

# Minute

## Policy and Resources Committee

Tuesday, 22 November 2022, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



## Present

Councillors James W Stockan, Heather N Woodbridge, Graham A Bevan, Stephen G Clackson, Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Kristopher D Leask, W Leslie Manson, James R Moar, Raymond S Peace, John A R Scott, Gwenda M Shearer, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson and Owen Tierney.

## Present via remote link (Microsoft Teams)

Councillor David Dawson.

## Clerk

- Hazel Flett, Service Manager (Governance).

## In Attendance

- John W Mundell, Interim Chief Executive.
- Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.
- Karen Greaves, Corporate Director for Strategy, Performance and Business Solutions.
- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- James Wylie, Corporate Director for Education, Leisure and Housing.
- Gavin Mitchell, Head of Legal and Governance.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Erik Knight, Head of Finance.
- Roddy Mackay, Head of Planning and Community Protection (for Items 5 to 7).
- Kenny MacPherson, Head of Property, Asset Management and Facilities (for Items 1 to 7).
- Rosemary Colsell, Service Manager (Procurement) (for Items 9 to 11).
- Shonagh Merriman, Service Manager (Corporate Finance) (for Items 1 to 3).
- Susan Shearer, Service Manager (Development and Marine Planning) (for Items 5 to 7).
- Glen Thomson, Team Manager (Projects) (for Items 1 to 3.1).
- George Vickers, Community Planning Business Manager (for Items 5 to 11).
- Andrew Hamilton, Performance and Best Value Officer.
- Alan Tait, Safety and Resilience Officer (for Items 4.3 to 6).

## **Observing**

- Lorna Richardson, Interim Head of Neighbourhood Services (for Items 1 to 7).
- Alex Rodwell, Head of Improvement and Performance.
- Maureen Swannie, Head of Strategic Planning and Performance (for Items 1 to 8).
- Bruce Pinkerton, Procurement Officer (for Items 9 to 11).

## **Observing via remote link (Microsoft Teams)**

- Anna Whelan, Service Manager (Strategy and Partnership) (for Items 1.2 to 11).

## **Apologies**

- Councillor Rachael A King.
- Councillor Gillian Skuse.
- Councillor Duncan A Tullock.

## **Declarations of Interest**

- No declarations of interest were intimated.

## **Chair**

- Councillor James W Stockan.

# **1. Revenue Expenditure Monitoring**

## **1.1. Policy and Resources**

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

Noted:

**1.1.1.** The revenue financial summary statement in respect of the undernoted services for the period 1 April to 30 September 2022, attached as Annex 1 to the report by the Head of Finance, indicating an underspend position of £941,700:

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

**1.1.2.** The revenue financial detail by Service Area statement for the period 1 April to 30 September 2022, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

## **1.2. Orkney Health and Social Care Partnership**

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

Noted:

**1.2.1.** The revenue financial summary statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 30 September 2022, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £603,100.

**1.2.2.** The revenue financial detail by service area statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for the period 1 April to 30 September 2022, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

## **1.3. Summary**

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

Noted:

**1.3.1.** The summary revenue expenditure statement for the period 1 April to 30 September 2022, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund underspend of £2,113,000.
- A surplus in Sources of Funding of £105,500.
- A net Non-General Fund deficit of £14,149,400.

**1.3.2.** The financial detail across individual Sources of Funding for the period 1 April to 30 September 2022, including significant variances identified as Priority Actions, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

## **2. Capital 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 Service Manager (Corporate Finance), the Committee:

Noted:

**2.1.** The summary financial position, as at 30 September 2022, in respect of the approved General Fund and Non-General Fund capital programmes, as detailed in section 3.1 of the report by the Head of Finance, indicating the following:

- Actual expenditure incurred as at 30 September 2022 of £9,962,000.
- Annual budget of £39,600,000 which reflected slippage and current timescales for completion of individual projects, as recommended by the Policy and Resources Committee on 20 September 2022.
- Probable outturn as at 31 March 2023 of £27,389,000.

The Committee scrutinised:

**2.2.** The detailed analysis of capital expenditure, together with project updates in respect of the General Fund and Non-General Fund capital programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and on progress being made with delivery of the approved capital programmes.

## **3. Treasury Management**

### **3.1. Annual Report**

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

Noted:

**3.1.1.** That, following emergency action to counter the hugely negative impact the COVID-19 national lockdown was having on the economy, the Bank of England took emergency action in March 2020 to cut the Base Rate to 0.10%.

**3.1.2.** That the Base Rate was left unchanged until it was raised to 0.25% on 16 December 2021, 0.50% on 4 February 2022 and then 0.75% in March 2022.

**3.1.3.** That the increase in the Bank of England Base Rate led to the Public Works Loans Board borrowing rates increasing correspondingly.

**3.1.4.** That Bank of England Base Rate increases would impact on future borrowing requirements, although the Council was well placed to benefit from savings on existing loans, with an average interest rate of 2.61%.

The Committee scrutinised:

**3.1.5.** The Annual Treasury Management Review for financial year 2021/22, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance that the Treasury Management Practices had operated effectively.

### **3.2. Mid-year Update**

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

Scrutinised the mid-year update, attached as Appendix 1 to the report by the Head of Finance, prepared by Link Treasury Services, the Council's Treasury Adviser, which covered the following elements of treasury management, and obtained assurance that the Treasury Management Practices were operating effectively:

- An economic update for the first half of financial year 2022/23.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council's capital expenditure, as set out in the Capital Strategy and prudential indicators.
- A review of the Council's investment portfolio for 2022/23.
- A review of the Council's borrowing strategy for 2022/23.
- A review of compliance with Treasury and Prudential Limits for 2022/23.

## **4. Performance Monitoring**

### **4.1. Strategy, Performance and Business Solutions**

After consideration of a joint report by the Corporate Director for Strategy, Performance and Business Solutions, the Corporate Director for Neighbourhood Services and Infrastructure and the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Performance and Best Value Officer, the Committee:

Scrutinised:

**4.1.1.** The performance of Strategy, Performance and Business Solutions for the reporting period 1 April to 30 September 2022, as set out in sections 3 to 5 and Annexes 1, 2 and 3 of the joint report by the Corporate Director for Strategy, Performance and Business Solutions, the Corporate Director for Neighbourhood Services and Infrastructure and the Corporate Director for Enterprise and Sustainable Regeneration, and obtained assurance.

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

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

- 07 – Review new Council Website and identify improvements following one year of operation.

- 13 – Review operational procedures and processes within the service and identify changes to contribute to carbon reduction.

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

- 09 – A table-top exercise to test the Business Continuity Plan will be held.

## **4.2. Orkney Health and Care**

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

Scrutinised the performance of Orkney Health and Care Council delegated services for the reporting period 1 April to 30 September 2022, as set out in sections 3 and 4 and Appendix 1 of the report by the Chief Officer, Orkney Health and Social Care Partnership, and obtained assurance.

Councillor Stephen G Clackson joined the meeting during discussion of this item.

## **4.3. Council Delivery Plan**

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Performance and Best Value Officer, the Committee:

Scrutinised:

**4.3.1.** Progress made in respect of the targets within the Council Delivery Plan 2018 to 2023 for the period 1 April to 30 September 2022, as set out in Annex 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions, and obtained assurance.

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

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

- 1.5 – Orkney Electric Vehicle Energy Strategy – Contribute to the delivery of the Orkney Electric Vehicle Energy Strategy.
- 2.2 – Child and Adolescent Mental Health Service Provision – We will review our Child and Adolescent Mental Health service provision and bring forward recommendations that align investment to our local need.
- 3.11 – Empowering Communities Project – We will review and develop the Empowering Communities Project to create a sustainable model which will enable and empower communities in the delivery of services and projects in their community.
- 3.12 – Enabling and Empowering Communities – Pursue the aim of enabling and empowering communities to support the Council in delivery of services as an alternative to current systems and have more involvement in decision making about local services.
- 4.8 – World Heritage Site Strategic Masterplan – Develop and Implement a World Heritage Site Strategic Masterplan including Gateway facility and core infrastructure projects.

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

- 5.13 – Maintenance Strategy – Develop and implement an appropriately resourced Maintenance Strategy for all individual Council property assets – target date extended to 31 March 2023.
- 5.17 – Campsites – Consider the redevelopment of the Point of Ness Campsite and develop the Birsay Campsite facilities – target date extended to 31 March 2023.

Councillor Ivan A Taylor left the meeting at this point.

## **5. Our People Our Plan – Progress Update**

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

Noted:

**5.1.** Progress to date in progressing the priorities determined within the Our People Our Plan programme, detailed in sections 4 to 10 of the report by the Chief Executive.

**5.2.** The continued focus over the coming months that would be placed on the priorities within the Our People Our Plan programme in order to realise the key outcomes.

## **6. Evaluation of Service Health and Safety Performance**

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of Property, Asset Management and Facilities, the Committee:

Scrutinised the Evaluation of Service Health and Safety Performance for 2021/22, attached as Appendix 1 to the report by the Corporate Director for Neighbourhood Services and Infrastructure, and obtained assurance.

## **7. Climate Change Reporting Duties**

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of Planning and Community Protection, the Committee:

Noted:

**7.1.** The Climate Change Duties Report, attached as Appendix 1 to the report by the Corporate Director for Neighbourhood Services and Infrastructure, which summarised the actions undertaken by the Council during the period 1 April 2021 to 31 March 2022 in order to fulfil its climate change duties.

**7.2.** That the Climate Change Duties Report was due for submission to the Scottish Government by 30 November 2022.

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

**7.3.** That the Climate Change Duties Report, attached as Appendix 1 to this Minute, be approved for submission to the Scottish Government.

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

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

Scrutinised the Integration Joint Board's Annual Performance Report 2021/22, attached as Appendix 1 to the report by the Chief Officer, Orkney Health and Social Care Partnership, and obtained assurance that services commissioned by the Integration Joint Board from the Council were performing to an acceptable standard.

## **9. The Orkney Partnership – Update and Annual Report**

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Community Planning Business Manager, the Committee:

Noted:

**9.1.** Recent activity of The Orkney Partnership, as described in section 4 of the report by the Corporate Director for Strategy, Performance and Business Solutions.

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

**9.2.** That The Orkney Partnership's draft Annual Report 2021/22, attached as Appendix 2 to this Minute, be approved insofar as it applied to the Council.

## **10. Procurement Annual Report**

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Head of Legal and Governance, the Committee:

Noted:

**10.1.** That, in terms of Section 18 of the Procurement Reform (Scotland) Act 2014, the Council must prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of the financial year to which the report related.

**10.2.** That the Council was required to notify the Scottish Ministers when the Procurement Annual Report had been published.

**10.3.** That the Scottish Government had issued guidance and a template which public authorities could use to report on procurement performance, with an additional template to be used from 2022 onwards.



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

**10.4.** That the Procurement Annual Report for 1 April 2021 to 31 March 2022, attached as Appendix 3 to this Minute, be approved for publication.

## **11. Adjournment of Meeting**

At 13:05 the Chair adjourned the meeting, to reconvene at 09:30 on Wednesday, 23 November 2022.

Signed: James W Stockan.