

Minute

Policy and Resources Committee

Tuesday, 19 September 2023, 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, David Dawson, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask, W Leslie Manson, James R Moar, Raymond S Peace, John A R Scott, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Mellissa-Louise Thomson, Owen Tierney and Duncan A Tullock.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Oliver D Reid, 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.
- Gavin Mitchell, Head of Legal and Governance.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Lynda Bradford, Head of Health and Community Care (for Items 8 to 10).
- Sweyn Johnston, Head of Enterprise and Economic Growth (for Items 15 to 19 and 22 to 29).
- Erik Knight, Head of Finance.
- Roddy Mackay, Head of Planning and Community Protection (for Items 19 to 22).
- Sharon-Ann Paget, Interim Chief Social Work Officer (for Items 1 to 14).
- Lorna Richardson, Head of Neighbourhood Services (for Items 1 to 7).
- Alex Rodwell, Head of Improvement and Performance.
- Frances Troup, Head of Community Learning, Leisure and Housing.
- Stuart Allison, Service Manager (Enterprise) (for Items 22 to 29).
- Garry Burton, Service Manager (Leisure and Culture) (for Items 19 to 29).
- Shonagh Merriman, Service Manager (Corporate Finance) (for Items 1 to 7).
- William Moore, Service Manager (Improvement and Performance) (for Items 1 to 13 and 15 to 29).
- Kerry Spence, Service Manager (Community Learning, Development and Employability) (for Items 1 to 13).

- Lindsey Johnson, Community Learning and Development Team Leader (Employability) (for Items 1 to 13).
- Glen Thomson, Team Manager (Projects) (for Items 1 to 6).
- George Vickers, Community Planning Business Manager (for Items 1 to 19).
- Emma Chattington, Interim Senior Organisational Development Adviser (for Items 15 to 19).
- Nick Blyth, Climate Change Strategy Officer (for Items 19 to 22).

In Attendance via Remote Link (Microsoft Teams)

- Anna Whelan, Service Manager (Strategy and Partnership) (for Items 13 to 17).

Observing

- Kenny MacPherson, Head of Property, Asset Management and Facilities (for Items 1 to 6 and 21 to 26).
- Ross Cunningham, Service Manager (Democratic Services and Communications) (for Items 1 to 19).
- Nick Hewitt, Team Manager (Culture) (for Items 19 to 29).
- Kirsty Groundwater, Communications Team Leader (for Items 7 to 29).

Declarations of Interest

- Councillor Stephen G Clackson – Item 27.
- Councillor Gillian Skuse – Items 10 and 16.
- Councillor Mellissa-Louise Thomson – Items 16 and 27.

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 27 and 28, as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

2. Revenue Expenditure Outturn

2.1. Policy and Resources

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

Noted:

2.1.1. The revenue expenditure outturn statement in respect of service areas for which the Policy and Resources Committee was responsible, for financial year 2022/23, attached as Annex 1 to the report by the Head of Finance, indicating an underspend position of £7,407,300.

2.1.2. The revenue financial detail by service area statement, in respect of service areas for which the Policy and Resources Committee was responsible, for financial year 2022/23, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

2.2. Orkney Health and Care

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

Noted:

2.2.1. The revenue expenditure outturn statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council was responsible, for financial year 2022/23, attached as Annex 1 to the report by the Head of Finance, indicating a deficit of £1,841,700.

2.2.2. 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 financial year 2022/23, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

2.3. Summary

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

Noted the revenue expenditure outturn statement for financial year 2022/23, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund surplus of £3,238,100.
- A deficit in Sources of Funding for General Fund Services of £555,600.
- A net Non-General Fund deficit of £4,256,900.

3. Revenue Expenditure Monitoring

3.1. Policy and Resources

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

Noted:

3.1.1. The revenue financial summary statement, in respect of service areas for which the Policy and Resources Committee was responsible, for the period 1 April to 30 June 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £399,000.

3.1.2. The revenue financial detail by service area statement, in respect of service areas for which the Policy and Resources Committee was responsible, for the period 1 April to 30 June 2023, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

3.1.3. 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.

3.2. Orkney Health and Care

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

Noted:

3.2.1. 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 June 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £2,811,700.

3.2.2. 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 June 2023, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

3.3. Summary

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

Noted:

3.3.1. The summary revenue expenditure statement for the period 1 April to 30 June 2023, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund overspend of £3,053,000.
- A surplus in Sources of Funding of £5,012,700.
- A net Non-General Fund deficit of £7,484,300.

3.3.2. The financial detail across individual Sources of Funding for the period 1 April to 30 June 2023, including significant variances identified as Priority Actions, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

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

4. Capital Expenditure Outturn

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:

4.1. The summary outturn position of capital expenditure incurred for financial year 2022/23 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 a total underspend of £6,015,000 as at 31 March 2023, against revised budgets totalling £30,216,000.

The Committee scrutinised:

4.2. The detailed analysis of capital expenditure, together with project updates in respect of the General Fund and the Non-General Fund capital programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and on progress made with delivery of the approved capital programmes for 2022/23.

5. Capital Slippage and Acceleration

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:

5.1. Net slippage amounting to £6,304,000 in relation to the approved General Fund and Non-General Fund capital programmes as at 31 March 2023.

5.2. That the Head of Finance had re-profiled the five-year General Fund and the Non-General Fund capital programmes, in order to reflect the net slippage and current timescales for completion of individual capital projects, with the revised programmes attached as Appendix 2 to the report by the Head of Finance.

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

5.3. That the sum of £4,916,000 be carried forward from financial year 2022/23 to financial years 2023/24 and onwards in respect of net slippage on projects contained within the General Fund capital programme.

5.4. That the sum of £1,388,000 be carried forward from financial year 2022/23 to financial years 2023/24 and onwards in respect of slippage on projects contained within the Non-General Fund capital programme.

5.5. That the revised five-year General Fund and Non-General Fund capital programmes, attached as Appendix 1 to this Minute, be approved.

6. Treasury Management – 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:

6.1. That stubborn inflationary pressures, the easing of COVID-19 restrictions and the Russian invasion of Ukraine had resulted in volatile interest rates during 2022/23, with the Bank of England raising the Base Rate from 0.75% to 4.25% incrementally throughout the year.

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

6.3. That Bank of England Base Rate increases would impact on future borrowing requirements, although the Council was well placed to benefit from savings on its existing loans, with an average interest rate of 3.03%.

The Committee scrutinised:

6.4. The Annual Treasury Management Review for financial year 2022/23, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance that the Treasury Management Practices had operated effectively.

Councillor John A R Scott left the meeting during discussion of this item and rejoined the meeting at this point. Councillor Stephen G Clackson left the meeting at this point.

7. Following the Public Pound

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

Noted:

7.1. That Internal Audit undertook an audit which reviewed the Council's Following the Public Pound policy and procedures.

7.2. That recommendations arising from the internal audit, referred to above, had been incorporated within the updated policy on Following the Public Pound, attached as Appendix 1 to the report by the Head of Finance.

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

7.3. That the updated policy in respect of Funding External Bodies and Following the Public Pound, attached as Appendix 2 to this Minute, be approved.

7.4. That Corporate Directors be reminded of the policy implementation, in particular the requirement to carry out an options appraisal before funding was awarded, and that Service Level Agreements were required to be in place and current for all payments above £10,000.

8. Alternative Models of Governance

After consideration of a joint report by the Chief Executive and the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, the Committee:

Noted:

8.1. That, on 4 July 2023, when considering a Notice of Motion on alternative governance arrangements, the Council resolved to support the Notice of Motion and that the Chief Executive should submit a report, to the Policy and Resources Committee, detailing the scope of work, together with the resources required, to address the matters raised in the Notice of Motion.

8.2. That a staged approach to the scope of works, to address the matters raised in the Notice of Motion, would be taken, with the first stage focused on assessment of viable options and production of an options appraisal of available alternative governance arrangements.

8.3. That the Constitutional Reform Consultative Group, supported by regular members' seminars, would be convened to provide strategic oversight to the project.

8.4. That the combined resources required for the first discovery stage was estimated at one full time equivalent post which would be met within existing resources.

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

8.5. That progression to the first stage, namely agreeing the scope of work for the Constitutional Reform Consultative Group, as set out below, be approved:

- Providing full briefings to elected members on the previous work undertaken on alternative models of governance.

- Reviewing the implementation of the Islands (Scotland) Act 2018 to ensure that all powers and duties contained within it are being utilised to maximum benefit to address island issues. For example: development and content of National Islands Plan, scheme for requests for devolution of functions, preparation of island communities impact assessments, ability to request retrospective island communities impact assessments and ability for local authorities to request additional powers.
- Identifying and exploring opportunities using these existing mechanisms to address inequalities experienced by Orkney's communities such as the Council's funding settlement, roll out of Road Equivalent Tariff, and a ferry replacement programme.
- Engaging with the Scottish Government in their project to explore opportunities under a Single Island Authority model alongside the proposals for the National Care Service to provide the best health and care services for our Communities.
- Analysis and articulation of the benefits and contribution made by Orkney as a community to Scotland, UK and globally.
- Identifying and exploring opportunities with Scottish and UK Governments around obtaining flexibility in policies and regulations to benefit Orkney.
- Working jointly with other Islands Authorities to maximise the benefit to island communities and to feed into the Scottish and UK Governments and Nordic connections through participation in the Islands Strategic Group, Islands Forum and Nordic / Arctic events.
- Researching and learning from Alternative Models of Governance options, such as British Crown Dependencies, Overseas Territories and Nordic connections for consideration by Elected Members.
- Developing an evaluation framework for options at stage 2 to ensure the potential desired outcomes for Orkney under each model can be assessed.
- During this first stage, Elected Members will consider the relevance, political and financial impact and opportunities presented by possible constitutional reform and select an option or options for progression to the next stage.

8.6. That the Chief Executive should submit a report, to the Policy and Resources Committee in early 2024, considering an options appraisal of available alternative governance arrangements.

9. Regulation of Investigatory Powers and Covert Surveillance

After consideration of a joint report by the Chief Executive and the Corporate Director for Strategy, Performance and Business Solutions, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Head of Legal and Governance, the Committee:

Noted:

9.1. That the Investigatory Powers Commissioner's Office (IPCO) was a non-departmental public body established to oversee the authorisation and use of covert surveillance by statutorily empowered public authorities.

9.2. That, following a review of how the IPCO conducted its oversight of local authorities, it no longer routinely undertook an inspection as had previously been the case.

9.3. That each local authority was required to provide a written update, in the first instance, on its compliance with the legislation.

9.4. That, in June 2023, the Council submitted a comprehensive response setting out its compliance with the statutory provisions which governed the use of covert surveillance.

9.5. That, on 28 June 2023, the Investigatory Powers Commissioner wrote to the Chief Executive advising that he was satisfied that the Council's response, referred to at paragraph 9.4 above, provided assurance that ongoing compliance with RIPSAs and the Investigatory Powers Act 2016 would be maintained, and that no further inspection would be required until 2026.

9.6. That, in accordance with the Covert Surveillance and Property Interference Code of Practice and the Use of Covert Human Intelligence Sources Code of Practice, both issued by the Scottish Government, the policies and procedures of a local authority relating to its use of covert surveillance, including directed surveillance, and the use of covert human intelligence sources, required to be reviewed annually.

9.7. That, on 1 March 2022, the Council reviewed its policies and procedures in connection with the exercise of its statutory powers to conduct covert surveillance.

9.8. That, since 1 March 2022, there had been no changes in the law or to relevant guidance in connection with the Council's statutory powers to conduct covert surveillance.

9.9. That, since 1 March 2022, there had been no cause by the Council to exercise its statutory powers to conduct covert surveillance.

9.10. That, in order to further enhance the safeguards outlined in the relevant Codes of Practice in relation to the retention, review and destruction of material obtained through the use of covert powers, a proposed new protocol attached as Appendix 1 to the joint report by the Chief Executive and the Corporate Director for Strategy, Performance and Business Solutions, had been developed.

9.11. That the following policies and procedures had been amended to incorporate the proposed protocol regarding data handling and safeguarding:

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

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

9.12. That the new and updated policies and procedures, in connection with the Council's arrangements for covert surveillance, attached as Appendices 3 to 8 of this Minute, be approved.

10. Joint Inspection of Adult Support and Protection

Improvement Plan

Councillor Gillian Skuse declared an interest in this item, her connection being that she was a member of the Adult Support and Protection Quality Assurance Sub-Group, which was responsible for one of the actions contained in the Improvement Plan, but concluded that, as the purpose of the report was only to note the progress of the actions, her interest did not preclude her involvement in the discussion.

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

Noted:

10.1. That, on 20 June 2023, the Policy and Resources Committee noted:

- The key findings arising from the report, published by the Care Inspectorate on 11 April 2023, of the Joint Inspection of Adult Support and Protection.
- That work was progressing to develop the improvement action plan which would be presented to the next meeting of the Policy and Resources Committee, together with a progress update.

10.2. The Improvement Plan, attached as Appendix 1 to the report by the Chief Officer, Orkney Health and Social Care Partnership, developed to address the five areas identified to support the improvement of Adult Support and Protection, which had been submitted to the Care Inspectorate.

10.3. That progress made with the actions contained in the Improvement Plan would be reported to the Adult Support and Protection Quality Assurance Sub-Group, with the final report to be completed and reported to the Orkney Public Protection Committee and Chief Officers Group.

11. 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:

Noted:

11.1. That, in terms of section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014, integration authorities must prepare a report detailing performance relating to the planning and carrying out of the integration functions, for the area of the local authority.

11.2. That the performance report must be published and a copy provided to each constituent authority, in this case NHS Orkney and Orkney Islands Council.

11.3. That the performance report, attached as Appendix 1 to the report by the Chief Officer, Orkney Health and Social Care Partnership, was based on information supplied by the Public Health Scotland Local Intelligence Support Team, to report performance against the Core Suite of National Performance Indicators for 2021/22, as well as performance against the Ministerial Strategic Group performance indicators.

11.4. That the draft Annual Performance Report was approved by the Integration Joint Board on 28 June 2023 and subsequently submitted to the Scottish Government on 29 June 2023.

12. Chief Social Work Officer's Annual Report

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

Scrutinised the Chief Social Work Officer's Annual Report for 2022/23, attached as Appendix 1 to the report by the Chief Social Work Officer, and obtained assurance that social work and social care services were being delivered to an acceptable standard locally.

Councillor Duncan A Tullock left the meeting during discussion of this item and rejoined the meeting at this point.

13. Local Employability Partnership Annual Report

After consideration of a report by the Corporate Director for Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Community Learning and Development Team Leader (Employability), the Committee:

Noted:

13.1. That, in 2020, Community Learning and Development and Employability took responsibility for delivering employability services under No One Left Behind, which saw the amalgamation of various strategic groups and creation of the Local Employability Partnership.

13.2. That, in March 2022, the Local Employability Partnership published the No One Left Behind 3 Year Operational Plan, outlining its collective efforts to deliver on the national policy context and provide employability services that met local community and economic needs.

13.3. That membership of the Orkney Local Employability Partnership was large and included a variety of public and third sector services that all contributed not only to employability directly but also indirectly including housing, community justice and health services.

13.4. The Local Employability Partnership Annual Report 2022-2023, attached as Appendix 1 to the report by the Corporate Director for Education, Leisure and Housing, which detailed progress made across the partnership to work towards and meet the collective vision and outcomes set out in the No One Left Behind 3 Year Operational Plan.

13.5. That the Council, as the Lead Accountable Body, was allocated employability funding from Scottish Government to administer, as decided by the Local Employability Partnership, to meet local priorities and agreed outcomes.

13.6. That, despite the requirement for a 3 Year Operational Plan, funding was currently allocated on a yearly basis, which brought challenges as highlighted in the Annual Report 2022-23.

The Committee scrutinised:

13.7. The Local Employability Partnership Annual Report for 2022-23, attached as Appendix 1 to the report by the Corporate Director for Education, Leisure and Housing, and obtained assurance that the aims and priorities detailed in the Orkney No One Left Behind 3 Year Operational Plan were being met, in so far as they related to the Council.

14. 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:

14.1. The 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:**

14.2. That The Orkney Partnership's draft Annual Report 2022/23, attached as Appendix 9 to this Minute, be approved in so far as it applied to the Council.

Councillor Stephen G Clackson rejoined the meeting at this point.

15. Local Child Poverty Action Report

After consideration of a joint report by the Chief Officer, Orkney Health and Social Care Partnership, the Corporate Director for Education, Leisure and Housing and the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Head of Improvement and Performance, the Committee:

Noted:

15.1. That the Child Poverty (Scotland) Act 2017 placed a duty on local authorities and health boards in Scotland to report annually on activity they were taking, and would take, to reduce child poverty.

15.2. That Local Child Poverty Action Reports must be submitted to the Scottish Government as soon as practicable following the end of the reporting year.

15.3. That the Child Poverty Task Force had published four Local Child Poverty Action Reports for Orkney, with the fifth, for 2022-23, attached in draft at Appendix 1 to the joint report by the Chief Officer, Orkney Health and Social Care Partnership, the Corporate Director for Education, Leisure and Housing and the Corporate Director for Strategy, Performance and Business Solutions.

15.4. That the Orkney Child Poverty Strategy 2022-26 took effect from April 2022 and provided a coherent framework for the planning, implementation, monitoring and reporting of co-ordinated action to address child poverty in Orkney.

15.5. That the monitoring and reporting of co-ordinated action to address child poverty in Orkney, including compilation of the Local Child Poverty Action Report 2022-23, was currently undertaken by The Orkney Partnership's Cost of Living Task Force.

15.6. That the draft Local Child Poverty Action Report 2022-23 was currently in circulation for consideration by partner agencies and would be submitted for final approval to the Orkney Partnership Board prior to submission to the Scottish Government.

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

15.7. That the Local Child Poverty Action Report 2022-23, attached as Appendix 10 to this Minute, be approved for submission to the Scottish Government, in so far as it related to the remit of the Council.

16. Islands Cost Crisis Emergency Fund

Councillor Gillian Skuse declared an interest in this item, her connection being that she was a member of the Cost of Living Task Force, and was not present during discussion thereof.

Councillor Mellissa-Louise Thomson declared an interest in this item, her connection being that she was a member of various groups who had previously benefitted from the Islands Cost Crisis Emergency Fund and might be eligible for future funding, and was not present during discussion thereof.

After consideration of a joint report by the Chief Officer, Orkney Health and Social Care Partnership, the Corporate Director for Strategy, Performance and Business Solutions and the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Head of Improvement and Performance, the Committee:

Noted:

16.1. That, in December 2022, the Scottish Government established an Islands Cost Crisis Emergency Fund, in recognition of the higher costs of living experienced by residents of Scotland's islands, to be distributed by local authorities "based on their local knowledge and understanding of the impacts of the cost crisis on their islands".

16.2. That Orkney's share of the Islands Cost Crisis Emergency Fund for 2022/23, amounting to £305,000, was allocated by the Council to the Third Sector Cost of Living Crisis Fund, administered by Voluntary Action Orkney.

16.3. That a second tranche of the Islands Cost Crisis Emergency Fund had been announced for 2023/24, with Orkney's allocation being £218,000, to be used "by providing immediate help to people, communities and businesses who are struggling most, either through existing schemes and/or other new support where need is greatest".

16.4. That The Orkney Partnership had established a multi-agency Delivery Group, the Cost of Living Task Force, with a brief to co-ordinate an agile response to the cost of living crisis, supporting both immediate need and longer-term prevention of poverty and disadvantage, which included the co-ordination of partnership action plans relating to child poverty, food dignity and fuel poverty.

16.5. That many of the projects and services delivered by members of the Cost of Living Task Force directly supported the immediate need of the people and communities targeted by the Islands Cost Crisis Emergency Fund and, with additional resources, could be rolled out to support many more.

16.6. That, collectively, members of the Cost of Living Task Force could offer unparalleled expertise, capacity and local knowledge, as well as direct access to the people and communities who were struggling most as a consequence of the cost of living crisis.

16.7. That the Cost of Living Task Force was currently chaired by the Chief Officer of the Orkney Health and Social Care Partnership.

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

16.8. That the Cost of Living Task Force be invited to recommend how best the Islands Cost Crisis Emergency Fund 2023/24 should be spent and to action their recommendations.

16.9. That all recommendations made by the Cost of Living Task Force regarding expenditure of the Islands Cost Crisis Emergency Fund 2023/24 should be scrutinised and approved by the Corporate Director for Enterprise and Sustainable Regeneration prior to implementation.

16.10. That the Islands Cost Crisis Emergency Fund should be administered by the Community Planning Business Manager.

17. National Islands Plan – Consultation

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 Improvement and Performance, the Committee:

Noted:

17.1. That the National Islands Plan was published by Scottish Ministers in 2019 as a requirement of the Islands (Scotland) Act 2018.

17.2. That Scottish Ministers were required to review the National Islands Plan five years after publication.

17.3. That Scottish Government was holding a public consultation to inform the review of the National Islands Plan, for which responses were required by 9 October 2023.

17.4. The Council's draft response to the Scottish Government's consultation on the review of the National Islands Plan, attached as Appendix 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions.

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

17.5. That consideration of the Council's draft response to the Scottish Government's consultation on the review of the National Islands Plan, be deferred, to the General Meeting of the Council to be held on 3 October 2023, to enable elected members to provide feedback on the proposed response, referred to at paragraph 17.4 above.

18. Place Based Investment Programme

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Head of Enterprise and Economic Growth, the Committee:

Noted:

18.1. That the 2020 Programme for Government committed to establishing a Place Based Investment Programme, with Scottish Government and Council Leaders agreeing that Local Government would receive a share of the funding over five years to support and advance place based investment.

18.2. That the Council received an allocation of £106,000 in 2022/23 from the Place Based Investment Programme, with an indication that £74,000 would be received in 2023/24 and the following two financial years.

18.3. That the requirement to enter contracts for any work before the end of the financial year, as well as the inability to use the funds for any project already on the Council's capital programme, significantly limited options for how the Place Based Investment Programme funding could be used.

18.4. That the aims of the Place Based Investment Programme were particularly well aligned to the Council's draft Strategic Tourism Infrastructure Development Plan, where a place based approach was being taken and funding could form part of match funding for bids to other external funding sources such as VisitScotland's Rural Tourism Infrastructure Fund.

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

18.5. That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration, in consultation with the Corporate Director for Neighbourhood Services and Infrastructure, to determine use of the Council's Place Based Investment Programme awards for 2023/24 to 2025/26, to fund 'place based' projects, with a preference towards tourism infrastructure projects identified and developed through the Strategic Tourism Infrastructure Development Plan, where match funding could also be identified from the Rural Tourism Infrastructure Fund and/or other external funding sources.

19. Equalities Mainstreaming and Outcomes

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 Interim Senior Organisational Development Adviser, the Committee:

Noted:

19.1. That, in 2018, the Council published its Equality Outcomes and related action plan for the period 2018 to 2022.

19.2. The proposed Equality Outcomes for the period 2023 to 2027, as set out on page 12 of the Equalities Mainstreaming and Outcomes Report attached as Annex 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions.

The Committee scrutinised:

19.3. The final progress report in respect of the Equalities Mainstreaming and Equality Outcomes 2018-2022, as detailed in Appendix 1 of Annex 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions, and obtained assurance that the Council made progress against the Equality Outcomes.

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

19.4. That the Equalities Mainstreaming and Outcomes Report, incorporating revised Equality Outcomes for the period 2023 to 2027, attached as Appendix 11 to this Minute, be approved in so far as it related to the remit of the Council.

20. Local Government in Scotland: Overview 2023

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, the Committee:

Noted:

20.1. The national audit report, Local Government in Scotland: Overview 2022, published by Audit Scotland in May 2023, attached as Appendix 1 to the report by the Corporate Director for Strategy, Performance and Business Solutions, which provided a high-level, independent view of the key challenges and performance issues faced by Scottish Councils.

20.2. The key messages and recommendations contained within the national audit report, details of which were included in section 4 of the report by the Corporate Director for Strategy, Performance and Business Solutions.

The Committee scrutinised:

20.3. The local context, as set out in section 5 of the report by the Corporate Director for Strategy, Performance and Business Solutions, and obtained assurance that the Council was addressing the key messages and recommendations arising from the national audit report, where required and as appropriate.

Councillor Stephen G Clackson left the meeting during discussion of this item and rejoined the meeting at this point.

21. Digital Strategy 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 Service Manager (Improvement and Performance), the Committee:

Noted:

21.1. That, on 22 February 2022, the Policy and Resources Committee recommended that the updated Digital Strategy 2022 to 2026 be approved.

21.2. That a delivery plan, which detailed actions to deliver on the aims and outcomes of the Digital Strategy 2022 – 2026, and those of the Council Plan 2023-28, had been developed.

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

21.3. That the Digital Strategy Delivery Plan 2023 – 2026, attached as Appendix 12 to this Minute, be approved.

22. Climate Change Strategy

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:

22.1. That the Council declared a Climate Emergency in 2019 and, through the adopted Council Plan 2023-28, confirmed a high ambition for action on climate change and net zero, reflecting climate leadership and support for local economic growth and transition.

22.2. That relevant guidance and standards concerning net zero as a climate target had matured in the last two years, and now reflected a consensus approach to use of the term in setting clear targets for climate action.

22.3. That achieving net zero was a clear aim for the Council and the scale of the task required independent information to support future decision making and funding decisions.

22.4. That clarity was required in communicating the Council's net zero commitments and strategy development.

22.5. That the Extended Corporate Leadership Team had agreed the establishment of a cross service Climate Change Team, with officer representation across all service areas.

22.6. The draft timeline for progressing the Council's Climate Change Strategy, as detailed in section 7.6 of the report by the Corporate Director for Neighbourhood Services and Infrastructure.

Councillor James W Stockan, seconded by Councillor Kristopher D Leask, moved that:

- The Council acknowledge the scale of the challenge of transitioning the Council and services to net zero, confirm its commitment to urgent action, and endorse the developing strategic approach, including initial principles and timeline.
- The Corporate Director for Neighbourhood Services and Infrastructure should commission an independent study to identify indicative Council transition pathways towards net zero, at an estimated cost of £80,000, to be funded from the Council's Crown Estate Fund.
- The Corporate Director for Neighbourhood Services and Infrastructure should submit, to the Policy and Resources Committee no later than March 2024, an interim vision paper on net zero, explaining the Council's ambition, transparently communicating the approach to drive short term action and delivering a route map to achieve net zero.

- The Corporate Director for Neighbourhood Services and Infrastructure should submit a report, to the Policy and Resources Committee no later than March 2025, on the outcomes of the independent study commissioned to identify indicative Council transition pathways towards net zero.

Councillor Duncan A Tullock, seconded by Councillor Owen Tierney, moved an amendment that the undernoted recommendations, as proposed by officers, be deleted:

- The Council acknowledge the scale of the challenge of transitioning the Council and services to net zero, confirm its commitment to urgent action, and endorse the developing strategic approach, including initial principles and timeline.
- The Corporate Director for Neighbourhood Services and Infrastructure should commission an independent study to identify indicative Council transition pathways towards net zero, at an estimated cost of £80,000, to be funded from the Council's Crown Estate Fund.
- The Corporate Director for Neighbourhood Services and Infrastructure should submit, to the Policy and Resources Committee no later than March 2024, an interim vision paper on net zero, explaining the Council's ambition, transparently communicating the approach to drive short term action and delivering a route map to achieve net zero.
- The Corporate Director for Neighbourhood Services and Infrastructure should submit a report, to the Policy and Resources Committee no later than March 2025, on the outcomes of the independent study commissioned to identify indicative Council transition pathways towards net zero.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, David Dawson, Owen Tierney and Duncan A Tullock (4).

For the Motion:

Councillors Graham A Bevan, Alexander G Cowie, Steven B Heddle, Rachael A King, Kristopher D Leask, W Leslie Manson, James R Moar, Raymond S Peace, John A R Scott, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, James W Stockan, Ivan A Taylor and Heather N Woodbridge (15).

The Motion was therefore carried and the Committee thereafter resolved to **recommend to the Council:**

22.7. That the Council acknowledge the scale of the challenge of transitioning the Council and services to net zero, confirm its commitment to urgent action and endorse the developing strategic approach, including initial principles and timeline.

22.8. That the Corporate Director for Neighbourhood Services and Infrastructure should commission an independent study to identify indicative Council transition pathways towards net zero, at an estimated cost of £80,000, to be funded from the Council's Crown Estate Fund.

22.9. That the Corporate Director for Neighbourhood Services and Infrastructure should submit, to the Policy and Resources Committee no later than March 2024, an interim vision paper on net zero, explaining the Council's ambition, transparently communicating the approach to drive short term action and delivering a route map to achieve net zero.

22.10. That the Corporate Director for Neighbourhood Services and Infrastructure should submit a report, to the Policy and Resources Committee no later than March 2025, on the outcomes of the independent study commissioned to identify indicative Council transition pathways towards net zero.

Councillors P Lindsay Hall and Mellissa-Louise Thomson left the meeting during discussion of this item.

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

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 31 August 2023, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Rachael A King, seconded by Councillor Kristopher D Leask, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 31 August 2023, attached as Appendix 13 to this Minute, as a true record.

24. Asset Management Sub-committee

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 29 August 2023, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Ivan A Taylor, seconded by Councillor Steven B Heddle, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 29 August 2023, attached as Appendix 14 to this Minute, as a true record.

25. Zero-Emission Vessel and Infrastructure Fund

The Committee noted that this item had been withdrawn.

26. Exclusion of Public

On the motion of Councillor James W Stockan, seconded by Councillor Heather N Woodbridge, 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.

27. North Isles Landscape Partnership Scheme

Councillor Stephen G Clackson declared an interest in this item, his connection being that a close family member was a recipient of assistance from the North Isles Landscape Partnership Scheme, and was not present during discussion thereof.

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 1, 4 and 6 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Service Manager (Enterprise), the Committee:

Noted:

27.1. That, in 2015, the North Isles Landscape Partnership was established and comprised the Council, Highlands and Islands Enterprise, Royal Society for the Protection of Birds and Scottish Natural Heritage (now known as NatureScot).

27.2. That, in November 2015, the Heritage Lottery Fund (now known as the National Lottery Heritage Fund), and the scheme's main funder, awarded a first-round pass to the North Isles Landscape Partnership Scheme to work up a second-round submission.

27.3. That the North Isles Landscape Partnership Scheme's Landscape Conservation Action Plan was subsequently developed, and a second-round application made to the National Lottery Heritage Fund in 2017, with a total projected budget of up to £4,524,212, subject to a full funding package being secured.

27.4. That the North Isles Landscape Partnership Scheme consisted of a range of projects under four themes, with a list of projects attached as Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

27.5. That, in September 2017, the Policy and Resources Committee recommended that funding, of up to £282,260, be allocated from the Strategic Reserve Fund towards the delivery phase of the North Isles Landscape Partnership Scheme.

27.6. That, in March 2018, the Heritage Lottery Fund awarded a grant of up to £2,829,200 towards eligible project costs of £4,524,212.

27.7. That, to date, funding up to a total of £4,239,211 had been confirmed in respect of the overall budget for the North Isles Landscape Partnership Scheme, with a balance of approximately £285,000 yet to be secured.

27.8. That a programme extension had been agreed by the National Lottery Heritage Fund, as the main funder, to 31 December 2024 and project managers and community groups were still seeking sources of external match funding in the time remaining.

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

27.9. That, subject to confirmation of the subsidy control position to the satisfaction of the Corporate Director for Enterprise and Sustainable Regeneration, a provision of up to £285,000 be made from the Council's Crown Estate Fund as a financial guarantee for the remaining projects to ensure delivery of the North Isles Landscape Partnership Scheme.

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 David Dawson left the meeting during discussion of this item and rejoined the meeting at this point.

28. Potential Acquisition of Property

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

After consideration of a report by the Corporate Director for Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Service Manager (Leisure and Culture), the Committee:

Resolved to **recommend to the Council** what action should be taken with regard to the potential acquisition of property.

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.

29. Conclusion of Meeting

At 17:00 the Chair declared the meeting concluded.

Signed: James W Stockan.