the Committee:

Noted:

- 6.1.** The financial context which had dominated the Council's budget capacity for the last 10 years and that new approaches were now necessary to ensure the Council could continue to have the option to deliver the valued discretionary and other enhanced services which made Orkney perform much higher than other parts of the United Kingdom in terms of quality of life considerations.
- 6.2.** The national context in relation to the Needs Case for new grid connections which would direct the future opportunity for Orkney to continue to provide a platform for leading renewable energy development, including marine wave and tidal development.
- 6.3.** The Council Plan Enterprising Communities priority which included the commitment to strategic investment in projects to generate income and/or deliver significant community benefits, with a particular focus on the renewables sector.
- 6.4.** That, in progressing the Enterprising Communities priority, the Council had the opportunity to contribute to delivery of a new grid connection and also acquire and/or create assets which had the potential to generate long term income to the Council and/or achieve broader community benefits to Orkney.
- 6.5.** The opportunity for the income, referred to at paragraph 6.4 above, to be applied to a range of beneficial outcomes, including supporting a range of Orkney wide and localised community outcomes, as detailed in section 6 of the joint report by the Chief Executive and the Executive Director of Development and Infrastructure.
- 6.6.** The potential consequences arising from development which would require to be balanced against the potential benefits, referred to at paragraphs 6.4 and 6.5 above, through the planning process, as summarised in section 7 of the joint report by the Chief Executive and the Executive Director of Development and Infrastructure.
- 6.7.** The need to be responsive to changing circumstances which would arise through development of strategic projects which might result in changing design, location and scale of projects and the need to acquire the property or assets necessary to meet project outcomes at short notice.
- 6.8.** The need for the Council to establish strategic operating principles to orientate and enable the timescales and development programme which would be necessary to successfully progress the Enterprising Communities priority.
- 6.9.** Existing governance arrangements, as outlined in section 8 of the joint report by the Chief Executive and the Executive Director of Development and Infrastructure, which were considered sufficient to progress the Enterprising Communities priority.
- 6.10.** That, whilst the Council had an Enterprising Communities priority, it also required to operate within a financial and governance framework as outlined in the financial implications detailed at section 12 of the joint report by the Chief Executive and the Executive Director of Development and Infrastructure.

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

6.11. That the following operating principles be approved to enable the Council's Enterprising Communities priority:

- In pursuance of the Enterprising Communities priority, officers will operate confidently and in the most timeous manner possible within the Scheme of Delegation to Officers where this can contribute to at least one of the following factors:
 - Reduction or offsetting Council revenue costs.
 - Establishment of new income which can be applied to fund Council and/or community or other economic development priorities.
 - Achievement of a meaningful contribution to the overall Needs Case for a new grid connection to Orkney.
 - A demonstrable best value outcome for the Council or the Orkney community more generally.
- That it is accepted, in principle, that it will be necessary for the Council to commit substantial sums of money in the short to medium term either on development activity or the acquisition of assets having carried out appropriate due diligence of the risk involved and following an assessment of the likelihood of long term returns to the Council and/or the community.
- That it is accepted that there is potential for negative consequences arising from development in relation to natural and built heritage and localised property and community interests which will be considered through the statutory planning process.

7. Orkney Islands Council – Cheque Signatories

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

Noted:

7.1. That changes within the staff establishment of the Finance Service had impacted on the availability of cheque signatories for the Council.

7.2. That, in order to amend the operating mandate, the Royal Bank of Scotland required a minuted decision of the Council.

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

7.3. That Council's list of authorised signatories be approved as:

- Gareth Owen Waterson.
- Colin Elliot Kemp.
- Paul Mosley Kemp.
- Leslie Rendall.
- Shonagh Marie Merriman.

7.4. That the Head of Finance should submit a new operating mandate to the Royal Bank of Scotland to advise of the amendment set out above.

8. Treasury Management – Mid-Year Update

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

Noted:

8.1. The mid-year update for financial year 2018 to 2019 as detailed in Appendices 1 to 4 to the report by the Head of Finance, in respect of the following elements of treasury management:

- Borrowing activity.
- Temporary loans.
- Strategic Reserve Fund.
- Pension Fund.

8.2. The Treasury Adviser's overview of the economy and interest rates for the first half of financial year 2018 to 2019, as detailed in Appendix 5 to the report by the Head of Finance.

8.3. That the Treasury Management Practices had operated effectively during financial year 2018 to 2019 to date.

8.4. That, as at 30 September 2018, the Treasury Management Strategy Statement and Annual Investment Strategy for 2018 to 2019 had been adhered to.

Signed: James W Stockan.

9. Council Tax – Charging on Empty Properties and Second Homes

Councillor Robin W Crichton declared a non-financial interest in this item, in that a close family member owned a second home, but concluded that his interest did not preclude his involvement in the discussion.

Councillor Stephen Sankey declared a financial interest in this item, in that he owned holiday accommodation that could potentially fall within the scope of the report, and was not present during discussion thereof.

Councillors Andrew Drever, Steven B Heddle, Rachael A King, W Leslie Manson, Graham L Sinclair, James W Stockan and Kevin F Woodbridge declared financial interests in this item, in that they owned empty properties and/or second homes, and were not present during discussion thereof.

As both the Leader and Depute Leader, being Chair and Vice Chair respectively of the Committee, had declared their interests and left the meeting, the Chief Executive called for nominations for Chair.

The Committee resolved:

9.1. That Councillor J Harvey Johnston be appointed Chair for this item.

Councillor J Harvey Johnston then took the Chair for this item.

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

Noted:

9.2. That the Council had discretion to vary the level of Council Tax discount on empty properties to between 50% and 10%.

9.3. That, once an empty property had been unoccupied for a continuous period exceeding 12 months, the Council had discretion to reduce the discount from 10% to 0% and also to make an additional surcharge of up to 100%.

9.4. That the Council had discretion to vary the level of Council Tax on second homes from 50% to 0% but cannot make an additional surcharge.

9.5. That there were approximately 1,110 properties in Orkney that did not constitute someone's sole or main residence, of which only 260 met the legislative classification of an 'empty property' that may be subject to the Council's discretion to apply an additional surcharge of up to 100%.

9.6. That revenue raised from the Council's discretion to vary the level of discount on empty properties and second homes to between 50% and 10% raised £243,000 in financial year 2017 to 2018, which was income that remained ring-fenced for affordable housing projects.

9.7. That revenue raised from the Council's discretion to remove the 10% discount on second homes or empty properties, or by making an additional surcharge of up to 100% on empty properties, was not ring-fenced and could be expected to raise additional revenues of up to £253,000 per annum.

9.8. That the Council had discretion to vary the Council Tax charged for empty properties or second homes for different cases, such as by area or length of time a property was unoccupied, and that this may be implemented by not charging an increase or by offering a reduced or higher level of discount.

9.9. Options for retaining Council Tax discounts or applying surcharges on empty properties and second homes, as detailed in section 10 of the report by the Head of Finance, together with the human resource implications associated with any additional income raised, as detailed in section 11 of the report.

Councillor Robin W Crichton, seconded by Councillor Barbara Foulkes, moved that, from 1 April 2019, the standard default discount of 50% should remain reduced to 10% on empty properties and second homes.

Councillor Stephen G Clackson, seconded by Councillor Owen Tierney, moved an amendment that, from 1 April 2019, the standard default discount of 50% should remain reduced to 10% on empty properties and second homes, with the exception of those residents from the isles who required a second home on the mainland of Orkney to enable them to maintain paid employment, whereby the discount on second homes should be reduced to 50%.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, John T Richards and Owen Tierney (3).

For the Motion:

Councillors Alexander G Cowie, Norman R Craigie, Robin W Crichton, David Dawson, Barbara Foulkes, J Harvey Johnston, John A R Scott, Gwenda M Shearer and Duncan A Tullock (9).

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

9.10. That, from 1 April 2019, the standard default discount of 50% should remain reduced to 10% on empty properties and second homes.

9.11. That, from 1 October 2019, an additional surcharge of 100% be applied to empty properties that had been unoccupied for a period exceeding 12 months.

9.12. That, from 1 October 2019, the maximum period that a second home discount of 10% could be awarded should be set at 12 months, following which the discount would end.

9.13. That additional revenue raised through reducing discounts and additional surcharges on empty properties and second homes that was not ring-fenced, estimated at £253,000 per annum, be allocated as follows:

- From July 2019, £23,700 per annum to implement and develop the Council's Empty Homes Strategy.
- From financial year 2019 to 2020, £15,000 to provide additional resource within Finance Services to help administer and implement changes to empty properties and second homes.
- From financial year 2019 to 2020, £13,500 to provide support to Island Development Trusts looking to apply for Scottish Government housing development funding, together with other energy efficiency and fuel poverty projects being undertaken within Housing Services.
- The remainder of funds raised, estimated at £80,200 in 2019 to 2020 and £200,800 per annum from 2020 to 2021 onwards, to General Fund services.

9.14. That a 0.6 full-time equivalent permanent post of Administrative Assistant, Revenues and Benefits, G4, be established within the Finance Service.

9.15. That the Council's discretionary powers to vary the Council Tax charged, including mitigating measures to improve outcomes for isles communities, attached as Appendix 1 to this Minute, be adopted.

Please refer to the Minute of the General Meeting of the Council held on 11 December 2018.

Signed: Harvey Johnston.

Councillor David Dawson left the meeting at this point.

10. Complaints Handling Procedure

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

Noted:

10.1. That the Council's Complaints Handling Procedure, approved in July 2012, was based on the Model Complaints Handling Procedure published by the Scottish Public Services Ombudsman.

10.2. That, on 29 March 2018, the Monitoring and Audit Committee considered an Internal Audit of the processes surrounding the Complaints Handling Procedure, including awareness of, and training in, complaints handling, effectiveness in the handling of complaints and compliance with associated procedures.

10.3. That the Internal Audit report identified three specific areas where improvements to procedures could be made and recommended that appropriate amendments be made to the Complaints Handling Procedure.

10.4. That a separate review of the Model Complaints Handling Procedure was due to be undertaken by the Scottish Public Services Ombudsman during the course of 2019 and it was anticipated that, once that review was complete, further amendments to the Council's Complaints Handling Procedure would be considered to reflect the outcome of the review.

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

10.5. That the revised Complaints Handling Procedure, attached as Appendix 2 to this Minute, be approved.

Councillor David Dawson rejoined the meeting at this point.

11. Risk Management Policy and Strategy

After consideration of a report by the Executive Director of Corporate Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Head of IT and Facilities, the Committee:

Noted:

11.1. That the Risk Management Policy and Strategy, last revised in 2016, had been amended to reflect the current Council structure and the way in which monitoring arrangements were included in the strategic planning, performance and risk management framework.

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

11.2. That the Risk Management Policy and Strategy 2018 to 2020, attached as Appendix 3 to this Minute, be approved.

12. Corporate Risk Register

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, the Committee:

Resolved to **recommend to the Council** that the Corporate Risk Register, updated as at October 2018, attached as Appendix 4 to this Minute, be approved.

13. Lone Working Policy and Guidance

After consideration of a report by the Executive Director of Corporate Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Safety and Contingencies Manager, the Committee:

Noted:

13.1. That the current Lone Working Policy and Guidance was approved by Council in October 2009.

13.2. That the Lone Working Policy and Guidance had been amended to support the overall Health and Safety Policy by providing guidance and clarification to staff and line management on responsibilities associated with lone working and to reflect structural changes within the Council since the previous revision in October 2009.

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

13.3. That the Lone Working Policy and Guidance, attached as Appendix 5 to this Minute, be approved.

14. Health and Safety Risk Assessment Policy

After consideration of a report by the Executive Director of Corporate Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Safety and Contingencies Manager, the Committee:

Noted:

14.1. That the current Health and Safety Risk Assessment Policy was approved by Council in December 2009.

14.2. That the Health and Safety Risk Assessment Policy had been reviewed to support the Council's overall Health and Safety Policy by providing guidance and clarification to staff and line management on responsibilities associated with the completion and review of risk assessments and to reflect structural changes within the Council since the last revision in December 2009.

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

14.3. That the Health and Safety Risk Assessment Policy, attached as Appendix 6 to this Minute, be approved.

15. Fire Safety Policy

After consideration of a report by the Executive Director of Corporate Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Safety and Contingencies Manager, the Committee:

Noted:

15.1. That the current Fire Safety Policy was approved by Council in December 2009.

15.2. That the Fire Safety Policy had been amended to ensure continued compliance with fire safety guidance and best practice and to reflect structural changes within the Council since the last revision in December 2009.

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

15.3. That the Fire Safety Policy, attached as Appendix 7 to this Minute, be approved.

16. Evaluation of Service Health and Safety Performance

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Safety and Contingencies Manager, the Committee:

Noted the Evaluation of Service Health and Safety Performance for 2017 to 2018, attached as Appendix 1 to the report by the Executive Director of Corporate Services.

Councillor John A R Scott left the meeting at this point.

17. St Margaret's Hope Conservation Area Regeneration Scheme

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of Planning, Development and Regulatory Services, the Committee:

Noted:

17.1. That, on 9 October 2018, the Council resolved that the Executive Director of Development and Infrastructure should submit a note of interest to Historic Environment Scotland confirming that the Council was interested in operating a Conservation Area Regeneration Scheme project within St Margaret's Hope between 2020 and 2024.

17.2. That, should the application to Historic Environment Scotland be successful, an up to date Conservation Area Appraisal and Management Plan would require to be produced, together with fully developed details of any priority projects or any public realm improvements.

17.3. The proposal that a temporary post of Assistant Planner, at an estimated cost of £28,900 to £31,700 per annum, be established in order to produce the Conservation Area Appraisal and Management Plan, undertake community engagement in respect of the project and identify additional sources of external funding.

17.4. That the Development and Infrastructure Service was not able to identify any surplus capacity within existing revenue budgets to meet the costs associated with the temporary post of Assistant Planner.

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

17.5. That a project budget of £36,700, to be met from the Renewables, Regeneration and Redevelopment Fund, be established in order to progress a Conservation Area Regeneration Scheme within St Margaret's Hope.

18. 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 19 September 2018, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Stephen Sankey, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 19 September 2018, attached as Appendix 8 to this Minute, as a true record.

19. Asset Management Sub-committee

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 8 November 2018, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 8 November 2018, attached as Appendix 9 to this Minute, as a true record.

20. Replacement Heating Plant at Smiddybrae House

After consideration of a joint report by the Chief Officer/Executive Director, Orkney Health and Care and the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Capital Programme Manager, the Committee:

Noted:

20.1. That the existing borehole field for the ground source heat pump installation at Smiddybrae House was exhausted.

20.2. That the existing heating plant at Smiddybrae House was also approaching the end of its useful life.

20.3. That, as part of the design development for a replacement ground source heat pump installation at Smiddybrae House, a thermal conductivity test was undertaken and it was discovered that the thermal capacity of the ground in the area was lower than expected and a larger borehole field was required.

20.4. The opportunity to obtain Renewable Heat Incentive for a project to replace the ground source heating plant at Smiddybrae House.

20.5. That the capital cost of the project to replace the ground source heating plant at Smiddybrae House, amounting to £801,300, would be funded from the General Fund capital improvement programme over the three financial years 2018 to 2021.

20.6. The Stage 2 Capital Project Appraisal, attached as Appendix 1 to the joint report by the Chief Officer/Executive Director, Orkney Health and Care and the Executive Director of Development and Infrastructure, in respect of the project to install boreholes and a new ground source heating plant at Smiddybrae House.

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

20.7. That the project to install boreholes and a new ground source heating plant at Smiddybrae House be approved at an overall project cost of £801,300.

21. Expansion of Early Learning and Childcare

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Head of Education (Leisure, Culture and Inclusion), the Committee:

Noted:

21.1. That, with the expansion of Early Learning and Childcare, from the 600 hours offered in 2017 to 1,140 hours in 2020, there was a requirement to nearly double the number of available places at the various settings.

21.2. That, following a review of infrastructure requirements, larger nurseries were at capacity and additional physical space would require to be provided at Papdale, Dounby and Glaitness.

21.3. That new facilities to be provided required to meet Care Inspectorate standards, including additional toilets, increased playroom space, a manager space and extended outdoor playscapes.

21.4. That the Scottish Government was committed to fully funding the capital requirements associated with expansion of Early Learning and Childcare, subject to a number of conditions, including making best use of existing assets.

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

21.5. That the Stage 2 Capital Project Appraisal in respect of the expansion of Early Learning and Childcare, attached as Appendix 10 to this Minute, be approved.

21.6. That the expansion of Early Learning and Childcare be added to the General Fund capital programme over the period 2018 to 2022, at an overall project cost of £2,240,000, to be funded by grant income from the Scottish Government.

22. Proposed Remediation Works at Lyness

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

Noted:

22.1. That, in July 2016, a project budget of £100,000, to be met from the Renewables, Redevelopment and Regeneration Fund, was established to support the feasibility, business case and due diligence work and studies in respect of a proposed development at Lyness.

22.2. That, in October 2017, a further project budget of £150,000, to be met from the Strategic Reserve Fund, was agreed for site investigation and preparation of a remediation strategy in respect of an area of land at Lyness.

22.3. That, in November 2017, the Council received a grant award of £93,678 from the Scottish Government's Decommissioning Challenge Fund in respect of proposed site works for oilrig decommissioning.

22.4. Expenditure to date on the business case, due diligence and studies amounting to £183,600, resulting in an underspend of £160,078 remaining unallocated on the overall project budget of £343,678 in respect of developments at Lyness.

22.5. That, whilst remediation works would not create a new capital asset at Lyness, the Capital Project Appraisal process was being followed to ensure appropriate governance was in place regarding significant expenditure, estimated at £407,000.

22.6. That, on 30 October 2018, the Harbour Authority Sub-committee recommended:

- That, in order to make a brownfield site available for re-use, the Executive Director of Development and Infrastructure should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of proposed remediation works at Lyness.
- That the Executive Director of Development and Infrastructure should approach the Ministry of Defence advising of the Council's commitment to remediation work at Lyness and seeking a financial contribution towards the cost of undertaking the remediation works, as a result of the site being a former Royal Navy/NATO fuel depot.

22.7. The Stage 2 Capital Project Appraisal in respect of proposed remediation works at Lyness, attached as Appendix 1 to the report by the Executive Director of Development and Infrastructure.

Councillor Graham L Sinclair, seconded by Councillor Kevin F Woodbridge, moved that remediation works on the brownfield site at Lyness be undertaken, at a total estimated cost of £407,000, to be funded from the Miscellaneous Piers Reserve Fund.

Councillor James W Stockan, seconded by Councillor David Dawson, moved an amendment that consideration of undertaking remediation works on the brownfield site at Lyness be deferred, to the next meeting of the Committee, to enable the Executive Director of Development and Infrastructure to advise of the response from the Ministry of Defence in relation to a financial contribution towards the cost of undertaking the remediation works, as a result of the site being a former Royal Navy/NATO fuel depot.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Alexander G Cowie, David Dawson, Barbara Foulkes, Steven B Heddle, J Harvey Johnston, Rachael A King, W Leslie Manson, John T Richards, Stephen Sankey, James W Stockan and Owen Tierney (12).

For the Motion:

Councillors Norman R Craigie, Robin W Crichton, Andrew Drever, Gwenda M Shearer, Graham L Sinclair, Duncan A Tullock and Kevin F Woodbridge (7).

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

22.8. That consideration of undertaking remediation works on the brownfield site at Lyness be deferred, to the next meeting of the Committee, to enable the Executive Director of Development and Infrastructure to advise of the response from the Ministry of Defence in relation to a financial contribution towards the cost of undertaking the remediation works, as a result of the site being a former Royal Navy/NATO fuel depot.

Councillor John A R Scott rejoined the meeting at this point.

23. Proposed Reconstruction of Hatston Pier Road

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

Noted:

23.1. That the Council, as Statutory Harbour Authority, was required to provide and maintain safe and reliable access to the Harbour Areas under its control.

23.2. That parts of Hatston Pier Road were in need of substantial reconstruction and upgrading having been assessed as being beyond economic repair.

23.3. That the street light columns on the section of Hatston Pier Road, from its junction with Grainshore Road, up to and including the car and lorry marshalling areas, were showing signs of failure and in need of replacement.

23.4. That, on 13 March 2018, the Harbour Authority Sub-committee recommended that, as an exception to the Capital Project Appraisal process, due to the poor condition of the road surface and street lighting, 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 reconstruction of Hatston Pier Road and upgrading of street lighting.

23.5. That Phase 1 of the road reconstruction works was carried out over financial years 2017 to 2019 as a variation to the minor capital improvement programme at a cost of £155,000.

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

23.5. That the Stage 2 Capital Project Appraisal in respect of the proposed reconstruction of Hatston Pier Road, together with upgrading street lighting, attached as Appendix 11 to this Minute, be approved.

23.6. That, as an exception to the Capital Project Appraisal process, due to the poor condition of the road surface and street lighting, the proposed reconstruction of Hatston Pier Road and upgrading of street lighting be added to the Non-General Fund capital programme, over the period 2018 to 2020, at a total estimated cost of £360,000, to be met from the Miscellaneous Piers Reserve Fund.

24. Exclusion of Public

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

25. Kirkwall Travel Centre

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

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

Noted:

25.1. That, since Kirkwall Travel Centre opened in 2007, Orkney had seen a steady increase in the use of public transport and considerable growth in tourism, including, and notably, the cruise industry.

25.2. That Kirkwall Travel Centre was a safe pick up and drop off point for tour and shuttle bus passengers, providing toilet facilities, information, Meet and Greet services, rest areas and access to onwards travel, with its location being in close proximity to key historic sites, shops and cafes in the heart of Kirkwall.

25.3. That, on peak days during the summer season, there was insufficient capacity at Kirkwall Travel Centre to safely accommodate public bus services, tour buses and shuttle buses carrying passengers from the cruise ships arriving at Hatston.

25.4. That, to accommodate the continued growth experienced from the tourism industry and to ensure a quality experience arriving in Kirkwall, consideration had been given to expanding the bus stance area at Kirkwall Travel Centre.

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

25.5. What action should be taken with regard to expanding the bus stance area at Kirkwall Travel Centre.

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.

26. Former Papdale Halls of Residence

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

After consideration of a joint report by the Executive Director of Corporate Services and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, the Committee:

Resolved to **recommend to the Council** what action should be taken with regard to the former Papdale Halls of Residence.

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.

**Please refer to the Minute of the General Meeting of the Council held on
11 December 2018.**

27. Environmental Designations – Proposed Special Protection Areas

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

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Senior Policy Planner (Development and Marine Planning), the Committee:

Noted:

27.1. That Scottish Ministers were currently considering proposals for two areas covering a large proportion of Orkney's inshore waters, known as North Orkney and Scapa Flow, as detailed on the maps attached as Appendices 2 and 3 to the report by the Executive Director of Development and Infrastructure respectively, for designation as Special Protection Areas.

27.2. That, in March 2015, the Council adopted a policy position to oppose the introduction of marine Special Protection Areas in Orkney waters, which was reinforced in July 2015.

27.3. That, in September 2016 and January 2017, the Council submitted substantive responses to formal consultations by Scottish Natural Heritage on proposals to designate the following:

- A suite of 10 marine proposed Special Protection Areas in Scotland, including the North Orkney and Scapa Flow proposed Special Protection Areas.
- A further five proposed Special Protection Areas, including the Pentland Firth, as detailed on the map attached as Appendix 4 to the report by the Executive Director of Development and Infrastructure.

27.4. The response to the Strategic Environmental Assessment Environmental Report and the Network Assessment for the Marine Proposed Special Protection Areas consultation, attached as Appendix 5 to the report by the Executive Director of Development and Infrastructure, which was submitted to the Scottish Government on 9 November 2018.

27.5. The review of Scottish marine Special Protection Area network assessment in relation to proposed Special Protection Areas in Orkney, prepared by the Council's ornithological advisors, attached as Appendix 6 to the report by the Executive Director of Development and Infrastructure, which was submitted to the Scottish Government on 9 November 2018.

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

27.6. That the current adopted policy position to oppose introduction of marine Special Protection Areas in Orkney waters be confirmed.

27.7. That the officer responses to the Scottish Government consultations, referred to at paragraphs 27.4 and 27.5 above, be endorsed.

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

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28. Staff Appeals Sub-committee

28.1. Draft Minute of Meeting held on 9 October 2018

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 9 October 2018, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, to approve the Minute of the Meeting of the Staff Appeals Sub-committee held on 9 October 2018, attached as Appendix 12 to this Minute, as a true record.

28.2. Draft Minute of Meeting held on 29 October 2018

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 29 October 2018, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Duncan A Tullock, to approve the Minute of the Meeting of the Staff Appeals Sub-committee held on 29 October 2018, attached as Appendix 13 to this Minute, as a true record.

29. Conclusion of Meeting

At 16:45 the Chair declared the meeting concluded.

Signed: James W Stockan.