

Minute

Policy and Resources Committee

Tuesday, 23 April 2019, 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, Magnus O Thomson, Owen Tierney, Duncan A Tullock and Kevin F Woodbridge.

Clerk

- Karen Greaves, Head of Executive Support.

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.
- Gareth Waterson, Head of Finance.
- Gavin Mitchell, Head of Legal Services.
- Hayley Green, Head of IT and Facilities.
- Andrew Groundwater, Head of HR and Performance.
- Emma Chattington, Equalities Officer (for Items 1 to 4).
- Hazel Flett, Senior Committees Officer.

Observing

- Lorna Richardson, Strategic Policy and Projects Manager.
- Andrew Hamilton, Performance and Best Value Officer.

Declarations of Interest

- No declarations of interest were intimated.

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 11 to 13, 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. Detailed Revenue Budgets for 2019 to 2020

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

Noted:

2.1. That, on 5 March 2019, when setting the budget and Council Tax levels for 2019 to 2020, the Council delegated powers to the Head of Finance to revise the approved General Fund revenue budget, following confirmation of outstanding funding levels from the Scottish Government.

2.2. That the Scottish Government revenue grant funding to the Council for financial year 2019 to 2020 had been confirmed at £75,299,000, with additional funding, amounting to £475,000, anticipated in respect of the increase to teachers' pension contributions, thereby increasing the revenue grant funding to £75,774,000.

2.3. That the General Fund revenue budget for financial year 2019 to 2020 had now been set at £84,154,900.

2.4. The detailed revenue budgets for financial year 2019 to 2020, in respect of the undernoted services, attached as Annex 1 to the report by the Head of Finance:

- General Fund Services.
- Housing Revenue Account.
- Scapa Flow Oil Port.
- Miscellaneous Piers and Harbours.
- Orkney College.
- Corporate Holding Accounts.
- Strategic Reserve Fund.
- Orkney Islands Council Pension Fund.

3. Local Government Benchmarking Framework

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 the performance of the Chief Executive's Service and Corporate Services against the Local Government Benchmarking Framework Indicators for 2017 to 2018, attached as Appendix 1 to the joint report by the Chief Executive and the Executive Director of Corporate Services.

4. Annual Equality and Mainstreaming Report

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 Head of HR and Performance, the Committee:

Noted:

4.1. The Council's legal requirement in respect of its equality duties, as detailed in section 3 of the report by the Executive Director of Corporate Services.

4.2. The Annual Equality and Mainstreaming Report 2018 to 2019 for Orkney Islands Council, Orkney Islands Council's Education Authority and Orkney Islands Area Licensing Board, attached as Appendix 1 to the report by the Executive Director of Corporate Services.

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

4.3. That the Annual Equality and Mainstreaming Report 2018 to 2019, attached as Appendix 1 to this Minute, be approved in so far as it related to the remit of the Council.

5. Workforce Plan

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 Head of HR and Performance, the Committee:

Resolved to **recommend to the Council** that the Orkney Islands Council Workforce Plan 2019 to 2022, attached as Appendix 2 to this Minute, be approved.

6. Local Government Pension Scheme – Employer Discretions

After consideration of a report by the Head of Finance, together with Equality Impact Assessments, copies of which had been circulated, the Committee:

Noted:

6.1. That, following implementation of the Local Government Pension Scheme (Scotland) Regulations 2018, the Council was required, as a Local Government Pension Scheme Employing Authority, to formulate and publish discretionary policies.

6.2. That the Council was required, as a Local Government Pension Scheme Employing Authority, to update its flexible retirement policy to comply with changes to legislation which had taken place since the original policy was approved.

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

6.3. That the Employing Authority discretionary policies, attached as Appendix 3 to this Minute, be approved.

6.4. That the Flexible Retirement Policy, attached as Appendix 4 to this Minute, be approved.

7. Regulation of Investigatory Powers

After consideration of a joint report by the Chief Executive and 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:

7.1. That, on 1 May 2018, the Council approved updated policies and procedures in connection with the exercise of its statutory powers to conduct covert surveillance.

7.2. That Codes of Practice, issued by the Scottish Government in February 2018, relating to the use of covert surveillance and covert human intelligence sources by public authorities, were used as models for the Council's policies and procedures.

7.3. That, in terms of the Codes of Practice issued by the Scottish Government, the policies and procedures of a local authority relating to its use of covert surveillance should be reviewed by Elected Members at least once a year.

7.4. That, since 1 May 2018, there had been no changes in the law or to relevant guidance in connection with the Council's statutory powers to conduct covert surveillance.

7.5. That, since 1 May 2018, there had been no cause by the Council to exercise its statutory powers to conduct covert surveillance.

7.6. That, consequently, the following policies and procedures, attached as Appendices 1 to 5 respectively to the joint report by the Chief Executive and the Executive Director of Corporate Services, could continue in their existing terms for a further period of one year:

- Policy on Use of Covert Human Intelligence Sources.
- Procedure for Authorisation of the use of Covert Human Intelligence Sources.
- Policy on Covert Surveillance.
- Procedure for Authorisation of Covert Surveillance.
- Surveillance through Social Media Policy.

8. Cyber Resilience Strategy for Scotland

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 Head of IT and Facilities, the Committee:

Noted progress made over the last 12 months to meet the requirements of the Cyber Resilience Strategy and Action Plan, as outlined in section 4 of the report by the Executive Director of Corporate Services.

9. Police and Fire Sub-committee

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 26 February 2019, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Andrew Drever, seconded by Councillor Gwenda M Shearer, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 26 February 2019, attached as Appendix 5 to this Minute, as a true record.

10. 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.

11. Pension Fund Sub-committee, together with Pension Board

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 the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 27 February 2019, 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 Pension Fund Sub-committee, together with the Pension Board, held on 27 February 2019, attached as Appendix 6 to this Minute, as a true record.

12. Investments 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 paragraphs 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 28 February 2019, 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 Investments Sub-committee held on 28 February 2019, attached as Appendix 7 to this Minute, as a true record.

13. Asset Management 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 paragraphs 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 28 March 2019, copies of which had been circulated, the Committee:

Resolved:

13.1. On the motion of Councillor W Leslie Manson, seconded by Councillor Robin W Crichton, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 28 March 2019 as a true record.

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

13.2. That the recommendation at paragraph 5.3 of the Minute of the Meeting of the Asset Management Sub-committee held on 28 March 2019, attached as Appendix 8 to this Minute, be approved.

14. Conclusion of Meeting

At 12:30 the Chair declared the meeting concluded.

Signed: James W Stockan.

Annual equality and mainstreaming report

2018 - 2019

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Who we are

The Orkney Islands are an archipelago of 70 islands off the north coast of Scotland. Nineteen of the islands are populated, with 80 percent of the 21,850 population living on the main island, Mainland.

Orkney has the smallest population of any council area in Scotland making up 0.4 per cent of the Scottish population.

Orkney has a growing population. It increased from 19,200 in 2001 to approximately 22,000 in 2017, with an increase of 0.7 per cent from 21,850 in 2016. It has an ageing population profile. The population aged 75 or over is expected to increase by 101 per cent by 2039. This presents a challenge in providing sustainable services, particularly in the outer islands. The outer islands show, in general, a gradual outward migration with a higher proportion of those leaving being younger people. This means the age profile of the outer islands is ageing at a higher level than the Mainland.

Maintaining good transport links is essential to ensure the social and economic sustainability of remote and sparsely populated communities. The council is responsible for major harbor operations at Scapa Flow, as well as a number of harbours, piers and six airfields, serving its islands communities. It also operates ferry services and works in partnership with service providers and the Scottish Government to maintain lifeline air services.

Orkney has a strong economy with very high employment levels. However, it has a relatively low wage economy with underemployment rather than unemployment as a significant factor. The council is one of the biggest employers on the islands, with a third of jobs in public administration, education and health sectors.

About us

Our mission is to work together for a better Orkney and through our work with The Orkney Partnership, we have developed a set of shared values that support an embedded approach to equality and fairness.

The council has systematic arrangements in place to ensure that equalities issues are part of decision-making processes. The council works closely with community planning partners on equalities, sharing an Equality and Diversity Strategy that is adopted and adapted for our specific requirements.

Resilience
Enterprise
Equality
Fairness
Innovation
Leadership
Sustainability

Introduction

Purpose

We collect, publish and monitor information about the diversity of our staff to help us check that we are supporting a culture of inclusion.

The report complies with section 6 of the Equality Act 2010; the duty to gather and use employee information.

This report provides detailed information about the data and trends of our workforce diversity. In line with the duty, employee information has been gathered and this report highlights:

- the diverse characteristics of employees and,
- information on the recruitment, development and retention of people as employees.

The organisation

On 31 December 2018, Orkney Islands Council employed 2,701 people. Most of our employees are non-teaching staff (86.6 per cent) with the remaining 13.4 per cent teaching staff. In April 2018 the council took direct responsibility for Orkney Towage staff. This has contributed to the workforce headcount increasing in comparison with the same count for the report last year. The like-for-like overall headcount excluding Towage staff for 31 December 2018 is 2,675 – a reduction of 19 compared with the headcount for 31 December 2017.

Our commitment

We are committed to promoting equality, which means recognizing that everyone has different needs and taking action to ensure that we are all able to participate in society. Our aim is that Orkney is a community where we all have the opportunity to fulfil our potential.

Orkney Islands Council is the public body responsible for all local government services in Orkney. We have an impact on many aspects of everyday life and our activities touch the lives of everyone living in our island community, from schools to the care of older people. Our 21 councillors meet regularly to make decisions about local services and about various aspects of life. These decisions are then implemented by our workforce. With equality at the heart of everything we do, we never forget that we are here to serve the public and have a big role to play in improving the quality of life enjoyed by people throughout the islands.

Mainstreaming equality

Mainstreaming is an approach to delivering equality within an organisation and it contributes to continuous improvement, better performance and better value. It is primarily a long-term strategy aimed at ensuring that equality principles and practices are integrated into every aspect of an organisation from the outset. The focus should not only be internal (mainstreaming equality principles into procedures and systems) but also external (mainstreaming equality principles into policies and customer service delivery). Mainstreaming provides a framework that facilitates and complements equalities legislation and other equality measures.

This simply means integrating equality into our day-to-day work. We take equality and fairness into account in the way we go about our business when acting as an employer, when planning and providing services and when making decisions.

Mainstreaming ensures that equality becomes part of our culture. This benefits both employees and service users who know that they will be treated fairly, and contributes to a continuous improvement and better performance.

Policies and practices

Policies and practices internal to our organisation should not be discriminatory. Equality and diversity issues are fully considered when developing new policies and processes and when they are reviewed periodically.

HR and Performance delivers a programme of workshops and training events for staff to ensure that our human resources policies and procedures are understood. This includes training on Recruitment and Selection, Grievance, Managing Sickness Absence, Dignity at Work and Learning and Development policies. Most recently, our Sickness Absence policy awareness has included additional information relating to supporting employees with disabilities from Remploy. HR are also now promoting the Mental Health Support Service that is available to all employees funded through the Access to Work scheme when providing advice and guidance to managers and employees.

Communication

All Council documents can be translated or made available in different formats or languages upon request. Signage to this effect is displayed within our Customer Services areas, on our website and on individual documents.

Many members of Orkney's local ethnic communities can speak English. However, to help those who cannot, we are contracted to a telephone interpretation service with Language Line, a company which can offer a 24 7 interpretation service in 150 languages and which only uses fully qualified interpreters.

We continue to provide audio casting of meetings in the Council Chamber so people can choose to either listen live or listen again to the meetings. Recordings of the meetings are made available via the website and timings are listed in order for people to easily find a specific item along with the relevant committee reports.

As part of the council website review, we will be implementing ReciteMe as our new provider of services for translation and accessibility. ReciteMe gives obvious translation and accessibility tools that are proven to work across all devices so we can provide improved accessibility for visitors to easily access content more readily.

Improving communication for service users



Visitors to St Magnus Cathedral can now access an app providing an audio-visual guide to the building.

The guide can be accessed through a phone or tablet when entering the cathedral and offers users access to an array of digital content about the cathedral including images, short videos and audio-descriptions.

Instructions for accessing the app are available at the front door of the cathedral and all users need are some headphones to enjoy the full range of content available.

The digital content creates an enhanced, informative and educational visitor experience unlike any other currently available in Orkney, helping to re-imagine the cathedral for the 21st century and enhancing its appeal for a wider audience.

Assessing impact

The council has systematic arrangements in place to ensure equalities issues are part of decision-making processes. The Equality Impact Assessment process ensures that we consider the impact that various policies, strategies, activities and approaches have on different groups, both within our organisation and for the wider public. Equality impact assessments aim to help ensure our services are fair. They provide an opportunity to stop or revise a policy or function which is potentially unfair or unlawful. They identify mitigating actions wherever possible to minimise any adverse impacts. They also identify opportunities for positive impacts such as advancing equality of opportunity and fostering good relations. We use internal and external data to provide evidence for the assessments and consult directly with equalities groups as required. Impact assessments are organic documents and are developed and added to as a project or plan progresses.

‘The assessments are included with decision-making papers to committees and full council. Equalities is evident in the councils strategic planning, with the corporate value of Promoting equality and fairness prominent in its council plan.’

Best Value Assurance Report 2017

Following the introduction of the Fairer Scotland Duty in 2018, the impact assessment process has been revised to include assessment of impact relating to socio-economic disadvantage. Whilst the duty is being implemented over a three-year period, the council has taken an interim approach to integrate the Fairer Scotland Duty as part of the equality impact assessment process. This approach will be reviewed in-line with the emergence of best practice approaches over this period.

As a result of the review of the Equality Impact Assessment process the council has elected to include Care Experienced and Isles-proofing as additional themes to better assess the impact of our policies on these groups and to further improve our services for all. Young people who are care experienced can often be treated differently, often negatively, because of their care identity. By including care experienced in our impact assessment process we are able to ensure that people from this group are considered in the same way as those with protected characteristics. This means we provide the same protection for care experienced young people in terms of discrimination because of their care identity, that we can raise awareness about the discrimination faced by this group and improve the support and services available. It also ensures that our corporate parenting responsibilities and our work on equalities is better aligned.

Whilst the introduction of the Islands (Scotland) Act 2018 places a duty on the Government to ensure its policies and strategies are Island-Proofed, the Council is ensuring that its own policies, strategies and services are ‘isle-proofed’ through the integration of isles-proofing in the Equality Impact Assessment process. This means that

the council can make sure that any policies have been developed with due regard to Orkney's Isles communities. Where a proposal is anticipated to have a significantly different effect on an isles community compared with other communities in Orkney, the assessment process requires detail about the type of likely impact and any subsequent mitigating measures or actions that can improve these outcomes.

Following the review of the Equality Impact Assessment process, an updated accompanying guidance has been made available to aid the completion of the assessment. There have been Equality Impact Assessment awareness sessions run and more are planned for the coming year.

Consultation and engagement

The council has a well-developed range of consultation approaches based on partnership working and the National Standards for Community Engagement. There is a Consultation and Engagement Group that meets quarterly that keeps the Community Consultation and Engagement Guide refreshes and facilitates consultation and engagement workshops to staff. These workshops include sessions on equality and inclusion best practice to further improve the way in which the council engages with the public.

More recently, work has been underway to establish a Community Consultation and Engagement Policy to further enhance the effectiveness of the council approach. The work has re-focused our aim to be an accessible council which is well informed about the issues that matter to Orkney's individuals and communities, including those seldom heard. The policy provides specific guidance on requirements relating to a range of equalities themes including socio-economic disadvantage, peripherality and isles-proofing as well as engaging with seldom-heard groups.

Staff survey

The most recent employee survey saw an increased rate of return from staff compared to the previous survey. Whilst there were a number of areas that have seen improvement on the previous survey including availability of learning and development opportunities, more information available to employees and increased opportunities to contribute to team future plans, there are areas that still require further improvement.

The key areas identified for actions based on the survey results are behaviours at work, communication and engagement and working environment and wellbeing.

An action plan has been developed to address these areas and some early actions are already underway and are detailed in this report.

Raising awareness

As part of induction to Orkney Islands Council, all new employees are required to complete an e-learning course which aims to raise awareness about the importance of equality and diversity. The course covers equality legislation and is designed to encourage staff to think about and challenge their own perceptions. Equality and diversity awareness is also one of the core mandatory courses and is completed periodically by all staff. Equality and diversity awareness forms part of the induction programme for elected members, as well as ongoing briefings relating to the general equality duty updates on changes to equality legislation other equality related topics.

In the past year there has been a key focus on raising awareness around stress, mental health and wellbeing in the workplace.

Mental health, wellbeing and stress in the workplace



The Senior Management Team and union representatives made a commitment this year to introduced more regular health and safety campaigns, building on the work done to date in this area, and in addition to the essential training already on offer.

The first area of focus was tackling workplace stress and a campaign was developed to include a series of events throughout the year. These events were designed to provide employees with the tools and resources to help themselves or colleagues to tackle stress.

The events included:

- Stress management for managers
- Managing personal stress
- Mentally healthy workplace training
- Dealing with difficult people
- Dealing with conflict

On offer alongside these events was an 8-week Mindfulness programme offered to employees, following a taster session run earlier in the year which generated some positive feedback. The course focused on mindfulness approaches and how it can help us to cope with stressful situations.

Yoga for stress sessions were facilitated by the council to complement the programme of events. These classes were run once a week during lunch and were specifically designed to support employees to develop techniques and tools to help calm the body

and mind, using breath, mindfulness techniques, postures and guided relaxation that can then be practices at home or in the office.

Tackling unwanted behaviours at work

The most recent staff survey highlighted concerns over some behaviours between colleagues at work. Following the previous staff survey a Dignity at Work First Contact Officer role was developed and volunteers were recruited across service areas to offer impartial assistance and guidance for employees experiencing difficulties in the workplace. Building on the success of these roles, a refreshed recruitment drive was launched to encourage additional representatives to take on the role. There was a good response to the advert and a number of additional volunteers are now underway with their initial training.

The council proudly supported Anti-bullying Week in 2018 to raise awareness of tackling inappropriate behaviours in the workplace. The campaign saw an Anti-bullying poster circulated to all teams to display in prominent areas, reminding staff of the types of behaviours that can constitute bullying or harassment at work, a reminder of the council's zero-tolerance approach to bullying and signposting to further resources such as the Dignity at Work policy and the Dignity at Work First Contact Officers. Accompanying the circulation of the poster were two emails giving some additional information. The first email explained why the council was supporting Anti-Bullying week and giving information on the importance of role model behaviour as every employee plays a part in making the workplace a positive and supportive place to be. The second email provided some tips on how to take action to challenge unwanted behaviours at work before they escalate further. The campaign was welcomed by employees, managers, elected members and union representatives.

Anti-Bullying in education



Recognising the long and short term impact that bullying can have on the physical and mental health and wellbeing of children and young people, and the further impact that this can have on learning and development, there has been Following the development and launch of the strategic Anti-bullying Policy for our Children and Young People, all settings are now reviewing and updating their existing policies against the strategic policy ensuring that they meet current national and local guidance.

The aims of our anti-bullying policies include:

- Promoting respectful, positive relationships and behaviour in order to provide an environment where children and young people can thrive,

- Raising awareness of bullying and its impact on children and young people.
- Providing guidance for all adults, including parents and carers on recognizing and responding to bullying.
- Developing children and young people's skills and awareness in recognizing and responding to bullying.

As well as the focus on policy development, settings regularly raise awareness around the impact of bullying. At Papdale Halls of Residence they supported the Respectme, Choose Respect Campaign last year. The first stage of the campaign is about encouraging young people to reflect on who they are as individuals, the factors that influence how they behave and the impact their behavior can have on others. During Anti-Bullying week, the supported study sessions focused on self-reflection and activities were held throughout the week including my iceberg identity, circles of influence and acceptable or unacceptable.

Staff diversity and monitoring

When recruiting new staff, applicants are encouraged to fill out an equal opportunities monitoring questionnaire as part of their application. This part of the application process is voluntary as it does not form part of the selection process. This information is used to ensure that equality of opportunity is provided to all and can help to inform future improvements or actions relating to equalities.

Employees can update their own personal information held on the electronic HR system My View. This includes the ability to update details relating to most of the protected characteristics and can be updates at any time through the self-service system.

The council undertakes its equality duty to monitor and report on specific information about staff to help ensure that policies and practices are not discriminatory. Whilst employees are asked to keep their diversity information up to day, the council recognises that this is voluntary and not all staff chose to disclose all information. Since the introduction of the self-service element of the HR system, there has been a marked increase in disclosure rates relating to equalities information.

Note: Orkney Islands Council took on full responsibility of Orkney Towage staff in April 2018. As a result of this, the non-teaching headcount has increased compared with the same count for report the previous year. The like-for-like overall headcount, excluding Orkney Towage staff for 31 December 2018 is 2314. This is a reduction of 23 compared with the same count as at 31 December 2017.

This change has an impact on any direct comparisons of workforce data with figures from the previous year.

Introduction to our workforce

Our workforce gender profile shows that the largest percentage of employees at Orkney Islands Council is female, reflecting the trends within the wider public sector.

Just over 62% of our non-teaching workforce is part-time and around 83% of those part-time workers are women.

The ethnicity breakdown of our workforce remains similar to previous years with around half of our employees being White Scottish. A slightly higher proportion (1%) are from ethnic minority groups compared with the Orkney population figure or (0.8%). Declaration rates for ethnicity have increased this year by 6.1% for teaching staff and 2.6% for non-teaching staff.

3.7% of non-teaching staff at the council have declared a disability along with 1.9% of teaching staff. This is a very slight increase from last year. Declaration rates for non-teaching staff have improved by just over 2.5% and just over 5.5% from last year.

Among those employees who have declared their religion or belief, the majority have no religion or are Church of Scotland. Declaration rates for this area have increased by 5.7% for teaching staff and 2.6% by non-teaching staff.

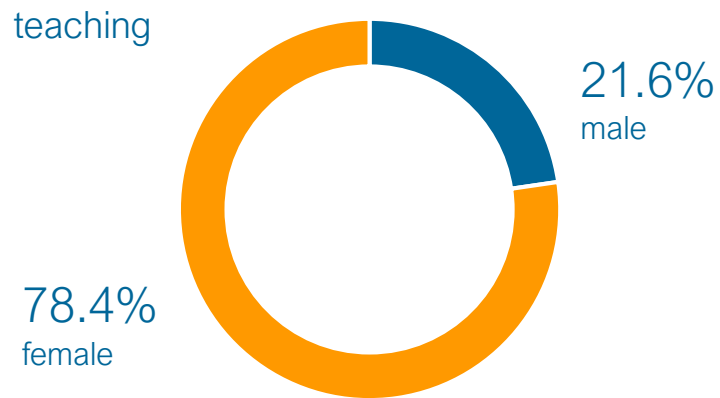
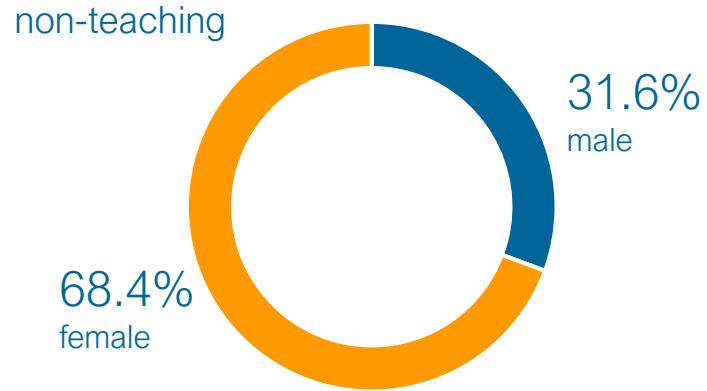
Of those who have shared information relating to their sexual orientation the majority of staff identify as heterosexual. Again, declaration rates have seen an increase in this area with a 7% increase for teaching staff and a 3% increase for non-teaching staff.

The majority of non-teaching staff at the council are aged 35 to 64 (73.6%). Just over 31% of non-teaching staff are aged 55+. Similarly, the majority of teaching staff are aged between 35 to 64 (77.6%). Almost 27% of teaching staff are aged 55+.

About our workforce

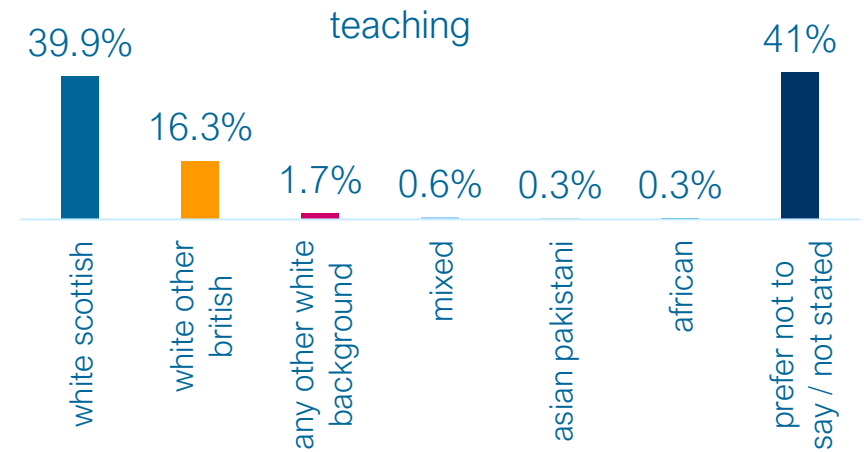
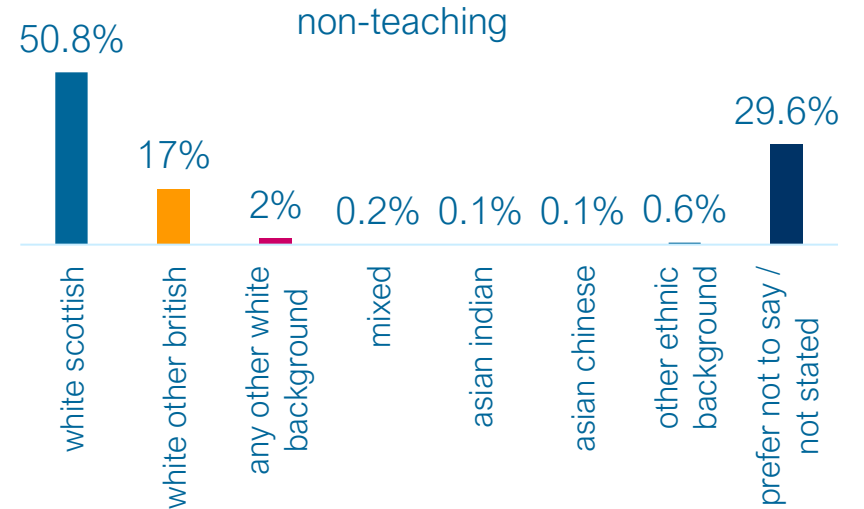
Gender

Current workforce by gender.



Ethnicity

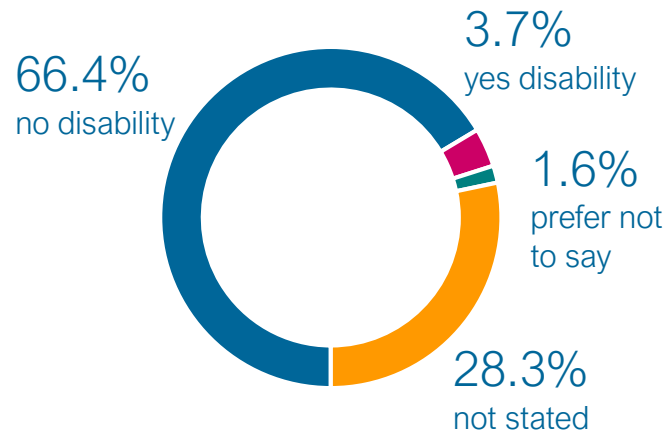
Current workforce by ethnicity.



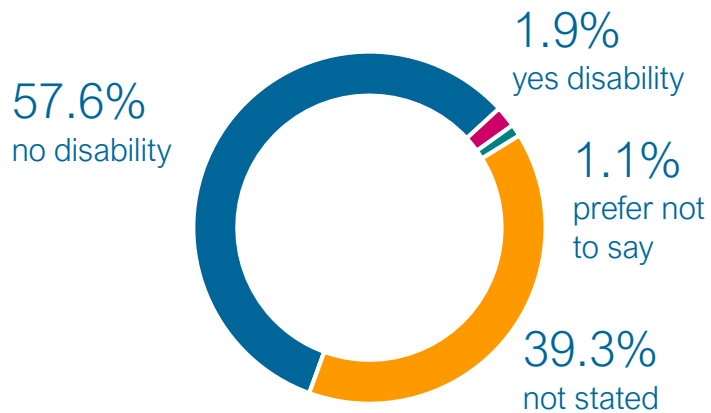
Disability

Current workforce by disability.

non-teaching



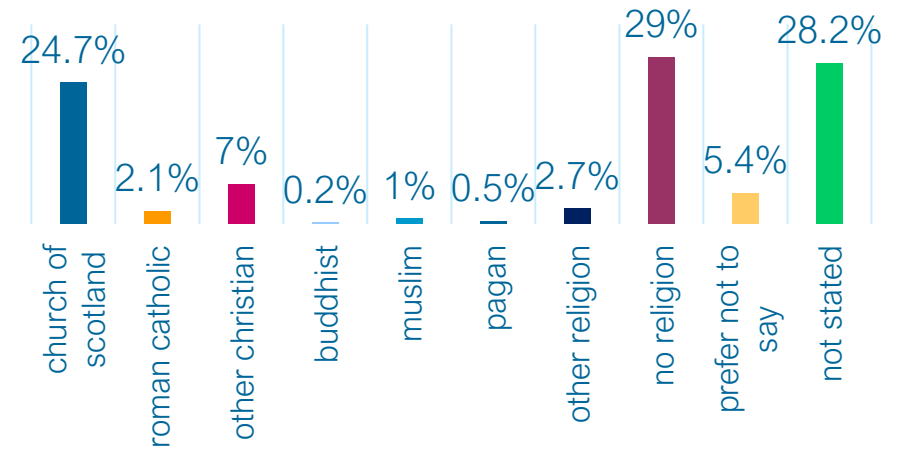
teaching



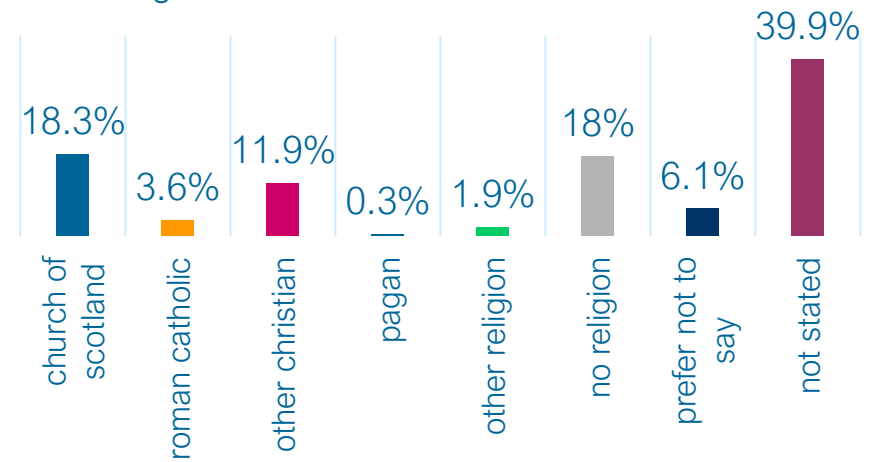
Religion

Current workforce by religion and belief.

non-teaching



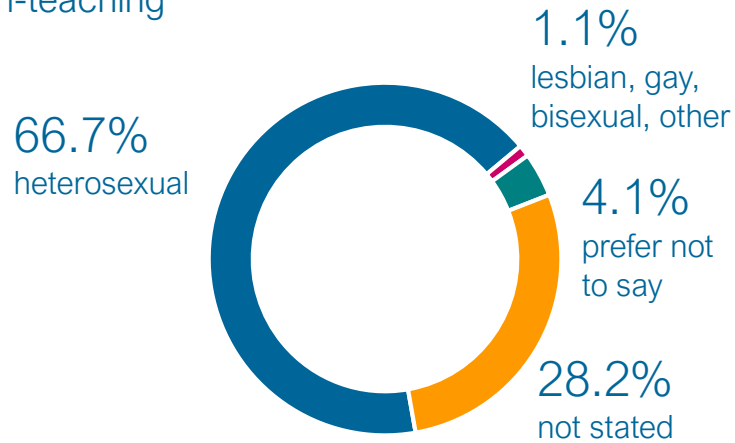
teaching



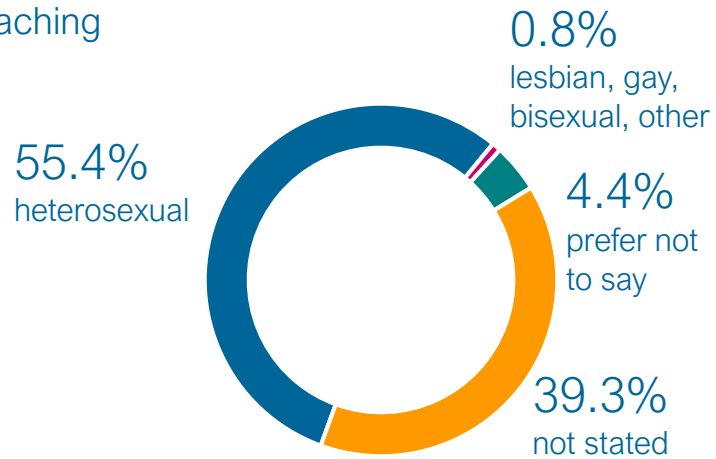
Sexual orientation

Current workforce by sexual orientation.

non-teaching



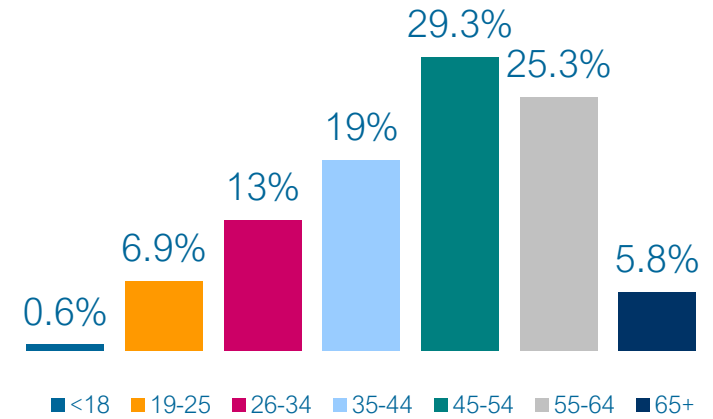
teaching



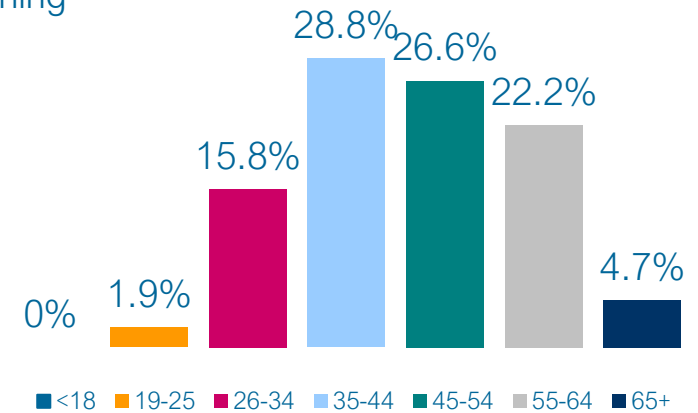
Age

Current workforce by age.

non-teaching



teaching



Gender pay gap

Orkney Islands Council is required to publish information on the percentage difference among our employees between men's average hourly pay (excluding overtime) and our women's average hourly pay (excluding overtime). This is known as the gender pay gap

The gender pay gap figures are calculated using the average (mean) as well as the median average which gives a greater indicator of any gender inequalities in pay.

The figures have been calculated based on each employee's main post to remove duplication and relief workers have not been included.

There are some service areas that are traditionally more male-dominated, such as Marine Services and now the Towage staff, which are not part of most councils' remit in Scotland. These services are competing for some staff with private industry in the islands such as the oil and renewable energy sectors and therefore the level of pay reflects this.

We are committed to ensuring the process to determine pay and conditions of employment for all our employees should be free from bias and should not discriminate.

For non-teaching staff, the gender pay gap has increased to 16.7% compared with 14.6% in 2017.

The gender pay gap for teaching staff has increased to 10.1% in comparison to the 2017 figure of 8.6%.

Gender pay gap data

Our gender pay gap information is based on a snapshot date of 31 March 2019.

Non-teaching staff.		
	Mean hourly rate.	Gender pay gap.
Female.	£11.62.	16.7%
Male.	£13.95.	

Non-teaching staff.		
	Median hourly rate.	Gender pay gap.
Female.	£11.32.	9.5%
Male.	£12.50.	

Teaching staff.		
	Mean hourly rate.	Gender pay gap.
Female.	£20.36.	10.1%
Male.	£22.65.	

Teaching staff.		
	Median hourly rate.	Gender pay gap.
Female.	£9.78.	-1.6%
Male.	£9.63.	

It is worth noting that the median calculation is less affected by extreme values such as a relatively small number of high earners. It gives a better indication of typical pay and inequalities experienced by the majority of women. The mean calculation captures differences across distribution and gives a clearer understanding of gender differences in income.

Gender balance among managers

The gender equalities statutory performance indicator (SPI) on the top 5% of Council earners who are women is reported annually in the Annual Performance Report. It is also published on the Scottish Local Government Benchmarking Framework website.

The gender equalities SPI is included in this report to enable the data to be considered alongside information on staff profiles and the gender pay gap.

The purpose of this performance indicator is to ensure that there are no barriers for women in our employment and to identify any trends in comparison from previous reports.

The addition of Towage staff for this reporting year inserts two wage groups into the top 5% category, resulting in four wage groups dropping below the Top 5% threshold.

The group joining the top 5% consists exclusively of men, whilst the dropped group consists of a similar ratio of men and women. This negatively affects the gender pay balance as half of the men but none of the women who were dropped, are replaced.

Without the addition of Towage staff for this reporting year, there would have been a small increase in the proportion of women in the top 5% when compared with the previous year's figures.

Top 5% of earners data

The data below are a snapshot as at 31 March 2019.

Performance indicator.	Target.	Percentage.
The percentage of the highest paid 5% of earners among council staff who are women.	50/50 to 60/40 = Green. 61/39 to 70/30 = Amber. 71/29 to 100/0 = Red.	Men = 71.1% Women = 28.9%

There has been a drop in the gender balance in more senior posts in comparison with figures for 2018 which was at 37.6%.

The national figure for gender balance in more senior posts in councils was 54.6% in 2018.

It is useful to note that Orkney Islands Council does not contract out many areas of frontline service such as care, cleaning and catering, which traditionally have largely female workforces, when compared to other Councils which do contract out these areas of work.

We acknowledge that it may be several years before the gender pay gap is reduced or removed completely. In the meantime, we remain committed to monitoring our equalities duties and workforce profile in order to continue to improve, and to use this data to inform the actions for our Equality Outcomes.

Recruitment

Orkney Islands Council is committed to ensuring that its recruitment process is inclusive and accessible to all. Candidates are assessed solely on the basis of their competency to do the job.

In 2018 Orkney Islands Council became a Disability Confident Committed Employer. This recognises the commitment to encouraging job applicants from people with disabilities and supporting employees who have a disability.

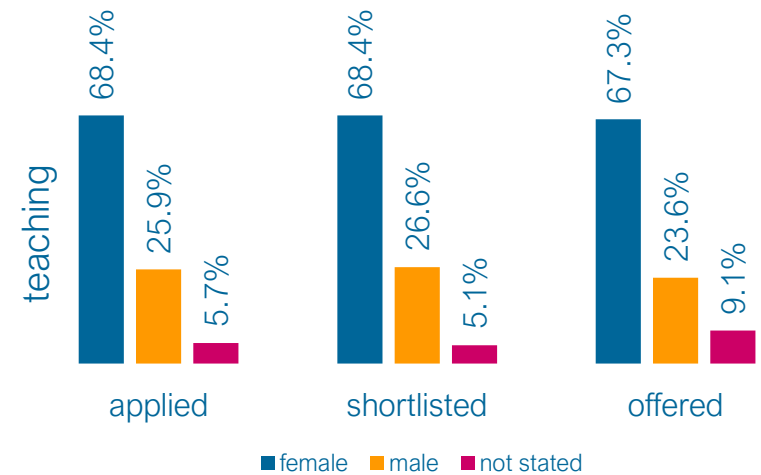
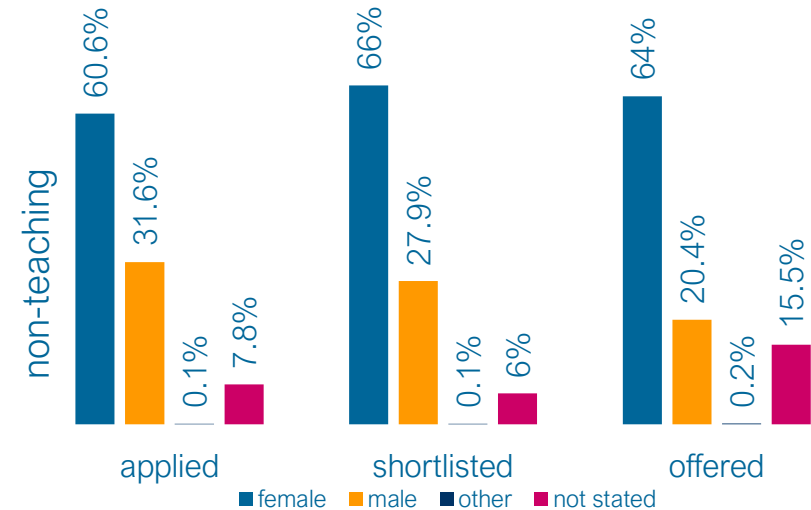
The data in this section covers the period from 1 January until 31 December 2018.

The Education Authority is an integral part of Orkney Islands Council with a remit that covers a range of services. For the purposes of this report, separate statistics have been produced for teaching staff.

Orkney Islands Area Licensing Board does not have any employees and therefore there are no separate statistics listed. The staff who support the work of the Board are council employees.

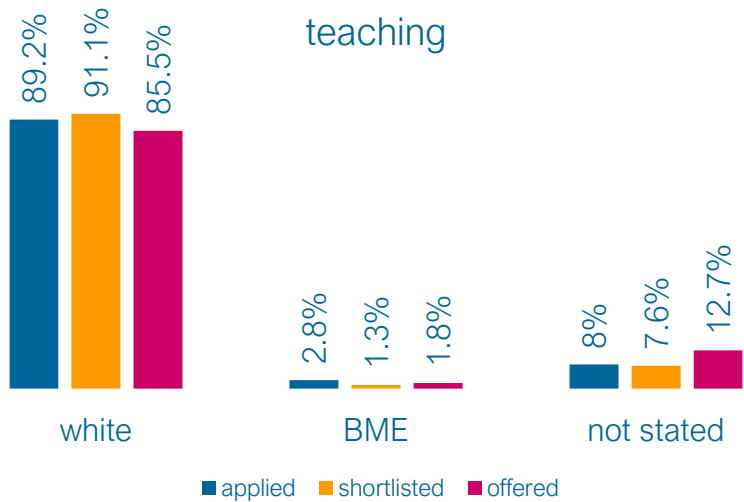
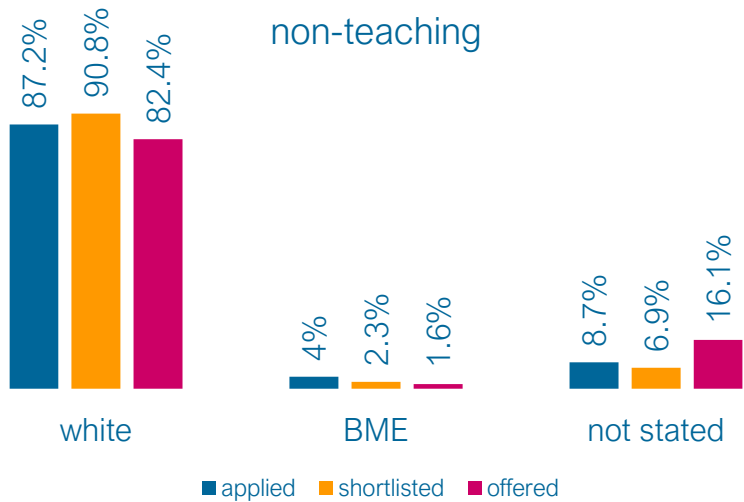
Gender

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by gender.



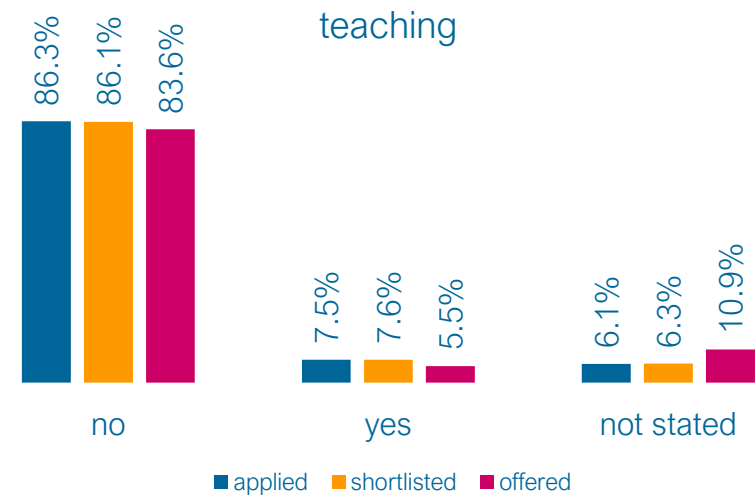
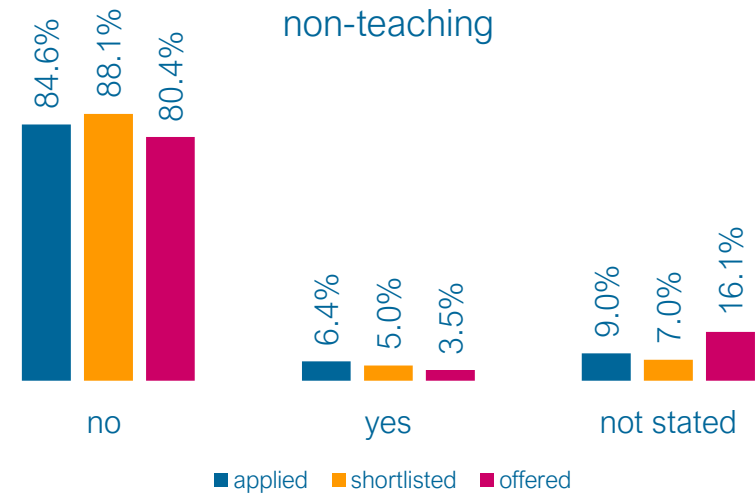
Ethnicity

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by ethnicity. (BME = Black Minority Ethnic).



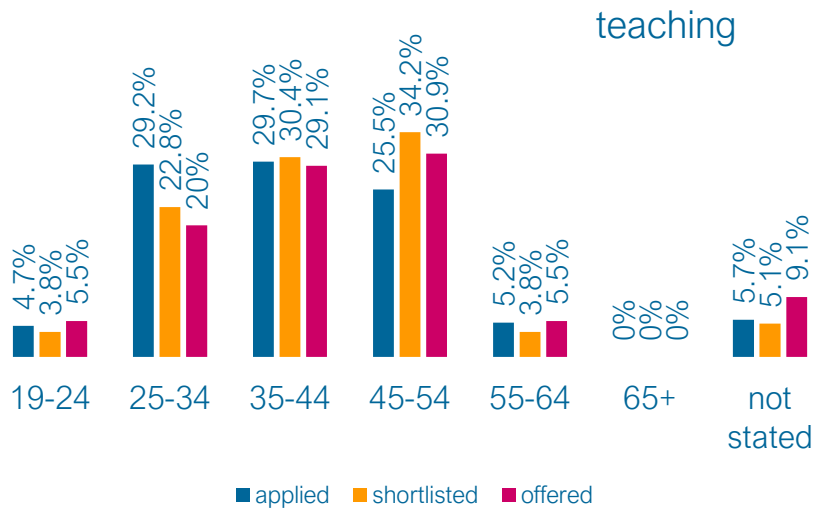
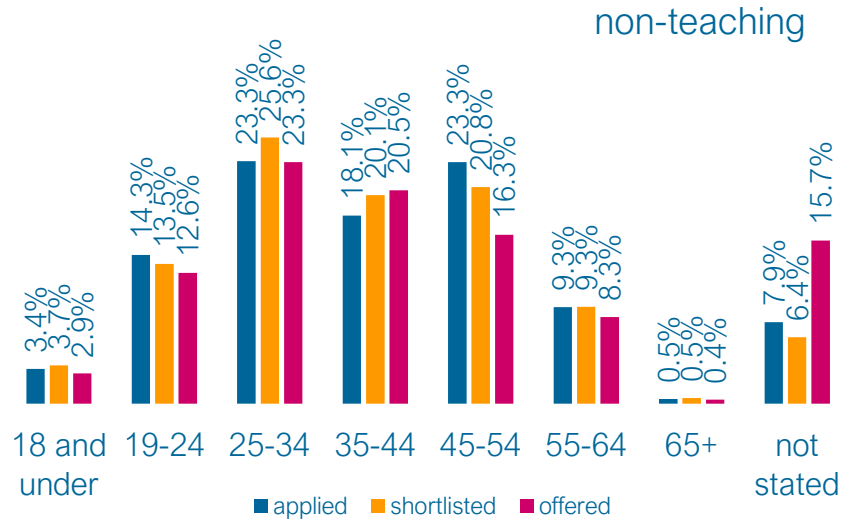
Disability

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by disability.



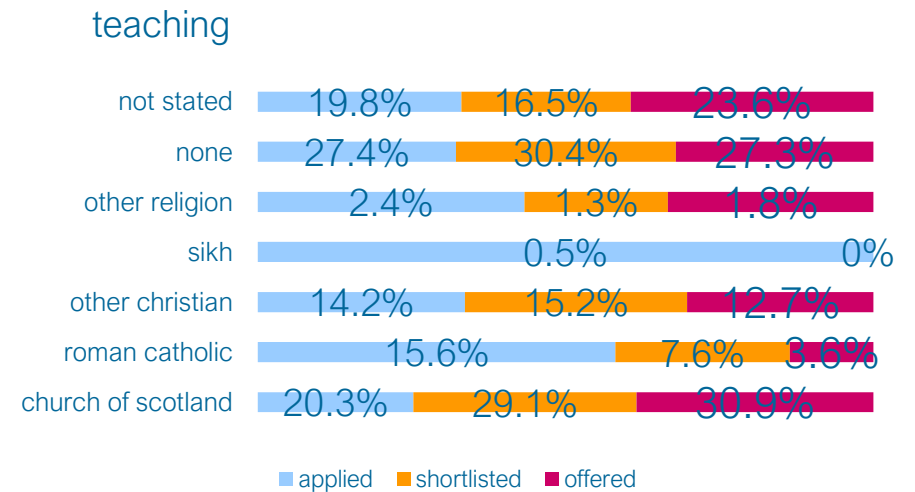
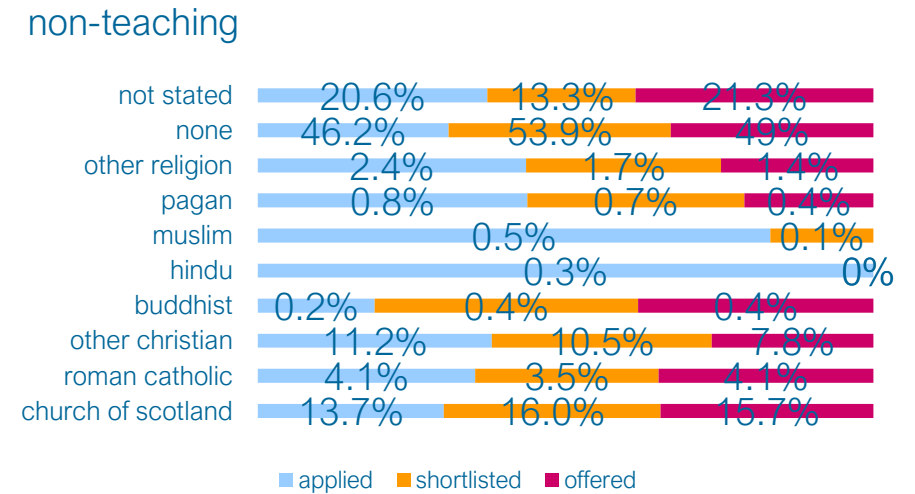
Age

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by age.



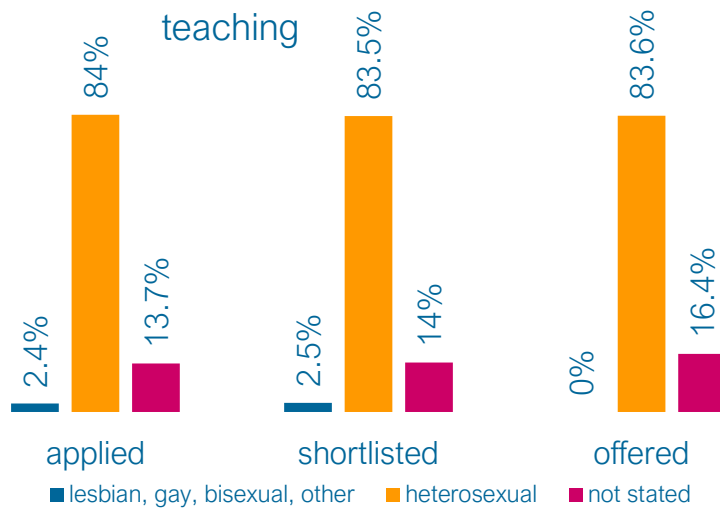
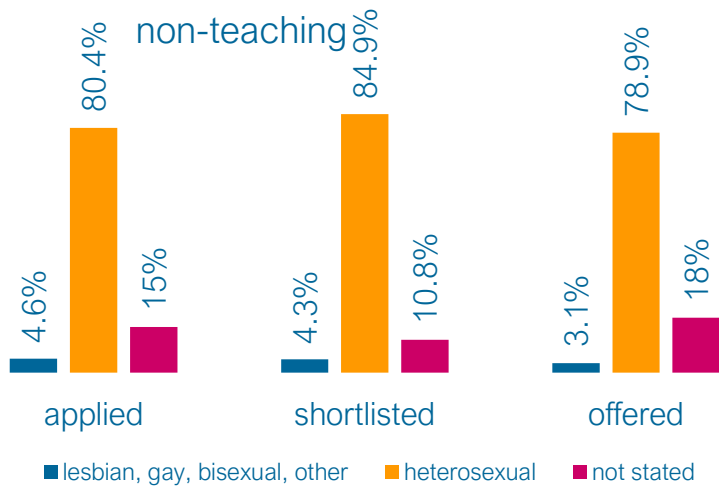
Religion and belief

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by religion and belief.



Sexual orientation

Proportion of applied, shortlisted and offered non-teaching and teaching candidates by sexual orientation.



Summary

The council and teaching figures show that around three fifths of applications, shortlisted and offered candidates were female.

Candidates with a White ethnicity were the largest group submitting 87.2% of council applications and 89.2% of teaching applications. We are still attracting applicants from a range of ethnic minority backgrounds and figures show proportionate results.

6.4% of council applicant indicated they have a disability and 7.5% of teaching applicants indicate a disability. There has been an increase in the number of successful candidates indicating a disability being offered jobs compared with previous years.

For council jobs the number of applicants, shortlisted and offered candidates are divided fairly evenly between the age groups that are under 55, which is consistent with previous reports. For teaching posts candidates are fairly evenly spread between the age ranges from 25 to 54.

For council posts the largest group of applicants, shortlisted and offered candidates have no religion or belief. For teaching posts, the largest group offered jobs identify as Church of Scotland.

There has been an increase in application from people identifying as lesbian, gay, bisexual or other sexual orientation across council and teaching posts.

Promotions

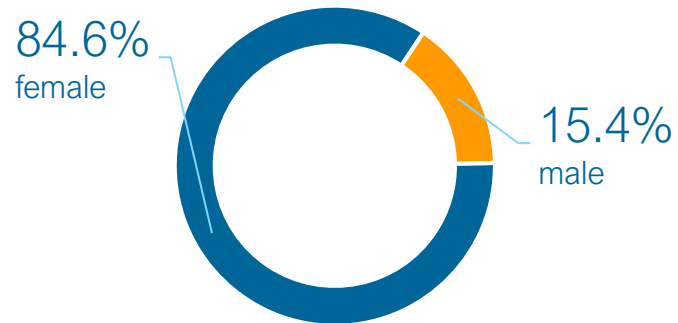
Gender

Proportion of promotions for non-teaching and teaching staff by gender.

non-teaching



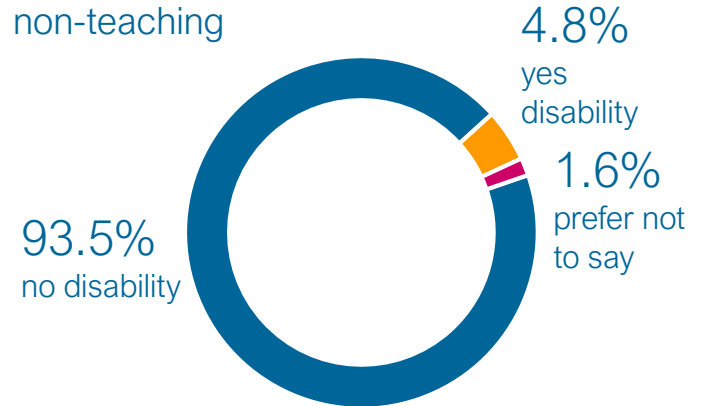
teaching



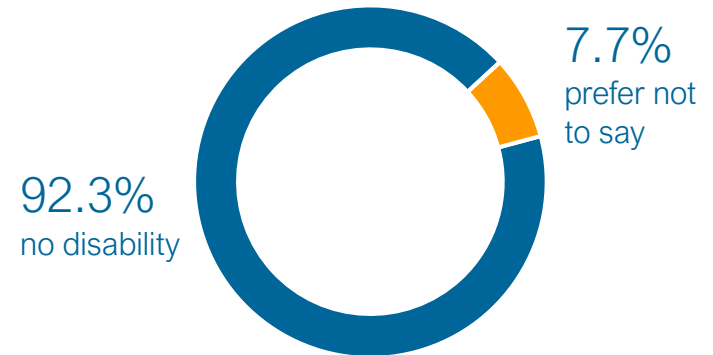
Disability

Proportion of promotions for non-teaching and teaching staff by disability.

non-teaching

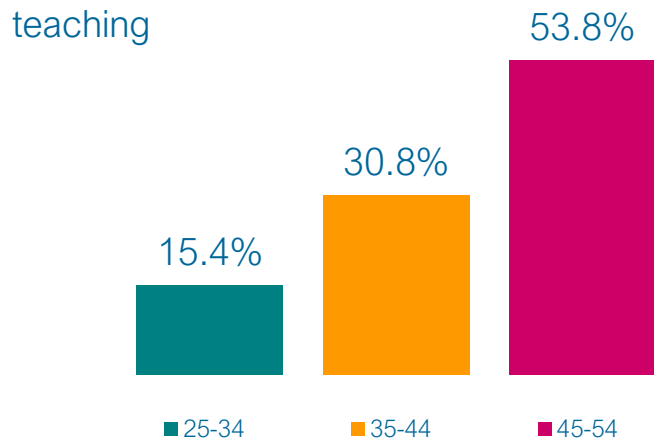
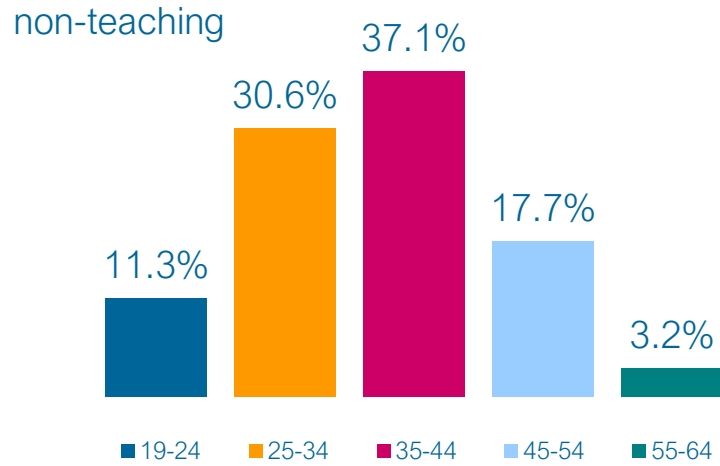


teaching



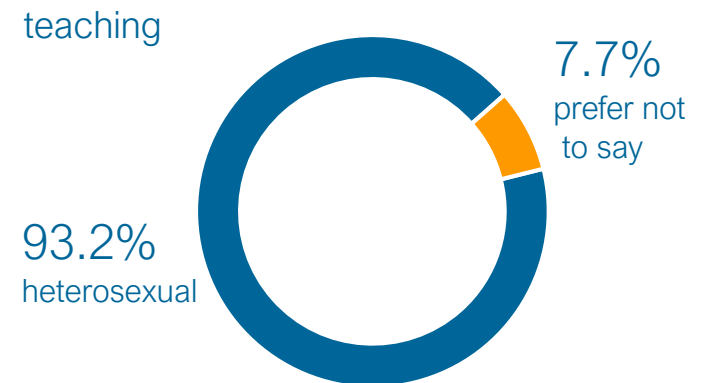
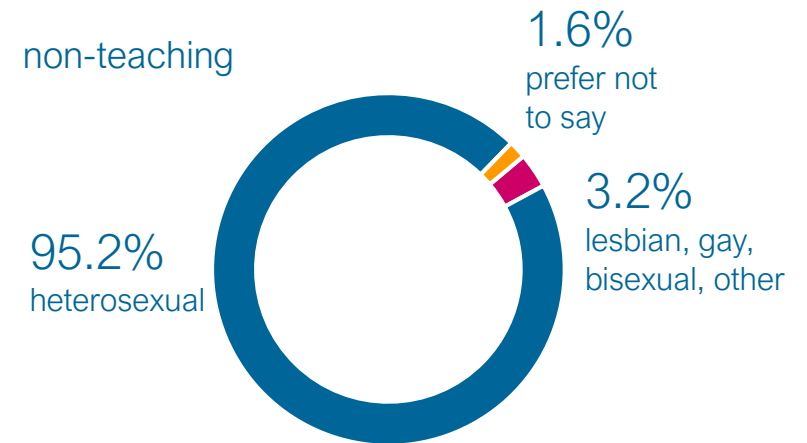
Age

Proportion of promotions for non-teaching and teaching staff by age.



Sexual orientation

Proportion of promotions for non-teaching and teaching staff by sexual orientation.



Performance Management

Gender

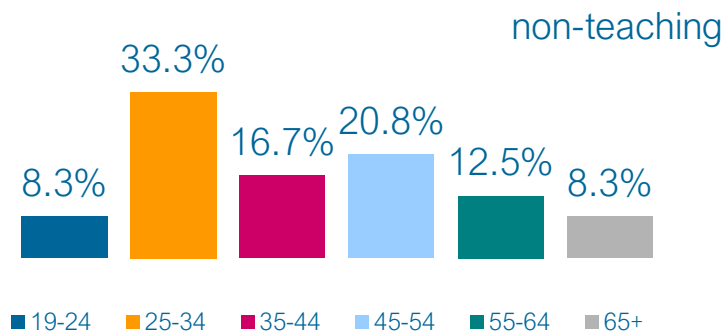
Grievance, disciplinary and dignity at work cases by gender for non-teaching staff. Figures for cases relating to teaching staff are 50% male and 50% female.

non-teaching



Age

Grievance, disciplinary and dignity at work cases by age for non-teaching staff. Figures for cases relating to teaching staff are too low to publish.



Training courses completed

Gender

Training courses completed by gender for non-teaching and teaching staff.

non-teaching



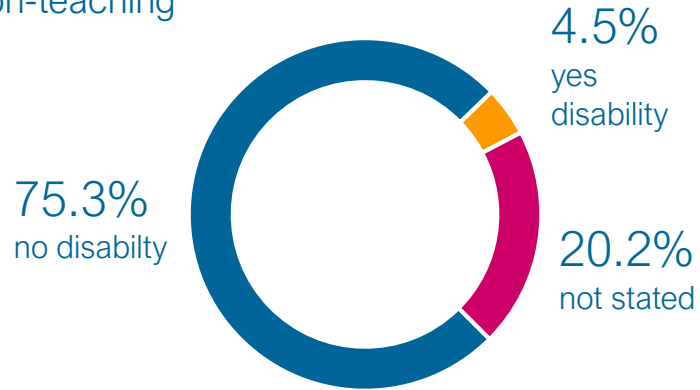
teaching



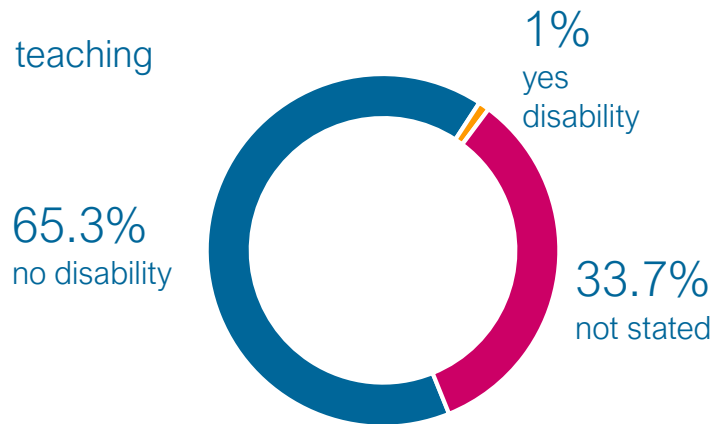
Disability

Training coursed completed by disability for non-teaching and teaching staff.

non-teaching



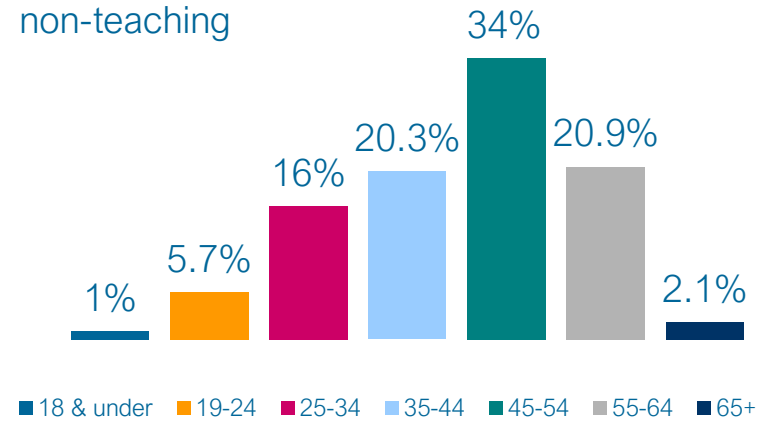
teaching



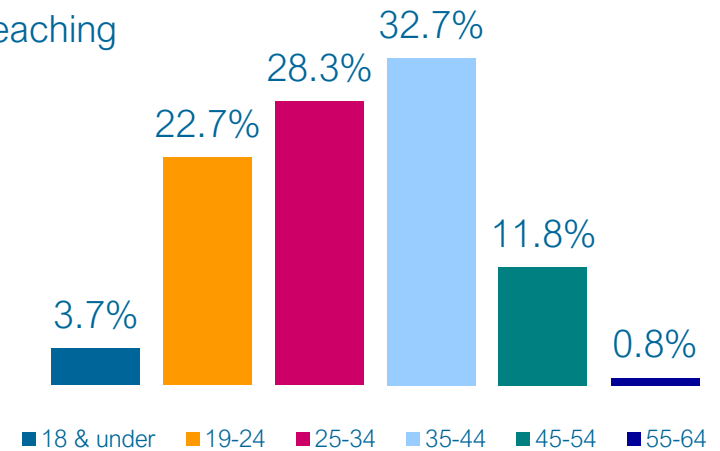
Age

Training coursed completed by age for non-teaching and teaching staff.

non-teaching

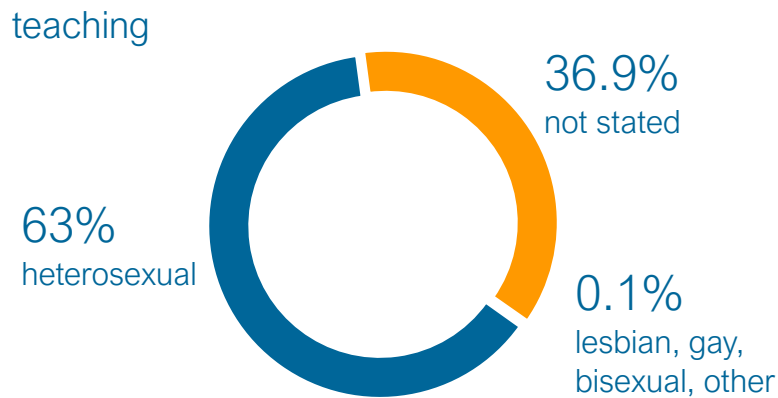
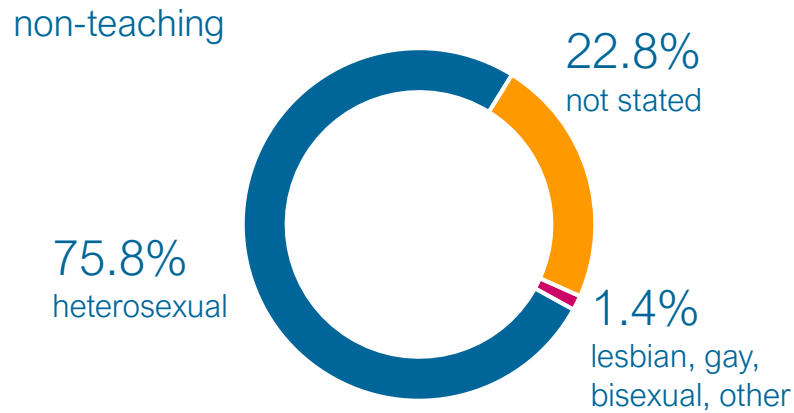


teaching



Sexual orientation

Training courses completed by sexual orientation for non-teaching and teaching staff.



Maternity and Paternity leave

In 2018 the council had

- 55 employees starting maternity leave.
- Fewer than 10 employees started adoption leave.
- Fewer than 10 employees took paternity leave.
- Fewer than 10 employees reserved their position on returning to work.

50 employees were due to return from maternity leave in 2018 and fewer than 10 employees decided not to return to work, and no flexible working requests were made when returning from leave.

These figures are consistent with previous years.

Summary

Figures for promotions, performance management, training courses and maternity and paternity leave are consistent with previous reports.

The highest proportion of promotions by age for council staff is from the 35 to 44 age group.

For teaching promotions, the highest proportion is from the 45 to 54 age group. This is a change from the last report where the highest proportion was from the 35 to 44 age group.

Meeting the specific duties of the Equality Act

Duty.	Requirements.	Frequency.	Last published.
Mainstreaming progress.	Publish a report on progress made to make the equality duty integral to the exercise of functions.	At least every two years.	This report April 2019.
Equality outcomes.	Publish a set of equality outcomes using available evidence relating to protected characteristics.	At least every four years.	April 2018.
Progress against equality outcomes.	Publish a report on the progress made to achieve the equality outcomes.	At least every two years.	April 2018.
Equality Impact Assessments.	Conduct equality impact assessments for new and revised policies, plans and processes and publish these.	Ongoing.	Ongoing on our website.
Gather and use employee information.	Gather information on staffing mix and recruitment and development against protected characteristics.	Annual.	This report April 2019.
Include employee information in mainstreaming report.	Include employee information and progress made in gathering and using this in mainstreaming report.	At least every two years.	This report April 2019.
Gender pay gap information.	Publish percentage difference between hourly pay rates for men and women.	At least every two years.	This report April 2019.
Statement on equal pay policy and occupational segregation.	Publish equal pay policy and analysis of employment by grade or role for men and women, disability and race.	At least every four years.	April 2017.



Orkney Islands Council
WORKFORCE PLAN
2019 - 2022

Introduction

- 1.1 Orkney Islands Council's Workforce Plan recognises that people are at the heart of everything we do. Through the hard work, dedication and commitment of our employees, we deliver essential services for the people of Orkney. We seek to make a positive difference in many people's lives through a diverse workforce who help our young people grow and learn, care for our older and vulnerable people, and protect and develop our infrastructure and communities.
- 1.2 The Council, like other public sector organisations, continues to face a period of sustained challenge with reductions in public services funding. As demand for particular services increases, we need to deliver improving services with significantly less money.
- 1.3 Within this context, we are confident that our commitment to improvement combined with prudent financial management has prepared us well to meet the challenges ahead. However, our ability to continue as a successful organisation will again rely on the commitment and talent of our employees working together with elected members, partners and communities.
- 1.4 We will need to continue to investigate better ways of delivering services at lower cost. For our workforce, this means we will need to develop new skills and ensure there is adequate capacity to lead and manage change and service redesign. The increased digitalisation of services presents an opportunity to deliver outcomes more efficiently and effectively but also requires investment in our staff to ensure they have the appropriate skills.
- 1.5 We will require our staff to adapt as we will be doing new things and delivering services in different ways. We may have fewer staff, although we will continue to be the largest employer in the County with a diverse workforce. We will investigate ways in which we can work more flexibly, with less traditional job roles.
- 1.6 Throughout the changes we need to make, the Council will endeavour to protect services and jobs as far as is reasonably possible.
- 1.7 All the Council has achieved and all it can be is supported by our employees - our skills, knowledge, experience, our drive, enthusiasm and commitment, our creativity and innovation and our leadership and management.

Contents

- Introduction
- Aims and Objectives
- Current Structure
- The Workforce
- Local Demographics
- Key Priority 1
- Key Priority 2
- Key Priority 3
- Implementation
- Monitoring and Review

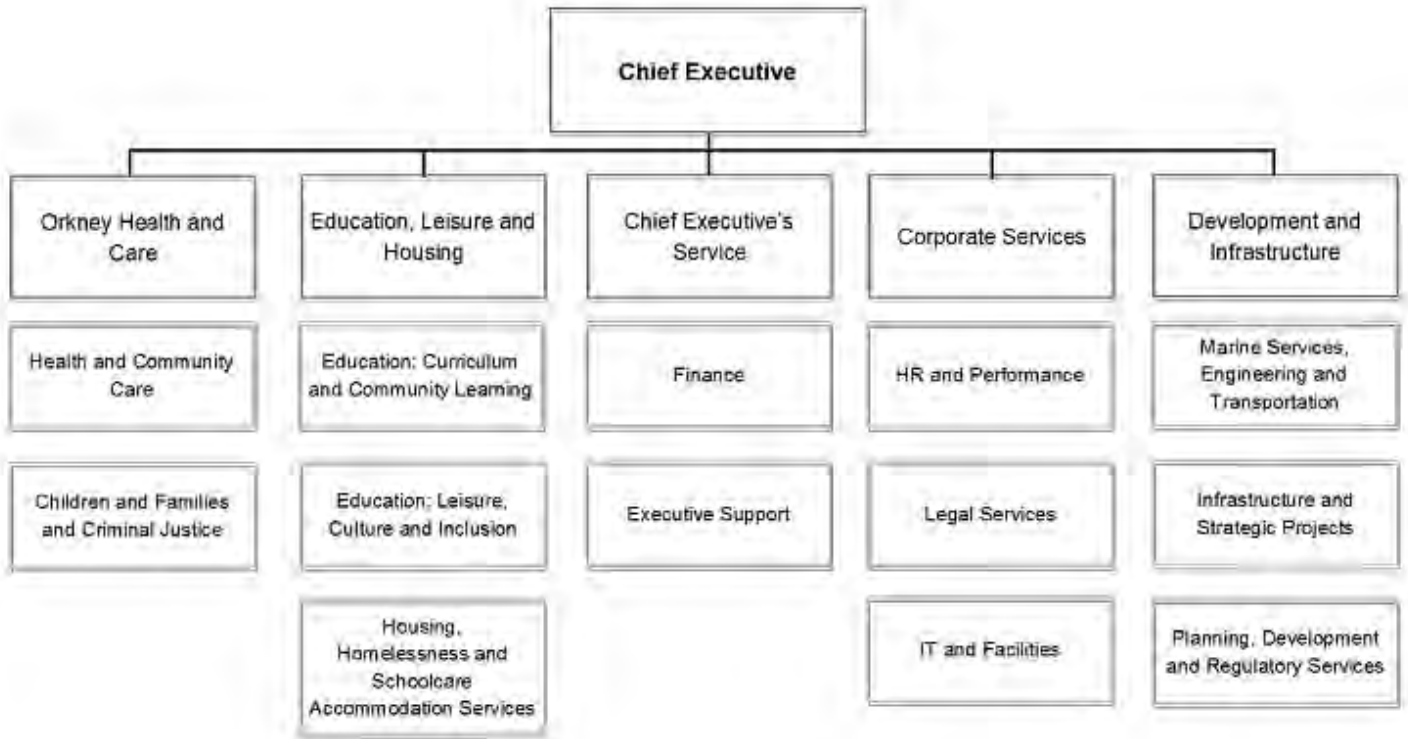
Aims and Objectives

- 2.1 The overall aim of our new Workforce Plan is about having the right people in the right place with the right skills to deliver the Council's key priorities as set out in the Council Delivery Plan 2018-22. In doing so we must look to continually improve or sustain services and maintain a strong customer focus. However, the current climate means that our workforce planning must also now focus on how our employees will help achieve the modernisation and efficiencies that are required to meet the financial challenges and future service demand by 2022 and beyond. In addition we must plan now for the long-term challenges in ensuring there is a suitable workforce available over the next 10 to 20 years.
- 2.2 Our Workforce Plan identifies three key areas from which a number of actions will be produced in order to enable us to meet our overall aim, and support the Council achieve its key priorities:
1. **Recruiting, Retaining and Re-shaping**
 2. **Flexibility and exploring new ways of working**
 3. **Enhancing capacity and improving performance**

This document seeks to set out in broad terms what we intend to do to meet these outcomes in challenging times and how we intend to monitor progress towards our objectives.

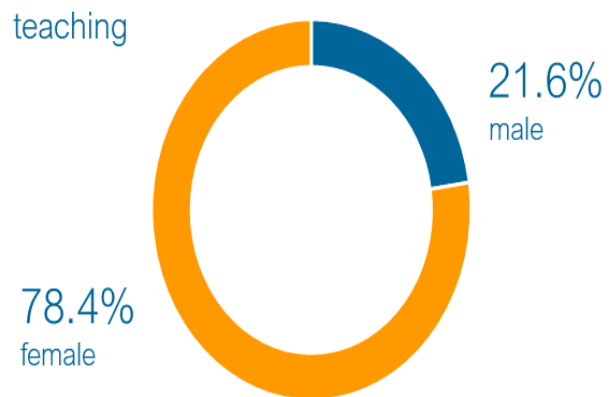
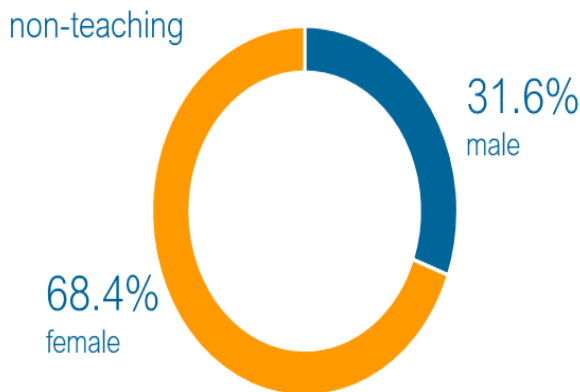
Current Structure

- 3.1 The Council workforce is currently structured across 5 broad service areas; the Chief Executive's Service, Corporate Services, Development and Infrastructure, Education, Leisure and Housing, and Orkney Health and Care. The two Heads of Service in the Chief Executive's service report to the Chief Executive and the other Heads of Service report to Executive Directors.



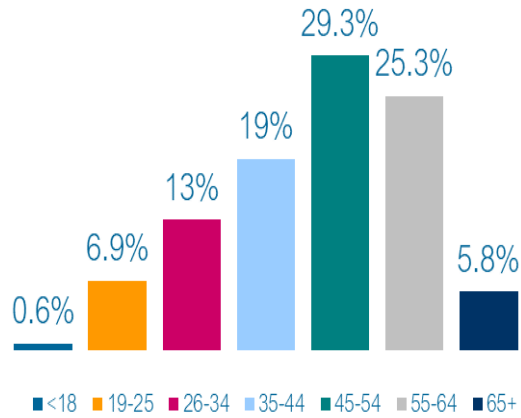
The Workforce

- 4.1 On 31 December 2018, Orkney Islands Council employed a total 2,701 people, including those engaged on casual, relief or supply contracts.
- 4.2 Our workforce gender profile shows that the largest percentage of employees at Orkney Islands Council is female, reflecting the trends within the wider public sector.

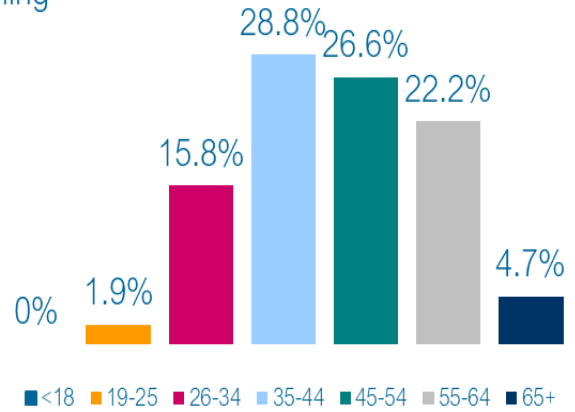


4.3 Our age profile shows that over half the Council's workforce is aged over 45 years of age, reflecting local population demographics and underlining the challenges with future projections around workforce availability.

non-teaching

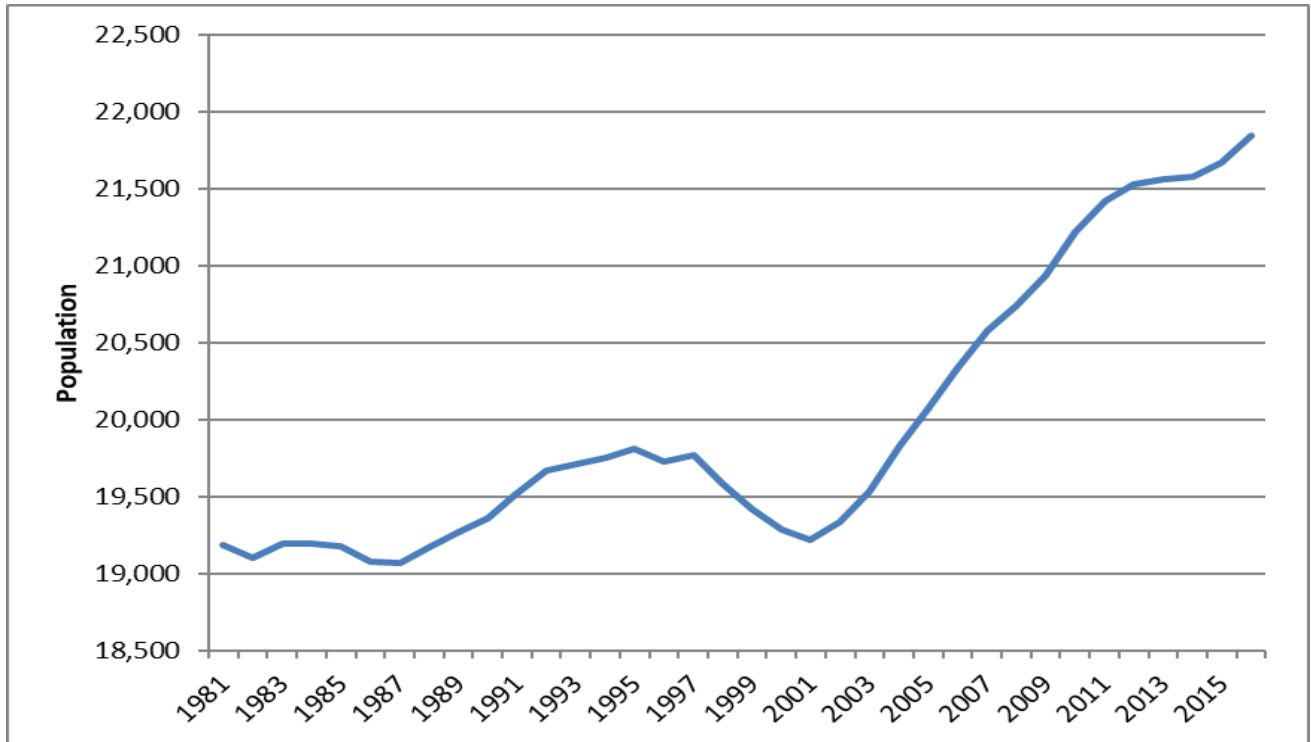


teaching

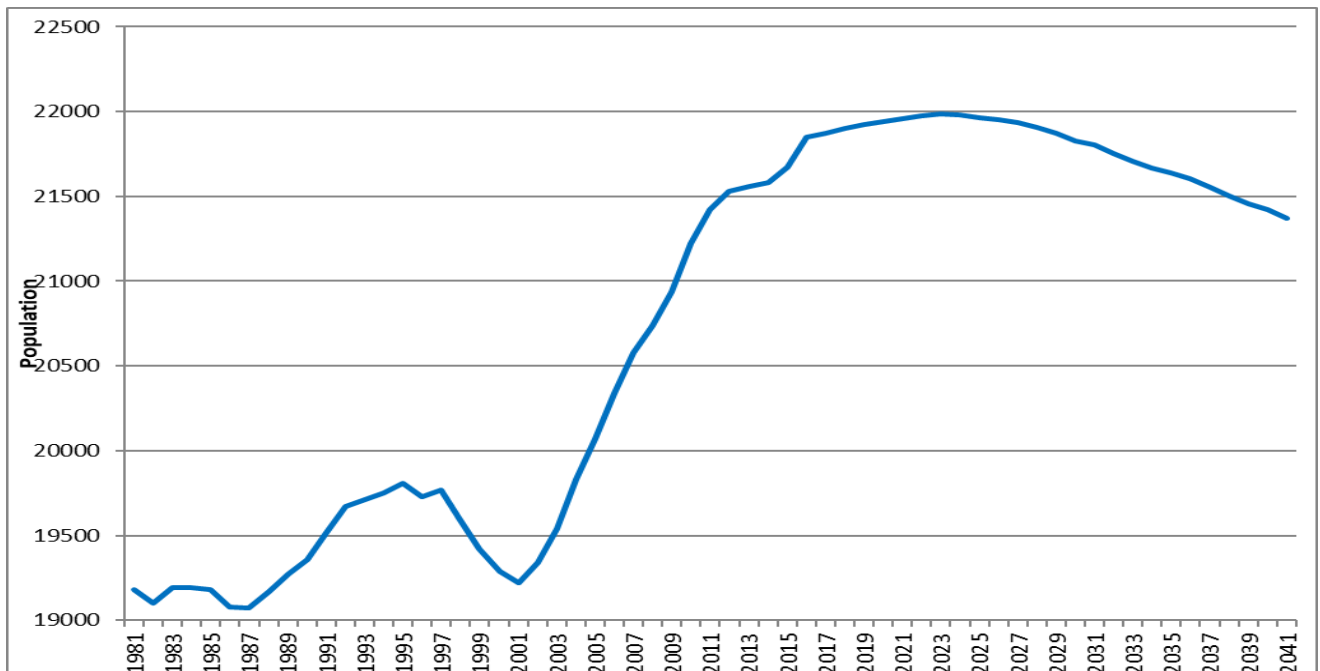


Local Demographics

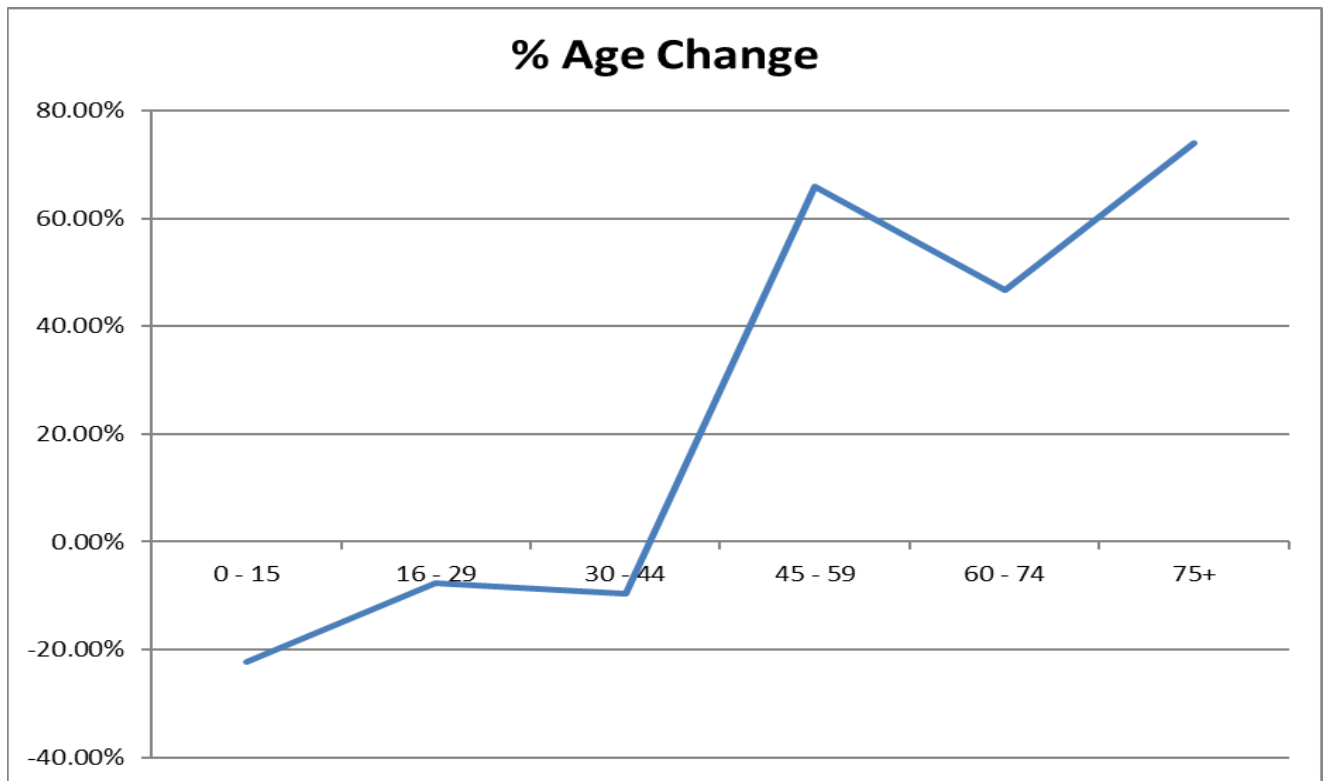
5.1 Orkney’s population data shows a steadily increasing population since 2001, meaning demand for services has been increasing.



5.2 Projections suggest that without any intervention, the population is about to peak and will show a modest decline over the following 20 years or so.



- 5.3 Of particular concern for service and workforce planning, age profiling shows a rapidly ageing population over the same 20 year period, creating a deficit in available working age people. The projected increase in those aged over 75 is the greatest in percentage terms across the UK.



1. Recruiting, retaining and Re-shaping

Our objective is:

“To reshape our workforce so that we retain, recruit and develop people with the right skills, abilities and potential to deliver the Council priorities.”

Demand for Council services and financial pressures are driving efficiencies and service redesign which in turn determine our workforce requirements. As the Council continues to modernise and transform its services and ways of working at a time of a reduction in funding, the composition and size of our workforce will change. We recognise the importance of supporting staff through the changes ahead. We also recognise and value the important contribution our trade unions and staff can make and will consult them on workforce changes.

Orkney’s current demographics and future projections of working age populations show a need to be creative in attracting people to live and work here, to retain our current staff, and to ensure our workforce is properly developed.

We will do this by:

a) Providing opportunity for our young people and making the Council an attractive employer of choice.

- Develop stronger links and increased engagement with schools, Orkney College, other Higher and Further Education providers, and relevant initiatives such as Developing the Young Workforce.
- Ensure our workplace culture, business processes and digital approach continue to be attractive and welcoming to young people
- Work with partners to ensure the right educational and skills training are available for what the Council needs now and in the future.
- Develop workplace based events for young people to engage with the Council.
- Set reasonable targets for number of work experience placements, apprenticeships and graduate trainees.
- Provide support and commitment to our care experienced young

people as part of our Corporate Parenting responsibilities.

- Improve access routes and clear career paths.

b) Retaining and re-shaping our current workforce.

- There is a need to take forward the review of pay structures and terms and conditions to ensure a sustainable and attractive pay model.
- Review the Council's approach to redeployment and re-skilling as a first alternative to letting existing staff leave to enable and facilitate a shift in workforce in line with demand and resources.
- Ensure the Council continues to work on having good trade union engagement, and to improve staff engagement and communication.
- Ensure we value staff, by continuing to invest in their learning and development, by working to establish clear behaviours and values which we work to, and by safeguarding their health and wellbeing.
- Maintain older people in the workplace as long as they wish to work and can do so productively.

c) Attract appropriately skilled people to Orkney to work for the Council.

- Introduce a more proactive approach to recruitment, using more modern online tools and systems available in order to reach a wider target audience.
- Develop unique selling points to prospective employees; the Orkney quality of life, and what is available here as a place that nowhere else can offer.
- Sell the advantages of a career in Orkney – the variety of role, the scale, the opportunity to take a first step on the ladder into more senior professional and/or managerial roles, and Orkney's first class facilities. Aim to ensure the Council is constantly being proactive about pushing the positive messages about living and working in Orkney.
- Ensure the positive aspects of our Terms and Conditions are made clear to prospective employees.
- Look at wider relocation issues and support for prospective employees – issues such as housing and childcare availability.

2. Flexibility and exploring new ways of working

Our objective is:

“To explore greater flexibility and new ways of working, within the constraints of service delivery requirements and available resources”

With a flexible workforce who are willing to embrace new ways of working and are committed to sustaining services and improving them where possible, we will ensure that the Council can deliver more effective and efficient services. We can achieve this through investigating the use of more flexible working practices; keeping HR policies and procedures under regular review; and ensuring our processes and systems are efficient and effective. The digital agenda provides significant opportunities but also challenges in terms of ensuring staff have the necessary confidence and skills to adapt. We also need to encourage and develop greater flexibility in our job roles and the employees who carry them out. Opportunities to integrate our services with other organisations in Orkney are at the early stages of exploration. We will support integrated services where this leads to improved outcomes for Orkney. We will continue to consult our trade unions and our staff on workforce changes.

We will do this by:

- Putting in place more flexible ways of working, including home and remote working practices.
- Regularly reviewing our HR policies and procedures to ensure they are fit for purpose and meet the business needs of the organisation.
- Streamlining processes in order to deliver efficiencies and improvement for both managers and employees.
- Developing and further integrating existing electronic systems and exploring full use of the technology and IT resources available to us.
- Taking forward the digitalisation of services and ensuring our workforce are suitably supported in developing the necessary skills to carry out changing roles around this.
- Considering the need for flexibility and adaptability when reviewing job descriptions and person specifications for roles, including with partner organisations.

3. Enhancing Capacity and Improving Performance

Our objective is:

“To develop our leadership and management skills, and to support and encourage our employees to do their best at all times”

The continued contribution of our employees through the challenging times ahead is even more critical to our ability to sustain organisational performance. Our leadership and management development will seek to foster a high performing culture. With a strong focus on people and performance, our approach intends to maximise the potential for being a successful organisation both now and into the future.

We will do this by:

- Working with staff and trade unions to review the values and behaviours expected throughout the organisation.
- Continuing to develop leadership at all levels in the organisation by evaluating and reviewing our Leadership and Management programmes.
- Ensuring effective communication and consultation with our employees and our trade unions and reviewing the structures in place around this.
- Developing further means to enhance managers’ skills in a consistent, considered manner so they are equipped to handle difficult and sensitive issues and processes.
- Promoting and valuing equality and diversity.
- Supporting employees’ health, safety and wellbeing by running regular awareness campaigns and reviewing and modernising the support provided by our Occupational Health Service.
- Reviewing our approach and policies on managing stress in the workplace.
- Ensuring we review the Service Learning Plans on an annual basis so that they capture development needs.

Implementing the Plan

- 6.1 The Workforce Plan will be implemented by the Council through the combined efforts of the Chief Executive, Executive Directors, Corporate Management Team, Managers, Employees and Trade Unions.
- 6.2 Specific actions resulting from the overall policy objectives outlined in the Strategy will be used to create an action plan which can be monitored and Service specific workforce planning actions will be embedded within Service Plans.

Monitoring and Reviewing

- 7.1 The Corporate Management Team will review the Strategy on an annual basis to ensure that it is aligned to organisational requirements and is achieving the desired outcomes.
- 7.2 Progress against objectives will be reported to HR Sub-Committee on a 6 monthly basis so that Elected Members can effectively scrutinise progress

Employing Authority Discretionary Policies

Regulations.	Discretion.	Current policy.	Proposed change.
R9(1) to R9(4)	Determine the rate of employees' contributions.	The Council will revise a member's contribution rate where there is a permanent material change of 15% or more to pensionable pay.	No change.
R16(2)(e)* & R16(4)(d)*	If a scheme member wishes to purchase extra annual pension of up to £6,565 by paying Additional Pension Contributions (APCs), the Council can contribute towards the cost of purchasing that extra pension via Shared Cost Additional Pension Contributions (SCAPC).	None.	The Council will not implement a shared cost APC scheme.
R16(16)	Whether to extend the 30 day deadline for a member to elect for a shared cost APC (SCAPC) upon return from a permitted period of absence from work with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces leave).	The Council will not extend the 30 day time limit for an application to pay optional contributions unless it can be demonstrated that there has been an administrative delay.	A member will be given 30 days to elect to pay a SCAPC from the date the Council writes to inform them of the amount of lost pension resulting from the period of unpaid leave.

Regulations.	Discretion.	Current policy.	Proposed change.
R17(1) & definition of SCAVC in R Schedule 1	Whether, how much, and in what circumstances to contribute to a shared cost Additional Voluntary Contribution (AVC) arrangement.	The Council will not implement a shared cost AVC scheme.	No change.
R19(2), A42(2) and L87(2)	No right to a refund of pension contributions if a member left due to an offence of fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made.	None.	A former member's pension contributions will be offset against any amount due to be repaid to the Council by the member.
R21(5)	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a regular lump sum.	None.	The decision on whether a lump sum payment made in the previous 12 months is a regular lump sum is delegated to the Head of Finance.
R22(7B)	Whether to extend the 12 month option period for a member to elect that post 2015 deferred benefits should not be aggregated with an ongoing concurrent employment.	None.	The Council will not extend the 12 month time limit unless it can be shown that there has been an administrative delay on the Council's part.

Regulations.	Discretion.	Current policy.	Proposed change.
R22(8B)	Whether to extend the 12 month option period for a member to elect that post 2015 deferred benefits should not be aggregated with a new employment.	None.	The Council will not extend the 12 month time limit unless it can be shown that there has been an administrative delay on the Council's part.
TP10(6)	Whether to extend the 12 month option period for a member to elect that pre 2015 deferred benefits for a member who re-joined post 31 March 2015 can be aggregated to purchase an amount of CARE pension.	None.	The Council will not extend the 12 month time limit unless it can be shown that there has been an administrative delay on the Council's part.
R29(7)* and TP11(2)	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	<p>Scheme benefits will only be released through flexible retirement where, after consideration of all relevant factors, it can be demonstrated to be in the interests of the Council.</p> <p>Current policy dictates that an employee must permanently reduce their working hours or grade of pay (or a combination of both) by at least 40% to qualify for flexible retirement.</p>	<p>The Flexible Retirement Policy has been updated to comply with changes to legislation which have taken place since the original Policy was approved.</p> <p>The provision relating to reducing grade by 40% has been removed as it was deemed unworkable but the provision to reduce hours by 40% remains.</p>

Regulations.	Discretion.	Current policy.	Proposed change.
R29(9)* and TP Schedule 2, paragraph 2(1)	Whether to waive, in whole or in part, an actuarial reduction on benefits paid on flexible retirement.	Policy and Resources Committee approval is required to waive any actuarial reduction.	The decision on whether to waive an actuarial reduction is delegated to the Chief Executive except for applications from Chief Officers where approval must be sought from the Policy and Resources Committee.
R29(9)*	Whether to waive, in whole or in part, an actuarial reduction on benefits which a member voluntarily draws before normal pension age, other than on the grounds of flexible retirement (where the member only has post 31 March 2015 membership).	Policy and Resources Committee approval is required to waive any actuarial reduction.	The decision on whether to waive an actuarial reduction is delegated to the Chief Executive except for applications from Chief Officers where approval must be sought from the Policy and Resources Committee.

Regulations.	Discretion.	Current policy.	Proposed change.
TP Schedule 2, paragraphs 1(2) and 2(1)*	Whether to apply the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	None although the default position under the 2014 Transitional Regulations is that the 85 year rule does not automatically apply if a member voluntarily draws benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	The Council will not automatically apply the 85 year rule where a member choose to voluntarily draw their benefits on or after age 55 and before age 60. Where it is shown to be in the Council's financial or operational interests to do so, the 85 year rule may be applied by the Chief Executive and the member will have some or all of their reduction waived subject to Policy and Resources Committee approval for Chief Officers.
TP3(1), (5) and (12), TP Schedule 2, paragraph 2(1)	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2015 and post 31 March 2015 membership)	Policy and Resources Committee approval is required to waive any actuarial reduction.	The decision on whether to waive an actuarial reduction is delegated to the Chief Executive except for applications from Chief Officers where approval must be sought from the Policy and Resources Committee.

Regulations.	Discretion.	Current policy.	Proposed change.
R30*	Whether to grant additional pension of up to £6,987 per annum to an active member or, within 6 months of leaving, to a member whose employment was terminated by reason of redundancy or business efficiency.	<p>The Council will not award Additional Scheme Pension in terms of Regulation 13 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008.</p> <p>The current policy specifically refers to the 2008 Regulations however the 2014 and 2018 Regulations also contain the option to award the same amount of additional pension in identical circumstances.</p>	The Council will not award additional pension of up to £6,987 per annum to an active member or, within 6 months of leaving, to a member whose employment was terminated by reason of redundancy or business efficiency.
R86(1) & (8) and A66(6)	Whether to apply to Scottish Ministers for a forfeiture certificate (where a member is convicted of a relevant offence).	The Council will reserve the right to apply for a forfeiture certificate from the Scottish Ministers where a member has left employment as a result of being convicted of an employment related offence.	No Change.

Regulations.	Discretion.	Current policy.	Proposed change.
R86(4), A66(2) and L111(2) & (5)	Where a forfeiture certificate is issued, whether to direct that benefits are to be forfeited.	None.	The decision on whether to forfeit all or part of a member's benefits where a forfeiture certificate has been issued is delegated to the Head of Finance.
A67(1) & (2) and L112(1)	Where a forfeiture certificate is issued, whether to make interim payments out of the Pension Fund until a decision has been taken to apply the forfeiture certificate or to continue paying benefits.	None.	Payments out of the Pension Fund will be suspended until the Head of Finance decides whether to apply the forfeiture certificate.

Regulations.	Discretion.	Current policy.	Proposed change.
R87(2), A68(2) and L113(2)	Whether to recover from the Pension Fund any monetary obligation or, if less, the value of a member's pension benefits, where the monetary obligation was incurred as a result of grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and, as a result of which, the person has left employment.	None.	Providing that all other efforts to recover the monetary obligation have been exhausted by the employer, the Head of Finance is delegated to recover the monetary obligation or, if less, the value of the member's pension benefits from the Pension Fund.
R89	If a member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, whether forfeiture under R86 or recovery of a monetary obligation under R87 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement.	None.	The decision on whether to deprive a member or a member's surviving spouse or civil partner of any GMP entitlement where the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts is delegated to the Head of Finance.

Regulations.	Discretion.	Current policy.	Proposed change.
A70(2) & (3) and L115(2) & (3)	Whether to recover from the Fund any financial loss caused by fraudulent offence or grave misconduct of an employee (who has left because of that), or the amount of the employee's refund if less.	None.	Providing that all other efforts to recover the financial loss have been exhausted by the employer, the Head of Finance is delegated to recover the financial loss or, if less, the amount of the employee's refund from the Fund.
R90(5) & A43(5)	Whether to issue a Certificate of Protection if a member does not request one within 12 months of a reduction or restriction in pay.	None.	The decision on whether to issue a Certificate of Protection if a member does not request one within 12 months of a reduction or restriction in pay is delegated to the Head of Finance.
R93(1)(b)	Agree to a bulk transfer payment where two or more members' active membership ends on their joining a different registered pension scheme.	None.	The decision on whether to agree to a bulk transfer payment is delegated to the Head of Finance.

Regulations.	Discretion.	Current policy.	Proposed change.
R95(6)	Whether to extend the 12 month time period a member has from joining the LGPS to request a transfer value from another pension provider.	The Council will not extend the 12 month time limit for an application to transfer in benefits from another pension provider unless it can be demonstrated that there has been an administrative delay.	The Council will not extend the 12 month time period in which a member must return completed discharge forms to transfer benefits from another pension provider unless it can be shown that there has been an administrative delay on the part of either the Council or the previous pension provider.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B11(2)	Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending in the 10 years prior to leaving and ending on the anniversary of the date of leaving.	None.	The Head of Finance will decide on a final pay period for fees which is in the best interests of a member.
B30(2)*, L30(2)* and E2(6)(b)	Whether to agree to a request for the early payment of deferred pension benefits from a member who is under age 60 and who left the scheme prior to 31 March 2015.	Scheme benefits will only be released early in exceptional circumstances and after consideration of all relevant factors. Financial reasons alone will not be considered sufficient to justify the early release of benefits.	Where there is no cost to the Council, the decision is delegated to the Head of Finance. Where there is a cost to the Council the decision is delegated to the Chief Executive except for applications from Chief Officers where approval must be sought from the Policy and Resources Committee.

Regulations.	Discretion.	Current policy.	Proposed change.
B30(5)* and L30(5)*	Whether to waive, on compassionate grounds, any actuarial reduction normally applied to a member's benefits where that member left prior to 31 March 2015 and has their deferred benefits put into payment before normal pension age.	Policy and Resources Committee approval is required to waive any actuarial reduction.	The decision on whether to waive an actuarial reduction is delegated to the Chief Executive except for applications from Chief Officers where approval must be sought from the Policy and Resources Committee.
L30(7A)*	Members who opted out of the pension scheme prior to 1 April 2009 could continue to work for the same employer and access their deferred pension benefits from normal retirement age whilst continuing in employment.	The Council does not have a written policy however custom and practice has always been to deny a member access to their pension benefits if they opted out of the pension scheme and continued working. Benefits are only paid out when the employee finally ceases employment or, if earlier, from the employee's 75th birthday, in accordance with UK legislation.	The Council will not pay pension benefits at normal retirement age where a member opted out of the pension scheme prior to 1 April 2009 and continues to work in the same employment. Benefits will only be paid out when the employee ceases that employment or, if earlier, from the employee's 75 th birthday.
D4*	Whether to base redundancy payments on a member's actual weekly wage where this exceeds the statutory pay limit.	The Council's Voluntary Severance and Early Retirement Policy states that a member's actual weekly wage will be used in the calculation of redundancy payments.	None.

Regulations.	Discretion.	Current policy.	Proposed change.
D35*	Whether to award lump sum compensation of up to 104 weeks' pay in cases of redundancy or termination of employment on efficiency grounds.	<p>The Council's Voluntary Severance and Early Retirement Policy contains enhanced provisions, payable at the discretion of the Chief Executive, which are:-</p> <ul style="list-style-type: none"> • employees granted voluntary redundancy with immediate access to pension benefits may have a 50% enhancement of the statutory number of weeks entitlement • employees granted voluntary severance with no access to pension benefits may have a 100% enhancement of the statutory number of weeks entitlement 	None.

Regulations.	Discretion.	Current policy.	Proposed change.												
D8(1)*	Whether to award compensatory added years (CAY) to a person aged 55 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	<p>The Council's Voluntary Severance and Early Retirement Policy states that, where an employee has applied for and been granted early retirement on the grounds of voluntary redundancy, the Council has sole discretion, to award the following CAY:-</p> <table border="1" data-bbox="1131 678 1563 1007"> <thead> <tr> <th data-bbox="1131 678 1429 730">Length of Service</th> <th data-bbox="1429 678 1563 730">CAY</th> </tr> </thead> <tbody> <tr> <td data-bbox="1131 730 1429 788">10 – 14</td> <td data-bbox="1429 730 1563 788">1.0</td> </tr> <tr> <td data-bbox="1131 788 1429 845">15 – 19</td> <td data-bbox="1429 788 1563 845">2.0</td> </tr> <tr> <td data-bbox="1131 845 1429 903">20 – 24</td> <td data-bbox="1429 845 1563 903">3.0</td> </tr> <tr> <td data-bbox="1131 903 1429 960">25 – 29</td> <td data-bbox="1429 903 1563 960">4.0</td> </tr> <tr> <td data-bbox="1131 960 1429 1007">30 +</td> <td data-bbox="1429 960 1563 1007">5.0</td> </tr> </tbody> </table> <p>CAY will only be awarded to members retiring in the interests of efficiency where there are exceptional circumstances and only after approval by the Policy and Resources Committee.</p>	Length of Service	CAY	10 – 14	1.0	15 – 19	2.0	20 – 24	3.0	25 – 29	4.0	30 +	5.0	None.
Length of Service	CAY														
10 – 14	1.0														
15 – 19	2.0														
20 – 24	3.0														
25 – 29	4.0														
30 +	5.0														

Regulations.	Discretion.	Current policy.	Proposed change.
D20(2)*	How to apportion a spouse's compensatory pension where the deceased is survived by more than one spouse.	The Council will apportion any spouse's compensatory pension equally where there is more than one spouse.	None.
D26(2)*	In cases where children's pensions are not payable under the LGPS regulations because the deceased was never a member of the LGPS, the Council must decide who to pay a children's compensatory pension to and how to apportion the pension where there is more than one eligible child.	The Council will pay any children's compensatory pension to a child and will split it equally where there is more than one child.	None.
D20(6)*	Where the spouse or civil partner of a person who ceased employment before 1 April 1998 subsequently cohabits, remarries or enters into a new civil partnership, the Council must decide whether to suspend the compensatory pension for the period of the cohabitation, remarriage or civil partnership.	The Council will not suspend a spouse or civil partner's compensatory pension during any subsequent period of cohabitation, remarriage or civil partnership.	None.

Regulations.	Discretion.	Current policy.	Proposed change.
D49B*	Whether to make a lump sum payment to a member of the LGPS with at least 2 years scheme membership whose employment is terminated on health grounds, but the member does not meet the criteria for payment of an ill health pension under Regulation 34 of the LGPS (Scotland) Regulations 2018.	The Council will not pay an ill health gratuity to a member where employment is terminated on capability grounds.	None.

Regulations: -

R – The Local Government Pension Scheme (Scotland) Regulations 2018.

TP – The Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014.

T – The Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008.

B – The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended).

A – The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008.

L – The Local Government Pension Scheme (Scotland) Regulations 1998 (as amended).

D – The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended).

E – The Local Government Superannuation (Scotland) Regulations 1987 (as amended).

* These are matters about which the employer must have a written policy.

Appendix 4.

Flexible Retirement Policy

1. Introduction

One of the key aims of the Council's Human Resources Strategy is to attract and retain employees who are committed to delivering excellent public services and making Orkney Islands Council a dynamic and innovative council. To achieve this aim, workforce planning is used to provide a flexible and adaptable workforce.

A Flexible Retirement Policy is an integral part of our approach to retaining a workforce with the appropriate skills, abilities and experience needed to deliver the Council's service requirements as well as supporting business change and organisational transformation. Importantly, the Flexible Retirement Policy also supports equality of opportunity and valuing diversity within our workforce as well as providing flexible options for employees who may wish to improve their work/life balance as they approach retirement age or who may no longer be able to cope with the demands of a full time position. In turn, our flexible approach to retirement in support of business needs will promote a positive image of the Council as an employer of choice and improve recruitment and retention.

2. Scope

The Flexible Retirement Policy applies to all members of the Local Government Pension Scheme (LGPS), with the exception of Councillors who are excluded under Schedule 5, Paragraph 8 of the Local Government Pension Scheme (Scotland) Regulations 2018.

3. Flexible Retirement

Regulation 29(7) of the Local Government Pension Scheme (Scotland) Regulations 2018 allows members to request payment of their retirement benefits and continue working under provisions known as Flexible Retirement if the following conditions are met:

- A member must have attained the age of 55.
- A member must, with the Council's consent, permanently reduce their hours of work or pay grade.
- The Council agrees to the early payment of pension.

Flexible Retirement may be an attractive option for members nearing retirement who wish to reduce their hours of work. This option may be a useful transition from work to retirement and enables members to continue making a valuable contribution to delivery of the Council's services.

Flexible Retirement provides a way for the Council to retain members with certain skills and abilities that it may otherwise lose – it creates options to utilise this expertise in nurturing and developing members who are at an early stage in their career. Flexible Retirement could also be used to progress any special projects.

A request for Flexible Retirement can only be accepted where a permanent change is made to the member's contract of employment. A member can choose to take all or part of their pension (subject to the LGPS Regulations) without having to retire completely and can continue to pay into the LGPS to build up further pension benefits.

Agreeing to release a member's benefits before age 60 will more likely than not result in a cost to the Council. However, in cases where a member does not satisfy the Rule of 85, the member's benefits will be reduced which should, but not always, result in the Council's cost being eliminated. The Council can agree to pay a strain cost to the Pension Fund to waive all or part of this reduction.

Releasing a member's benefits between age 60 and 65 does not usually result in a cost to the Council unless agreement has been reached to waive all or part of any reduction suffered by the member as a result of not satisfying the Rule of 85.

Approval is required from the Chief Executive to waive any actuarial reduction arising on a flexible retirement unless the application is from a Chief Officer where approval must be sought from the Policy and Resources Committee.

3.1. Reduction in Hours

A member can request that a reduction be applied to the hours for their current job in any of the following ways:

- A reduction in the weekly hours of work.
- A move to term-time working or annualised hours.
- A job share.

If the Council agrees to one of the above conditions, the member's pay will be reduced accordingly and they will receive the pension benefits which have accrued immediately prior to the reduction taking place.

3.2. Reduction in Pay Grade

In accordance with the Local Government Pension Scheme (Scotland) Regulations 2018, a member can also request a move to a lower graded post in order to access their pension benefits under the Flexible Retirement Policy. However, the Council has decided not to adopt this provision.

3.3. Amount of Reduction

In a flexible retirement situation, the reduction in hours should be enough to be regarded as creating a genuine retirement situation. For this reason, there is a requirement for a permanent reduction of at least 40% of the contractual hours for the post. As flexible retirement is considered to be a gradual step into retirement, the member will not be permitted to work any additional hours in the post that they have flexibly retired from and would also not normally be eligible to apply for another vacancy within the Council. However, the Chief Executive has delegated powers to waive these restrictions and approve short-term, temporary contracts in exceptional circumstances, for example, where the Service is having recruitment difficulties.

3.4. Procedures

Members wishing to apply for Flexible Retirement should complete Part A of the application form and forward it to their Head of Service at least 6 months before their preferred date of retirement. The member should not complete Part B of the application form at this stage.

Upon receipt of Part A of the application form, the Head of Service should email a copy to the Pension Section who will send a retirement estimate to the member showing the percentage of pension benefits that can/must be taken in a flexible retirement situation. The Pension Section will also send details of any costs associated with the flexible retirement to the Head of Service.

If, after considering the pension estimate, the member wishes to proceed with their flexible retirement application, they should complete Part B of the application form and forward it to their Head of Service as soon as possible so that careful consideration can be given to the application.

Upon receipt of Form B, the Head of Service should consult with Human Resources and, after taking into consideration both the impact on the service and the cost implications supplied by the Pension Section, decide whether or not the application is feasible.

Where there is no cost to the service and both the Head of Service and Human Resources deem that the revised working arrangements are feasible, the Executive Director can grant the flexible retirement request without seeking approval from the Policy and Resources Committee.

Where there is a cost to the service and the Executive Director supports the application, approval for the flexible retirement must be sought from the Chief Executive or if the application is from a Chief Officer approval must be sought from the Policy and Resources Committee.

The Head of Service should sign Form B if they have approved, or are seeking approval for, the flexible retirement and email a copy of the form to pensions@orkney.gov.uk.

Where approval is being sought from the Policy and Resources Committee, a copy of the Committee's decision should be forwarded to pensions@orkney.gov.uk as soon as possible after the decision has been made.

Requests from chief officers will initially be considered by the Service Director (if appropriate) and/or the Chief Executive and, if recommended for approval, will be submitted to the Policy and Resources Committee.

3.5. Criteria to Consider

The following criteria should be taken into account when considering an application for Flexible Retirement:

- Cost implications for the Council.
- Effect on the efficient operation of the service.
- Ability to distribute work among existing members.
- Impact on performance or quality of work.
- Availability of work during the member's proposed new work schedule.
- Planned structural changes.
- Recruitment difficulties in the job.

3.6. Appeals Process

If a request for Flexible Retirement is declined by either the Executive Director or the Policy and Resources Committee, the member will be given written reasons for the decision and the Head of Service and the member should explore alternative options, if available.

There is an appeal process in the form of an independent review of the outcome of an Executive Director's decision to decline/recommend refusal of a member's application for flexible retirement. The member must lodge their appeal with their Executive Director within 14 calendar days of receipt of the letter informing them of the decision.

The independent review meeting should be convened within one month of receipt of the appeal and should be chaired by an Executive Director not previously involved in the decision relating to the original request. Human Resources will advise the Executive Director chairing the appeal. Any decision at this stage is final.

Where a request is declined by the Policy and Resources Committee, this decision is final and there is no further route of appeal.

Minute

Police and Fire Sub-committee

Tuesday, 26 February 2019, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Andrew Drever, Gwenda M Shearer, Alexander G Cowie, David Dawson, J Harvey Johnston, Magnus O Thomson and Kevin F Woodbridge.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Hayley Green, Head of IT and Facilities.
- Anna Whelan, Strategy Manager.

Police Scotland:

- Inspector Keith Bendall.
- Detective Sergeant David Hall.

Scottish Fire and Rescue Service:

- Iain Macleod, Local Senior Officer.
- Dougie Campbell, Group Manager.
- John McKenna, Group Manager.

Declaration of Interest

- Councillor Andrew Drever – Item 2.

Chair

- Councillor Andrew Drever.

1. Scottish Fire and Rescue Service

Performance Against Orkney Fire and Rescue Plan

After consideration of a report by Iain Macleod, Local Senior Officer, copies of which had been circulated, and after hearing a report from John McKenna, Group Manager, the Sub-committee:

Noted the Quarterly Performance report for the period 1 October to 31 December 2018, attached as Appendix 1 to the report by the Local Senior Officer.

2. Performance Against Local Policing Plan

Councillor Andrew Drever declared a non-financial interest in this item, in that he was Chair of Orkney Drugs Dog, but as the matter was not discussed in detail, he did not leave the meeting.

After consideration of a report by Chief Inspector Matthew Webb, Area Commander, copies of which had been circulated, and after hearing a report from Inspector Keith Bendall, the Sub-committee:

Noted progress made against the objectives set within the Orkney Islands Local Policing Plan 2017 to 2020 Year 2, attached as Appendix 1 to the report by the Area Commander, for the period 1 April to 31 December 2018.

3. Conclusion of Meeting

At 14:55 the Chair declared the meeting concluded.

Signed: A Drever.

Minute

Pension Fund Sub-committee, together with Pension Board

Wednesday, 27 February 2019, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Pension Fund Sub-committee:

Councillors W Leslie Manson, Steven B Heddle, Rachael A King, Stephen Sankey, John A R Scott and Graham L Sinclair.

Pension Board:

Employer Representatives:

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

Trade Union Representatives:

Karen Kent (Unison) and Eoin Miller (Unite).

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

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

Audit Scotland:

- Colin Morrison, Senior Auditor.

Apologies

Pension Sub-committee:

- Councillor James W Stockan.

Pension Board:

- Andrew Blake, Orkney Ferries Limited, Employer Representative.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor W Leslie Manson.

1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Items 7 and 8, 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

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

Noted:

2.1. The revenue financial summary statement in respect of Pension Fund services for the period 1 April to 31 December 2018, attached as Annex 1 to the report by the Head of Finance, indicating a deficit position of £13,153,000.

2.2. The revenue financial detail by Service Area statement in respect of Pension Fund services for the period 1 April to 31 December 2018, attached as Annex 2 to the report by the Head of Finance.

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.

3. Pension Fund – Draft Budget

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

Noted the draft revenue budget for the Orkney Islands Council Pension Fund for financial year 2019 to 2020, attached as Annex 1 to the report by the Head of Finance.

4. Orkney Islands Council Pension Fund – Annual Audit Plan

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

Noted the external audit plan for 2018 to 2019 in respect of the Council's Pension Fund, prepared by Audit Scotland, attached as Appendix 1 to the report by the Head of Finance.

5. Review of Pension Fund Training

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. Progress made over the period 1 December 2017 to 30 November 2018 in relation to meeting training needs of members of the Pension Fund Sub-committee and the Pension Board, against core areas of the Public Sector Pensions Finance Knowledge and Skills Framework, attached as Appendix 1 to the report by the Head of Finance.

5.2. That, over the period 1 December 2017 to 30 November 2018, all members of the Pension Fund Sub-committee and the Pension Board, with the exception of one member, had achieved the minimum requirement of participation in at least one training event, or equivalent to five hours training.

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

5.3. That the Annual Training Plan for financial year 2019 to 2020 for members of the Pension Fund Sub-committee and the Pension Board, attached as Appendix 1 to this Minute, be approved.

6. Exclusion of the Public

On the motion of Councillor W Leslie Manson, seconded by Councillor Rachael A King, 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.

7. Review of Investment Strategy

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

Noted:

7.1. That, on 21 November 2018, the Sub-committee considered an independent review, undertaken by Hymans Robertson, investment advisers to the Pension Fund, of the existing investment strategy.

7.2. That the Sub-committee subsequently requested the Head of Finance, in consultation with Hymans Robertson, to develop the findings of the independent review into a set of specific proposals for de-risking and diversifying the Investment Strategy of the Pension Fund.

7.3. The Investment Strategy Review Follow Up, attached as Appendix 2 to the report by the Head of Finance, prepared by Hymans Robertson.

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

7.5. That, in order to provide both interim and long-term target asset allocations, the Investment Strategy of the Pension Fund be revised.

7.6. That the Head of Finance, in consultation with Hymans Robertson, develop an Action Plan and commence the process of implementing the revisions to the Investment Strategy of the Pension Fund.

The Pension Board noted:

7.7. That, although Councillors J Harvey Johnston and Owen Tierney expressed concern regarding the resolutions at paragraph 7.5 above, they concluded that there were insufficient grounds for referring the decisions back to the Pension Fund Sub-committee for further consideration.

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 left the meeting during discussion of this item.

8. Statement of Managed Pension Funds

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

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

Noted:

- 8.1.** The review of the investment manager's performance for the quarter to 31 December 2018, attached as Appendix 1 to the report by the Head of Finance, prepared by Hymans Robertson, the Council's appointed investment advisors.
- 8.2.** The performance review commentary provided by the Fund Manager, attached as Appendix 2 to the report by the Head of Finance.
- 8.3.** The Governance Summary extracted from the Fund Manager's performance report for the quarter ending 31 December 2018, attached as Appendix 3 to the report by the Head of Finance.

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.

9. Conclusion of Meeting

At 13:05 the Chair declared the meeting concluded.

Signed: L Manson.



ORKNEY

ISLANDS COUNCIL

Pension Fund Training Plan

2019 to 2020

1. Introduction

The Orkney Islands Council Pension Fund is committed to providing training to those involved in the governance of the Fund to ensure that they have the skills and understanding required to carry out their stewardship role. This includes regular events to cover the latest developments in the Local Government Pension Scheme, investment strategy and performance monitoring. In April 2015, the Pension Fund Sub-committee adopted the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

It is important that members of both the Pension Fund Sub-committee and the Pension Board receive appropriate training to allow them to carry out their roles effectively

This training plan sets out how levels of understanding will be assessed, and how the knowledge and skills requirement and other regulatory requirements will be supported through training events over the next financial year.

2. Knowledge and Skills Framework

There are six areas of knowledge and skills that have been identified as the core requirements for those with decision making responsibility for Local Government Pension Scheme funds. They are:

- Pensions legislative and governance context.
- Pensions accounting and auditing standards.
- Financial services procurement and relationship management.
- Investment performance and risk management.
- Financial markets and products knowledge.
- Actuarial methods, standards and practices.

Members of the Pension Fund Sub-committee and the Pension Board are expected to have a collective understanding and Officers are expected to have detailed understanding of these areas of knowledge and skills.

3. Pension Board Specific Requirements

Members of the Pension Board are required to have the capacity to take on the role of assisting the Scheme Manager in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

In addition, in accordance with Section 248A of the Pensions Act 2004 which was introduced to make provision relating to pensions and financial planning for retirement, it is expected that every individual who is a member of a Local Pension Board will receive training, and as a result:

- Be conversant with the regulations governing the Local Government Pension Scheme, such as the Transitional Regulations and the Investment Regulations.
- Be conversant with any policy document relating to administration of the Fund.
- Have knowledge and understanding of the law relating to pensions.
- Have knowledge and understanding of such other matters as may be prescribed.

4. Committee and Pension Board Training

Training for the Pension Fund Sub-committee and the Pension Board during the 2019 to 2020 financial year will continue to focus on the following areas:

Knowledge and Skills Framework

All training will focus on maintaining the six areas of knowledge and skills, with any gaps in knowledge identified throughout the past year and including the periodic use of member's self-assessment returns where appropriate.

Training Events

An annual pension's group training event will be provided for all members to attend. In addition to that, in consultation with the Chairman, expressions of interest will also be sought from members to attend relevant industry events, including conferences and seminars throughout the year.

Informative Review Presentations

Members will receive regular reports on the performance of the administration and investment functions throughout the year. In addition to this Members will be invited to attend informative review presentations by external advisors including the Pension Fund's appointed actuaries, investment advisors and fund managers.

Electronic Resources

Members are invited to access training information available on the Pension Regulator's website setting out the governance requirements of the local government pension scheme, including the respective roles of the Pension Fund Sub-committee and Pension Board at the following link:

<https://trusteetoolkit.thepensionsregulator.gov.uk/login/index.php>

Additionally, resources from previous training events have been made available to Councillors on their Council electronic device under “Training”. Training materials will be added to this folder going forward as and when events occur.

5. Other Training

Where gaps in individual members’ knowledge have been identified that will not be met by the core training described above, then Members should approach Officers in the first instance with a view to addressing those needs.

Specific training can also be provided for the Chairman of the Pension Fund Subcommittee and Pension Board to support them in their role, if required.

6. Officer Training

It is important that Officers have the required training to carry out the tasks of managing the Fund’s investments and administering the payment of benefits. The knowledge and skills required of staff are set out in their job descriptions, including any formal qualifications required. Officers should be familiar with the requirements of the CIPFA Code of Practice on Knowledge and Skills and should have knowledge of the six areas of the framework.

Officers will attend relevant professional training events, conferences and seminars during the year to ensure that they remain up-to-date with the latest requirements. In addition, they will be expected to keep up-to-date through use of the internet, and conduct research on relevant issues where required. Individual training plans will be put in place and these will be recorded and reviewed as part of the annual staff appraisal process.

For Officers, there will be a particular focus on the following areas:

Governance – Understanding the guidance and regulations in relation to local pension boards, and keeping up-to-date with how other Funds are working with their boards, in order that the Pension Board can be supported effectively and add value to the governance of the Fund.

New Investment Arrangements – Understanding the implications of how the Financial Conduct Authority will implement the Markets in Financial Instruments Directive (MiFIDII) and what the Fund will need to do to comply.

New Investment Products – Keeping up-to-date with what the market is offering, in order to assess the validity of new products for investment by the Fund.

Accounting Issues – Keeping up-to-date with the latest CIPFA guidance on the format of the Pension Fund Statement of Accounts and the content of the Annual Report.

Pensions Admin Regulations – Understanding the latest guidance and interpretation of changes to LGPS Regulations and their impact on procedures.

Pensions Admin Systems - Keeping up-to-date with updates/new releases to the software system Altair, passing training onto all staff.

Wider Pensions Issues – Understanding the impact of wider Government reforms to pensions, such as “freedom and choice” on the LGPS.

7. Reporting and Compliance

In line with the CIPFA Code of Practice, a disclosure will be made in the Fund’s Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

Minute

Investments Sub-committee

Thursday, 28 February 2019, 14:15.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors W Leslie Manson, Rachael A King, Stephen Sankey, John A R Scott, Graham L Sinclair and James W Stockan.

Clerk

Sandra Craigie, Committees Officer.

In Attendance

- Gareth Waterson, Head of Finance.
- Hayley Green, Head of IT and Facilities.
- Colin Kemp, Corporate Finance Senior Manager.
- Shonagh Merriman, Accounting Manager (Corporate Finance).
- Michael Scott, Solicitor.

Apology

- Councillor Steven B Heddle.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor W Leslie Manson.

1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Items 5 and 6, 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

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:

2.1. The revenue financial summary statement in respect of Strategic Reserve Fund services for the period 1 April to 31 December 2018, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £4,349,700.

2.2. The revenue financial detail by Service Area statement in respect of Strategic Reserve Fund services for the period 1 April to 31 December 2018, attached as Annex 2 to the report by the Head of Finance.

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.

3. 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:

3.1. The status of the temporary loan portfolio as at 31 December 2018, as detailed in section 3 of the report by the Head of Finance.

3.2. That, for the period 1 April to 31 December 2018, the temporary loans portfolio made a return of £196,776.35 at an average interest rate of 0.80%.

3.3. That the Treasury Policy Statement was being adhered to by the Finance Service and was producing an acceptable rate of return.

4. 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.

5. Strategic Reserve Fund – Investment Strategy

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

Noted:

5.1. That, on 21 November 2018, the Sub-committee considered an independent review, undertaken by Hymans Robertson, of the Strategic Reserve Fund managed funds investment strategy.

5.2. That the Sub-committee subsequently requested the Head of Finance, in consultation with Hymans Robertson, to develop the findings of the review of the investment strategy for the Strategic Reserve Fund into a set of specific proposals for a revised investment strategy of the managed funds.

5.3. The Investment Strategy Review Follow Up, attached as Appendix 2 to the report by the Head of Finance, prepared by Hymans Robertson.

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

5.4. That, in order to provide greater focus on income generation, the Investment Strategy for the Strategic Reserve Fund managed funds be revised.

5.5. That the Head of Finance, in consultation with Hymans Robertson, develop an action plan and commence the process of implementing the revisions to the Investment Strategy for the Strategic Reserve Fund, as set out at paragraph 5.4 above.

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. Statement of Managed Funds

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

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

Noted:

6.1. The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 31 December 2018, attached as Appendix 1 to the report by the Head of Finance.

6.2. The Sustainable Investment Report as at 31 December 2018, produced by the Equities and Bonds Portfolio Manager, attached as Appendix 2 to the report by the Head of Finance.

6.3. The Investment Stewardship as at 31 December 2018, produced by the UK Property and Diversified Growth Portfolio Manager, attached as Appendix 3 to the report by the Head of Finance.

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 15:35 the Chair declared the meeting concluded.

Signed: L Manson.