

Minute

Policy and Resources Committee

Thursday, 3 December 2020, 10:30.

Microsoft Teams.



Present

Councillors 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 Heather N Woodbridge.

Clerk

- Hazel Flett, Senior Committees Officer.

In Attendance

- John W Mundell, Interim Chief Executive.
- Gavin Barr, Executive Director of Development and Infrastructure.
- Gillian Morrison, Interim Chief Officer/Executive Director, Orkney Health and Care.
- James Wylie, Executive Director of Education, Leisure and Housing.
- Gareth Waterson, Head of Finance.
- Gavin Mitchell, Head of Legal Services.
- Karen Greaves, Head of Executive Support.
- Hayley Green, Head of IT and Facilities (for Items 1, 2 and 6.3 to 15).
- Jim Lyon, Interim Head of Children and Families, Criminal Justice and Chief Social Work Officer.
- Roddy Mackay, Head of Planning, Development and Regulatory Services (for Items 1 to 12).
- Les Donaldson, Safety and Resilience Manager (for Items 1 to 8).
- Anna Whelan, Strategy Manager (for Items 1 to 9).
- Eileen Summers, Environment Officer (for Items 1 to 12).

Observing

- Andrew Groundwater, Head of HR and Performance.
- Darren Richardson, Head of Infrastructure and Strategic Projects (for Items 1 to 5).
- Rosemary Colsell, Procurement Manager (for Items 1 to 11).
- Paul Kemp, Strategic Finance Manager (for Items 1 to 5).
- Andrew Hamilton, Performance and Best Value Officer (for Items 1 to 9).
- Rebecca McAuliffe, Press Officer (for Items 1 to 13).

Apology

- Councillor James W Stockan.

Declaration of Interest

- Councillor John A R Scott – Item 9.

Chair

- Councillor W Leslie Manson, Depute Leader and Vice Chair.

1. Revenue Expenditure Monitoring

1.1. Policy and Resources

After consideration of a joint report by the Chief Executive, the Executive Director of Development and Infrastructure and 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 2020, attached as Annex 1 to the joint report by the Chief Executive, the Executive Director of Development and Infrastructure and the Head of Finance, indicating an underspend position of £38,400:

- 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 2020, attached as Annex 2 to the joint report by the Chief Executive, the Executive Director of Development and Infrastructure and 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 joint report by the Chief Executive, the Executive Director of Development and Infrastructure and the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

1.2. Summary

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

Noted:

1.2.1. The summary revenue expenditure statement for the period 1 April to 30 September 2020, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- A total General Fund underspend of £236,700.
- A deficit in Sources of Funding of £235,200.
- A net Non-General Fund surplus of £19,379,300.

1.2.2. The financial detail across individual Sources of Funding for the period 1 April to 30 September 2020, including significant variances identified as Priority Actions, 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.

2. Revenue Budget – Outturn Projections

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

Noted:

2.1. The summary revenue budget outturn projections statement for the period 1 April 2020 to 31 March 2021, attached as Annex 1 to the joint report by the Chief Executive and the Head of Finance, indicating the following:

- A total General Fund overspend of £3,916,000.
- A deficit in Sources of Funding of £471,000.
- A net Non-General Fund surplus of £18,828,000.

2.2. The explanations given in respect of the significant budget variances, attached as Annex 2 to the joint report by the Chief Executive and the Head of Finance.

2.3. The table in section 8.2 of the joint report by the Chief Executive and the Head of Finance illustrating how the projected outturn deficit funding for General Fund services might be managed to produce a balanced budget.

3. Budget Setting – Efficiency Savings

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

Noted:

3.1. That, as part of the budget setting process for 2021/22, the Senior Management Team had identified savings proposals that, using the criteria set out in section 3.2 of the report by the Head of Finance, had been classified as low risk and uncontroversial.

3.2. That, should the low risk savings be implemented, this would result in a reduction of £97,100 to baseline budgets for financial year 2021/22.

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

3.3. That the efficiency savings for 2021/22, identified in Appendix 1 to this Minute, and amounting to £97,100, be approved and consequently removed from Service baseline budgets.

4. Capital Expenditure Monitoring

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

Noted:

4.1. The summary financial position, as at 30 September 2020, 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 2020 of £8,263,000.
- Annual budget of £26,431,000, which reflected slippage and current timescales for completion of individual projects, as recommended by the Policy and Resources Committee on 22 September 2020.
- Probable outturn as at 31 March 2021 of £21,822,000.

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 being made with delivery of the approved capital programmes.

5. Treasury Management – Mid-Year Update

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

- An economic update for the period 1 April to 30 September 2020.
- 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 2020/21.
- A review of the Council's borrowing strategy for 2020/21.
- A review of compliance with Treasury and Prudential Limits for 2020/21.

6. Performance Monitoring

6.1. Chief Executive's Service

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

Noted:

6.1.1. The performance of the Chief Executive's Service for the reporting period 1 April to 30 September 2020, as set out in sections 4 to 6 and Annexes 1 and 2 of the report by the Chief Executive.

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

6.1.2. That the undernoted actions that had been progressed to completion be removed from the Chief Executive's Service's Service Plan.

- 05 – External Communication – Develop a proactive, multi-media approach to promote for complex external communications. For example, explaining budget setting and the use of the Council Strategic Reserves.
- 12 – Elections – During uncertain political climate, maintain a higher state of preparedness for a snap election event.

6.1.3. That the undernoted actions contained within the Chief Executive's Service's Service Plan be amended as indicated:

- 02 – Capital Strategy – target date extended to 30 September 2021.
- 08 – Change Programme – target date extended to 31 March 2021.
- 10 – Purchase to Pay – target date extended 30 September 2021.
- 11 – Feedback – target date extended to 30 September 2021.
- 13 – Carbon Reduction – target date extended to 31 October 2021.

6.2. Corporate Services

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

Noted:

6.2.1. The performance of Corporate Services for the reporting period 1 April to 30 September 2020, as set out in sections 4 to 6 and Annexes 1 and 2 of the joint report by the Chief Executive, the Executive Director of Development and Infrastructure and the Executive Director of Education, Leisure and Housing.

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

6.2.2. That the undernoted actions contained within Corporate Services' Service Plan be amended as indicated:

- 01 – HR / Payroll Development System – target date extended to 31 March 2021.
- 03 – Review of Benchmarking arrangements – target date extended to 31 December 2021.
- 04 – Gender Pay Gap Action Plan – target date extended to 31 March 2021.
- 05 – Office Accommodation Review – target date extended to 31 December 2021.
- 08 – Digital Strategy – target date extended to 30 September 2021.

6.3. Council Delivery Plan

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

Noted:

6.3.1. Progress made in respect of the targets within the Council Delivery Plan 2018 to 2023 for the period 30 September 2019 to 30 September 2020, as set out in Annex 1 to the joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing.

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

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

- Page 9 – 2.3 We will address the known upcoming shortage of qualified Mental Health Officers in Orkney by training two more staff.
- Page 11 – 2.6 We will develop our Corporate Parenting approach and establish a Corporate Parenting Board.
- Page 13 – 2.10 We will successfully complete the new build residential care home for older people in Stromness creating additional capacity and providing care for people with high levels of dependency.
- Page 16 – 2.14 We will work with partners to encourage increased physical activity. We will explore, with partners, an exercise referral scheme.
- Page 38 – 5.7 Work in partnership to deliver the Strategy to Further Protect Orkney's Cultural Heritage.
- Page 39 – 5.8 Further promote and administer Culture Fund through core funding and grant assistance scheme to support community cultural activity.
- Page 47 – 6.1 Continuous improvement in all measures associated with public safety and staff wellbeing and safety across Council assets and services. This will include delivery of a proactive Health and Safety Policy and Plan.
- Page 49 – BV1d(i) Implement the Digital Strategy and IT Strategy, and associated work-plans.

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

- Page 3 – 1.4 Refresh and deliver the Council’s Airfield’s Strategy and Investment Plan – target date extended to 30 June 2021.
- Page 7 – 1.9 Work with Scottish Government and other partners to progress the outcomes of the Inter Isles STAG (Strategic Transport Appraisal Guidelines) Strategic Business Cases in order to develop and then deliver the Outline and final Business Cases for improved inter isles transport services and the associated ferry, air and infrastructure improvements – target date extended to 31 December 2021.
- Page 20 – 3.4 We will maintain and improve the quality and condition of the school estates – target date extended to 31 March 2023.
- Page 27 – 4.2 Strategic investment in projects to generate income and / or deliver significant community benefits – target date changed to 31 March 2021.
- Page 30 – 4.6 Review and establish fresh approach for waste management / recycling / handling including community-based models – target date extended to 30 September 2021.
- Page 33 – 4.10 Ensure appropriate “Islands Project” funding mechanisms (internal and external) are in place to support key industry sectors (pre and post BREXIT), targeting the Shared Prosperity Fund and other distribution mechanisms – target date extended to 31 March 2023.
- Page 36 – 5.3 Implementation of North Isles Landscape Partnership Project – target date extended to 31 March 2024.

7. National Fraud Initiative

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

Noted:

7.1. The national audit report, The National Fraud Initiative 2018/19, issued in July 2020 by Audit Scotland, attached as Appendix 1 to the report by the Head of Finance.

7.2. The key messages contained within the national audit report, as detailed in section 5 of the report by the Head of Finance.

8. Corporate Risk Register

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Safety and Resilience Manager, the Committee:

Resolved to **recommend to the Council** that the updated Corporate Risk Register as at October 2020, attached as Appendix 2 to this Minute, be approved.

9. The Orkney Partnership – Annual Report

Councillor John A R Scott declared a non-financial interest in this item, being a Board member of THAW Orkney, but concluded that his interest did not preclude his involvement in the discussion.

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Strategy Manager, the Committee:

Noted:

9.1. That community planning partnerships were required to develop Local Outcomes Improvement Plans, undertake locality planning and report on progress.

9.2. The draft Orkney Partnership Annual Report 2019 to 2020, attached as Appendix 1 to the report by the Chief Executive, which reported on progress against the Orkney Community Plan 2019 to 2022, incorporating Orkney's Local Outcomes Improvement Plan.

9.3. That the draft Orkney Partnership Annual Report 2019 to 2020 was currently being submitted by partner agencies to their individual governing bodies for consideration prior to its submission to the Orkney Partnership Board for approval in January 2021.

The Committee scrutinised:

9.4. The Orkney Partnership Annual Report 2019 to 2020, attached as Appendix 1 to the report by the Chief Executive, and obtained assurance insofar as it applied to the Council.

Councillor Magnus O Thomson left the meeting at this point.

10. Procurement – Annual Report

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of IT and Facilities, 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.

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

10.4. That the Procurement Annual Report, including the undernoted appendices, attached as Appendix 3 to this Minute, be approved for publication:

- Appendix 1: Contracts awarded 1 April 2019 to 31 March 2020.
- Appendix 2: Council's Procurement Service Improvement Plan 2019 to 2020.
- Appendix 3: Forward Plan Regulated and Unregulated Procurement 2020 to 2022.

11. Climate Change Duties

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

Noted:

11.1. That the Climate Change Duties Report, attached as Appendix 1 to the report by the Executive Director of Development and Infrastructure, which covered the period 1 April 2019 to 31 March 2020, summarised the actions that had been undertaken by the Council during that period to fulfil its climate change duties.

11.2. That the Climate Change Duties Report was due for submission to the Scottish Government by 30 November 2020.

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

11.3. That the Climate Change Duties Report, attached as Appendix 4 to this Minute, be approved for submission to the Scottish Government.

12. Biodiversity Duty

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

Noted:

12.1. That the Biodiversity Duty Report, attached as Appendix 1 to the report by the Executive Director of Development and Infrastructure, which covered the period 1 January 2018 to 31 December 2020, summarised the actions undertaken by the Council during that period to fulfil its biodiversity duty.

12.2. That the Biodiversity Duty Report required to be submitted to the Scottish Government by 1 January 2021.

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

12.3. That the Biodiversity Duty Report 2018 to 2020, attached as Appendix 5 to this Minute, be approved for submission to the Scottish Government.

Councillor Norman R Craigie left the meeting during discussion of this item.

13. Integration Joint Board – Annual Performance Report

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

Scrutinised the Integration Joint Board's Annual Performance Report 2019/20, attached as Appendix 1 to the report by the Chief Officer/Executive Director, Orkney Health and Care, and obtained assurance that services commissioned by the Integration Joint Board to the Council were performing to an acceptable standard.

Councillor Steven B Heddle left the meeting at this point.

14. 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 2019/20, attached as Appendix 1 to the report by the Chief Social Work Officer, and obtained assurance that social work services were being delivered to an acceptable standard locally.

15. Services for Children and Young People in Need of Care and Protection

Joint Inspection – Progress Update

After consideration of a joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, copies of which had been circulated, the Committee:

Noted:

15.1. That, between 26 August and 4 October 2019, the Orkney Community Planning Partnership was inspected on its services for children and young people in need of care and protection.

15.2. That the inspection was led by the Care Inspectorate, with the report detailing its findings published on 25 February 2020.

15.3. That an action plan had been developed to capture 33 improvement areas identified in the inspection report, which was routinely updated and monitored.

15.4. Progress to date with the key thematic areas set out in the review of services for children and young people in need of care and protection, reported to the Orkney Health and Care Committee on 6 June 2019, as set out in section 4 of the joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, which also directly related to the improvement areas in the action plan developed in response to the inspection report.

The Committee scrutinised:

15.5. Progress to date as outlined in the Improvement Plan, attached as Appendix 1 to the joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, and obtained assurance with regard to progress being made in respect of the 33 improvement areas identified in response to the joint inspection.

16. Pension Fund Sub-committee together with Pension Board

16.1. Meeting held on 16 September 2020

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 16 September 2020, 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 16 September 2020, attached as Appendix 6 to this Minute, as a true record.

16.2. Meeting held on 26 October 2020

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 26 October 2020, 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 26 October 2020, attached as Appendix 7 to this Minute, as a true record.

17. Asset Management Sub-committee

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 3 November 2020, copies of which had been circulated, the Committee:

Resolved, 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 3 November 2020, attached as Appendix 8 to this Minute, as a true record.

18. Police and Fire Sub-committee

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 17 November 2020, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Andrew Drever, seconded by Councillor David Dawson, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 17 November 2020, attached as Appendix 9 to this Minute, as a true record.

19. Conclusion of Meeting

At 16:10 the Vice Chair declared the meeting concluded.

Signed: L Manson.