



# Orkney and Shetland Valuation Joint Board



---

## Minute

Thursday, 2 March 2023, 14:00.

Council Chamber, Council Offices, Kirkwall, Orkney.

### Present:

#### Orkney Islands Council:

Dr Stephen G Clackson, Kristopher D Leask, P Lindsay Hall, John A Ross Scott and Dr Jean E Stevenson.

#### Shetland Islands Council:

Allison Duncan, Stephen Leask, Liz Peterson, Gary Robinson and Arwed Wenger.

### Clerk to the Board:

- Karen A Greaves.

### In Attendance:

- Erik Knight, Treasurer to the Board.
- Darryl Rae, Assessor and Electoral Registration Officer.
- Robert Eunson, Depute Assessor.

### Orkney Islands Council:

- Andrew Groundwater, Head of Human Resources and Organisational Development (via Microsoft Teams).
- Gavin Mitchell, Head of Legal and Governance.
- Hazel Flett, Service Manager (Governance).
- Andrew Paterson, Chief Internal Auditor.

### Chair:

- Stephen Leask, Shetland Islands Council, Convener of the Board.

## **1. Introduction and Apologies**

The Convener welcomed everyone and reminded members that the meeting was being recorded and broadcast live over the Internet on Orkney Islands Council's website. The recording would also be publicly available following the meeting and available for listening to for 12 months thereafter.

No apologies had been intimated.

## **2. Declarations of Interest**

No declarations of interest were intimated in respect of the business to be considered at this meeting.

## **3. Minute of Previous Meeting**

There had been previously circulated the draft Minute of the Meeting of the Board held on 8 December 2022.

On the motion of Mr John Ross Scott, seconded by Mr Lindsay Hall, the Board **approved** the Minute of the Meeting of the Board held on 8 December 2022, as a true record.

## **4. Matters Arising Log**

There had been previously circulated a log detailing matters arising from previous meetings, together with a list of regular reports.

The Clerk advised that the updated Internal Audit Plan would be discussed later in the meeting, as would dates for future meetings, when venues could be considered. Induction training remained outstanding and this would be arranged as soon as possible.

In response to a question from Mr John Ross Scott regarding the Electoral Commission's Welcome to Your Vote Week 2023, the Clerk confirmed that press releases were issued and promotional work within the Education service had been undertaken.

## **5. Revenue Expenditure Monitoring**

There had been previously circulated a report by the Treasurer to the Board advising of the revenue position of the Board as at 31 December 2022.

The Treasurer advised that the current deficit position as at 31 December 2022 was mainly attributable to the Barclay Review cost centre, and related to increased staff costs arising from the recent pay settlement and overtime.

The Board noted:

**5.1.** The revenue financial summary statement, in respect of the Orkney and Shetland Valuation Joint Board, for the period 1 April to 31 December 2022, attached as Annex 1 to the report circulated, indicating a budget deficit position of £17,100.

The Board scrutinised:

**5.2.** The explanations given and actions proposed, in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the report circulated, and obtained assurance that action was being taken with regard to significant budget variances.

## **6. Draft Budget**

There had been previously circulated a report by the Treasurer to the Board setting out the proposed draft budget for the Orkney and Shetland Valuation Joint Board for financial year 2023/24.

The Treasurer apologised for the late circulation of the report, which was due to pressure in finalising other budgets. The recommendation for 2023/24 was a proposed increase in the requisitions from the constituent authorities, with the draft budget set out in Appendix 1 to the report circulated.

The increase in staff costs was due to the recent pay settlements as well as salary increments. Energy costs were proposed to be increased in line with Orkney Islands Council's budget setting assumptions. No other increases in expenditure budget lines were proposed, given the tight financial envelope. Further, no increase was proposed in fees and charges.

The Treasurer also referred to the proposal to increase the permanent staffing establishment in order to provide resilience going forward, noting that the proposal would still require to go through the relevant authority's HR processes, depending on the employing authority.

Dr Stephen Clackson queried whether the anticipated overspend from the previous year was included in this draft budget. The Treasurer advised that the overspend was in relation to approved overtime to enable officers to complete the Revaluation exercise. The draft budget had not been increased to account for variances, as the Board did not fund shortfalls.

With 83% of the budget relating to staff costs, Gary Robinson sought assurance that all costs had been looked at to ensure that the Board was running as efficiently as possible. The Assessor confirmed that he had worked through the budget setting process with his management team and Orkney Islands Council's finance team, drilling down into each cost centre, looking back as well as rolling forward to ensure that all known expenditure was accounted for.

The Board noted:

**6.1.** The requirement to set a balanced budget and to determine the level of requisition to be sought from the Board's constituent authorities.

**6.2.** That the draft budget for financial year 2023/24, attached as Appendix 1 to the report circulated, was based on a standstill position, subject to pay and inflationary cost pressures and broadly followed the strategies adopted by the constituent authorities.

**6.3.** The proposal to increase the staffing establishment by 0.2 full-time equivalent (FTE), by creating a permanent part-time post (0.4 FTE) of Technician, based in Shetland, at an estimated cost of £9,000 for 2023/24, plus pay increases for future financial years, to provide a level of resilience, cover and succession planning.

**6.4.** That, should the draft budget be approved, this would result in a requisition to each constituent authority as follows:

- Orkney Islands Council – £519,950, representing an increase of £40,550 or 8% on the previous year's requisition.
- Shetland Islands Council – £512,250, representing an increase of £35,550 or 7% on the previous year's requisition.

The Board **resolved**:

**6.5.** That the draft budget for 2023/24, attached as Appendix 1 to the report circulated, be approved.

**6.6.** That the staffing complement be increased, on a permanent basis, by 0.2 FTE, to allow recruitment to a part-time 0.4FTE post of Technician, based in Shetland, to provide a level of resilience, cover and succession planning, at an estimated cost of £9,000 for 2023/24, plus pay increase allowances for future financial years.

## **7. Annual Audit Report 2021/22 – Action Plan**

There had been previously circulated a report by the Clerk to the Board providing an update on progress with the Action Plan arising from the Annual Audit Report on the 2021/22 Audit of the Orkney and Shetland Valuation Joint Board.

The Clerk advised that this was a regular report to track actions arising from the external auditor's annual audit report, with the outstanding actions detailed in the Appendix. The main outstanding action related to the production of Board specific Financial Regulations and Contract Standing Orders; however, the Board had previously agreed to follow Orkney Islands Council's Financial Regulations and Contract Standing Orders in the interim. It was anticipated draft documents would be submitted to the Board later in the year. The action relating to risk was now considered "business as usual", as a significant amount of work around risk had been undertaken recently.

The Treasurer reminded the Board that the Risk Register, which had been considered and approved at the last meeting, contained a section on financial risk and he did not think that repeating that information in budget reports was beneficial – the Risk Register was the most appropriate place to record risk.

In response to a question from Mr Lindsay Hall on Red or Amber rated risks, the Treasurer confirmed that one risk, relating to unexpected expenditure due to cash flow, remained at Amber. Although this risk was hard to manage, it was mitigated to some extent through budget monitoring and early indication, so that the risk could be treated. All other risks relating to finance were currently Green and being managed, although it was difficult to eliminate all risks.

Dr Stephen Clackson queried whether the potential overspend on the Barclay Review was considered a risk. The Treasurer advised that, although the constituent authorities received funding for that specific matter, it was not sufficient to meet actual costs, therefore he was unsure what the risk was, noting that the full cost would be requisitioned from the constituent authorities.

The Convener referred to Action 4 and referenced the excellent, insightful training session provided to Board members immediately prior to this meeting.

The Board noted:

**7.1.** The updated Action Plan, attached as Appendix 1 to the report circulated, which contained actions arising from the Annual Audit Report on the 2021/22 Audit.

**7.2.** That a further update on progress would be presented to the Board, at its meeting to be held in June 2023.

The Board **resolved**:

**7.3.** That the target date for Action 3 be amended to 31 December 2023.

## **8. Governance Review – Action Plan**

There had been previously circulated a report by the Clerk to the Board providing an update on progress with the Action Plan arising from the review of governance arrangements for the Orkney and Shetland Valuation Joint Board.

The Clerk advised that this was the regular update report on actions arising from the governance review undertaken by the Improvement Service in early 2021. The two remaining actions related to informal briefings and training for Board members and, as mentioned earlier, a further training session had been held prior to this meeting. The following report on the agenda also set out a proposed programme of seminar topics which, if agreed, would become part of the Board's routine business programme.

Mr John Ross Scott queried why Action 1 was marked as Blue, given that the Constitution had not yet been reviewed. The Clerk confirmed that this action related specifically to the Standing Orders and the Scheme of Delegation, both of which had been approved by the Board and were operational. The remaining documentation to be produced were the Board specific Financial Regulations and the Contract Standing Orders referenced at the previous item.

The Board noted:

**8.1.** The updated Action Plan arising from the review of governance arrangements, attached as Appendix 1 to the report circulated.

**8.2.** That a further update on progress would be presented to the Board, at its meeting to be held in June 2023.

## **9. Seminars and Training for Board Members**

There had been previously circulated a report by the Clerk to the Board proposing a programme of seminars and training for Orkney and Shetland Valuation Joint Board Members.

The Clerk reminded members that the Governance Review recommended that the Board should hold informal seminars and briefings for members to build their knowledge in relevant areas, such as the Barclay Review. It was agreed that a programme of informal seminars would be proposed and agreed by the Board following the summer recess each year.

On 30 June 2022, Board members received an induction session, which covered the following matters:

- The role of the Valuation Joint Board.
- The functions and statutory duties of the Assessor and Electoral Registration Officer.
- An overview of the Assessor duties.
- An overview of the Electoral Registration duties.
- Board Governance.
- Financial Governance.
- Roles and responsibilities of Board Members.

That session was repeated on 17 November 2022 for Board Members unable to attend the initial session and for substitute Board Members.

A proposed programme for the next 12 months was set out in section 3.6 of the report, with the Barclay Review having been covered in a session held prior to this meeting.

In addition, the external legal advisors were contracted to deliver training each year and further information on these sessions would be available in due course. Further topics for seminars and training to be delivered by the Board's management team would be identified after recess each year.

Mr Lindsay Hall queried how the training proposed for September would be undertaken, given the meeting was to be held virtually. The Clerk advised that the final item on the agenda was an opportunity for the Board to consider the venues for meetings, which could be affected by travel availability and weather. The subject matter could also determine the most appropriate location, noting that the Depute Electoral Registration Officer was based in Shetland.

While Mr Lindsay Hall was content that all meetings should be held in person, Mr Gary Robinson, supported by Mr Allison Duncan, voiced concern that every meeting be held in person, noting the additional costs to the respective councils.

Mr Kristopher Leask asked that consideration be given to a briefing session on the impact of the Barclay Review on the Revaluation process.

The Board noted:

**9.1.** That the Governance Review recommended that the Board should hold informal seminars and briefings for members to build their knowledge in relevant areas.

**9.2.** The proposed programme of seminars and training for Board Members for the next 12 months, detailed in section 3.6 of the report circulated.

**9.3.** That the programme would be updated each year following the summer recess.

The Board **resolved**:

**9.4.** That the undernoted programme of seminars and training for Board Members for the next 12 months, be approved:

- March 2023:
  - The Barclay Review
  - 2023 Revaluation.
- September 2023:
  - Voter ID
  - Annual Canvass.

## **10. Internal Audit Strategic Plan**

There had been previously circulated a report by the Chief Internal Auditor presenting the Internal Audit Strategic Plan for 2023/24.

The Chief Internal Auditor advised that the Public Sector Internal Audit Standards included a requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals. The audit plan must incorporate a strategic or high-level statement of how the internal audit service would be delivered and developed in accordance with the Internal Audit Charter and how it linked to the organisational objectives and priorities.

Although a three year Internal Audit Strategy and Plan had been approved in June 2022, this was subject to annual review to ensure it remained relevant. Accordingly, a planning process, involving the following, had been undertaken:

- Reviewing the Board's risk register.
- Reviewing the Board's strategic and operational plans.
- Reviewing external audit reports to identify areas of concern.
- Reviewing the Board's website and internal policies and procedures.
- Audit work previously undertaken, and the conclusions reached.
- Consultation with the Assessor and Board Officers.

Auditable areas were identified on page 2 of the audit plan. Two areas had been completed in 2022/23, with the third area, financial controls, on hold until the Board specific Financial Regulations had been approved. A number of audits were proposed for 2023/24, although it was noted that, as audit planning was a continuous process, the plan could be reviewed and adjusted as required in response to changes in risks, operations and priorities.

Mr Kristopher Leask queried when the last internal audit had been undertaken. The Chief Internal Auditor advised that, although unsure of the exact date, external audit had suggested in excess of 10 years.

The Board **resolved** that the Internal Audit Strategic Plan, attached as Appendix 1 to the report circulated, be approved.

## **11. Internal Audits**

### **11.1. Corporate Governance and Risk Management**

There had been previously circulated a report by the Chief Internal Auditor presenting the Corporate Governance and Risk Management Audit Report for Members' scrutiny.

The Chief Internal Auditor advised that the review followed the identification and reporting of significant weaknesses in governance and leadership within the Orkney and Shetland Valuation Joint Board, by the appointed External Auditor, Deloitte LLP, in their 2019/20 and 2020/21 annual audit reports. The objective of the audit was to review the Board's Corporate Governance and Risk Management arrangements focusing on the response to the issues identified by the External Auditor.

The audit provided substantial assurance that the processes and procedures relating to Corporate Governance and Risk Management were well controlled and managed. The internal audit report included one medium priority recommendation regarding the publication of External Audit Reports, and one low priority recommendation regarding developing a risk policy. There were no high level recommendations made as a result of the audit.

In response to the audit recommendations, the External Audit Reports were now published on the board's website and the risk management policy and strategy was due to be considered later in the meeting.

In response to a query from Mr Kristopher Leask, the Chief Internal Auditor believed that KPMG had been appointed as the Board's external auditors and would be in touch to draft the audit plan. The Treasurer confirmed that KPMG had been in touch to discuss auditing the Board, as well as other accounts which Orkney Islands Council produced (KPMG had also been appointed as Orkney Islands Council's external auditors). No audit plan was available as yet, and he was hopeful it would be forthcoming shortly, as it was nearing the end of the financial year to be audited. However, he was aware that some councils had received extensions to finalise and produce accounts as a consequence of ongoing COVID-19 related delays, meaning there was a backlog in handovers between external auditors.



The Convener appreciated remarks such as “the Board acted quickly to address weaknesses in the leadership and governance arrangements that were highlighted in the 2020/21 report” and was proud of the endeavours so far.

The Board scrutinised the findings of the internal audit relating to a review of Corporate Governance and Risk Management arrangements, attached as Appendix 1 to the report circulated, and obtained assurance that action had been taken or agreed where necessary.

### **11.2. IT Network and Security**

There had been previously circulated a report by the Chief Internal Auditor presenting the IT Network and Security Audit Report for Members’ scrutiny.

The Chief Internal Auditor advised that the Board held information for various purposes, including valuing properties in Orkney and Shetland, to compile the non-domestic rating Valuation Roll, the Council Tax Valuation List and to maintain the Register of Electors. The Assessor and Electoral Registration Officer was the data controller for the Board, with the respective councils, who held and processed personal data, defined as data processors who acted on behalf of the data controller. The objective of the audit was to review the Board’s IT network and cyber security arrangements, including data governance and compliance with data protection legislation.

The audit provided adequate assurance that the processes and procedures relating to the IT Network and Security were well controlled and managed. The internal audit report included one medium priority recommendation regarding IT service level agreements, and seven low priority recommendations regarding security policies, confirmation statements, the data protection officer, the records management plan and physical security arrangements. There were no high level recommendations made as a result of the audit. Two of the recommendations had been completed at the time of the audit, with good progress being made on the remaining six recommendations.

Mr John Ross Scott referred to the section on office security and that no physical review of the Lerwick office had been undertaken. He queried why that had not happened and when it would happen. The Chief Internal Auditor advised that, when reviewing office security at the Kirkwall office, any issues found would be actioned and replicated in the Lerwick office, therefore it was not considered necessary to physically visit the Lerwick office. The Assessor also confirmed that office security was a standing item on management team meeting agenda and confirmed the Chief Internal Auditor’s statement that any issues found were actioned and replicated in both office locations. Currently there were no plans for the Chief Internal Auditor to physically visit the Shetland office.

Mr Lindsay Hall queried use of the word “adequate” when describing the audit opinion and the Chief Internal Auditor confirmed this wording came from guidance issued to chief internal auditors and was the same terminology as used in Orkney Islands Council’s internal audit reports. The Board could, if it so wished, use alternative wording.

The Board scrutinised the findings of the internal audit relating to a review of IT Network and Security arrangements, attached as Appendix 1 to the report circulated, and obtained assurance that action had been taken or agreed where necessary.

## **12. The Coronation of His Majesty the King**

There had been previously circulated a report by the Clerk to the Board setting out proposals for public holiday arrangements associated with the coronation of His Majesty the King.

The Head of Human Resources and Organisational Development advised that it was up to individual employers to determine the arrangements for any additional public holidays to mark the coronation of His Majesty the King. The Board was aware of the decisions made by the constituent authorities, however, as a separate legal employer, the Board was required to determine whether it wished to award the additional holiday and what form that additional day might take.

The report set out four options – two supporting the award of an additional holiday and two against. The difference between awarding additional annual leave versus a public holiday, was that some employees were entitled to enhanced payments for working public holidays, therefore this could incur a cost to the Board, whereas additional annual leave came at no additional financial cost.

The proposal was to award an additional day of fixed annual leave in 2023/24, to be taken on Monday, 8 May 2023 where possible. Not awarding additional leave could affect staff morale, with most of the public sector awarding the additional leave, and the proposal would not incur any additional cost to the Board.

Dr Stephen Clackson sought clarification on the meaning of “public holiday”. The Head of Human Resources and Organisational Development advised that “public holiday” was terminology used within terms and conditions of employment for local authority employees, which equally applied to the Board’s employees, and referred to days when the majority of services were closed to the public, the exception being some vital services, such as those provided on a 24/7 basis – it did not mean a holiday for the general public.

The Board noted:

**12.1.** That the UK Government had announced an additional bank holiday on Monday, 8 May 2023, to mark the coronation of His Majesty the King.

**12.2.** That the coronation ceremony itself was scheduled to take place on Saturday, 6 May 2023.

**12.3.** That it was for individual employers to determine whether they wished to award an additional holiday on Monday, 8 May 2023.

**12.4.** That the Board could choose to recognise the event by granting either:

- An additional public holiday; or
- An additional day of fixed annual leave that must be taken on Monday, 8 May 2023.

**12.5.** That, alternatively, the Board could choose to either:

- Move an existing Bank Holiday to Monday, 8 May 2023; or
- Not award the additional holiday and consider that Monday, 8 May 2023 would be a normal day of Board operations and all employees would be expected to work as normal.

**12.6.** That, should an additional day of annual leave be approved, the offices of the Orkney and Shetland Valuation Joint Board would be closed on Monday, 8 May 2023.

Mr Kristopher Leask, seconded by Dr Jean Stevenson, moved that the recommendations, as proposed by officers, be approved, namely to award an additional day of fixed annual leave to be taken on Monday, 8 May 2023, where possible.

Mr Allison Duncan suggested that, as the coronation was on a Saturday, he saw no reason to provide additional leave. Should employees want to travel to London, they were entitled to apply for annual leave in advance. If not, they could watch the event on television. Accordingly, he moved an amendment, seconded by Mr Gary Robinson, that the Board should not award the additional holiday and consider Monday, 8 May 2023 as a normal day of Board operations and all employees should be expected to work as usual.

The result of a recorded vote was as follows:

For the Amendment:

Mr Allison Duncan, Ms Liz Peterson, Mr Gary Robinson and Mr Arwed Wenger (4).

For the Motion:

Dr Stephen Clackson, Mr Lindsay Hall, Mr Kristopher Leask, Mr Stephen Leask, Mr John Ross Scott and Dr Jean Stevenson (6).

The Board thereafter **resolved**:

**12.7.** That employees, in the employment of the Orkney and Shetland Valuation Joint Board on Monday, 8 May 2023, be awarded an additional day of fixed annual leave to be taken on Monday, 8 May 2023 where possible.

**12.8.** That those employees required to work on Monday, 8 May 2023 to provide essential services shall have a pro rata day in lieu added to their annual leave entitlement, and for part time employees who were not due to work on the day, a pro-rata allocation be added to their annual leave entitlement for the year.

### **13. Risk Management Policy and Strategy**

There had been previously circulated a joint report by the Assessor and Electoral Registration Officer and the Clerk to the Board presenting a Risk Management Policy and Strategy for the period 2023 to 2026.

The Assessor advised that the Board aimed to provide high quality, transparent, effective and responsive services to all stakeholders. To achieve this the Board was committed to the management of risks within its control to safeguard its employees and service users, protect its assets, preserve and enhance service delivery and maintain effective stewardship of its funds.

Whilst it was acknowledged that risks could never be eliminated in their entirety, managing risks could identify positive opportunities which, with the appropriate level of control, might lead to service improvements.

Risk management was the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them. The aim was to reduce the likelihood and frequency of risk events occurring, wherever that was possible, and minimise the severity of their consequences if they did occur.

Risk management also offered a number of benefits, including improving strategic, operational and financial management, as well as helping to minimise financial losses, service disruption, bad publicity, threats to public health or claims for compensation.

A proposed Risk Management Policy and Strategy had been developed which set out policy in respect of business risk and provided a framework to structure the risk management approach. Given the statutory nature of the duties and functions of the Assessor and Electoral Registration Officer, it was proposed that the Board adopt a low appetite to risk.

On the motion of Mr Lindsay Hall, seconded by Mr John Ross Scott, the Board **resolved**:

**13.1.** That, given the statutory nature of the duties and functions of the Assessor and Electoral Registration Officer, the Board adopt a low appetite to risk.

**13.2.** That the Risk Management Policy and Strategy for the period 2023-2026, attached as Appendix 1 to the report circulated, be approved.

Mr Gary Robinson left the meeting at this point.

## **14. Service Plan**

There had been previously circulated a report by the Assessor and Electoral Registration Officer presenting the draft Service Plan for the next three years and detailing the operations and activities undertaken in relation to the Board's statutory function and other service provisions.

The Assessor explained that the Service Plan contained the Board's service mission, vision, aims, objectives and commitments over the next three years and had been refreshed to reflect the significant reforms in Non-Domestic Rating and Electoral Registration.

The Service Plan was split into four parts, as follows:

- Service Functions.
- Core Objectives.
- Key Activities and Outcomes.
- Performance Management.

Should the Board approve the content of the draft Service Plan 2023-26, the Assessor would explore options of improving the design and aesthetic of the Plan, as well as statistically refreshing data, ahead of publication on 1 April 2023.

Mr Lindsay Hall queried, with a time limit to publish by 1 April 2023, whether the Board would get an opportunity to review the refreshed document. The Assessor advised that the text would not change – what was proposed was to incorporate some images and/or photographs. Some of the information in Parts 3 and 4, which comprised the majority of the Plan, would be amended to be as up to date as possible at the date of publication.

In response to a query from Mr John Ross Scott regarding publicity to the changes arising from the Elections Act 2022, the Assessor confirmed that Voter ID related specifically to reserved elections and, as elections were due to be held in England and Wales in May 2023, publicity campaigns had been undertaken there but not in Scotland. The Scottish Assessors Association was currently looking into options with the Electoral Commission with regards to publicity in Scotland.

Mr John Ross Scott sought assurance on the Corona valuation system, in that it was compatible with both authorities' IT systems, given that, in the past, there had been compatibility and accessibility issues with IT systems being used by staff in different organisations. The Assessor confirmed that the Corona system was provided by a third party, with both Highland and Borders also using the system. Previously, each office, Orkney and Shetland, had standalone systems, therefore moving to the Corona system was actually beneficial, although this had been operated in tandem with existing systems, to enable testing and resilience to be undertaken.

Mr John Ross Scott referred to action (o) on page 39 of the draft Service Plan and asked how that would operate in practice. The Assessor advised that, rather than contacting individuals within care settings, one person was the nominated contact within each care setting, to ensure the relevant information was captured during the annual canvas.

Dr Stephen Clackson queried whether the Board could review the plan each year, which the Assessor confirmed would be possible.

Mr Lindsay Hall referred to the default position of a number of the islands in Orkney being postal vote only and the requirement to reapply. Both the Assessor and the Clerk confirmed that reminders were sent at appropriate times, as well as targeted publicity campaigns in the run up to any electoral event.

The Board **resolved**:

**14.1.** To approve the content of the Service Plan 2023-26, attached as Appendix 1 to the report circulated, which, owing to circumstances, had been prepared two months in advance of normal requirements.

**14.2.** That powers be delegated to the Assessor to explore options of improving the design and aesthetic of the Plan, together with statistically refreshing data, ahead of publication on 1 April 2023.

**14.3.** That, on the motion of Dr Stephen Clackson, seconded by the Convener, the Service Plan should be reviewed annually.

## **15. Medium Term Financial Plan**

There had been previously circulated a report by the Treasurer to the Board presenting a Medium Term Financial Plan for the period 2023/24 to 2025/26.

Again, the Treasurer apologised for the late circulation of the draft Medium Term Financial Plan, however the baseline figures for the first year of the plan, 2023/24, were predicated on the annual budget, the paper for which had also taken time to finalise and circulate to the Board for consideration earlier in the meeting.

In summary:

- Annex 1 highlighted a number of areas which had yet to be addressed, was not an exhaustive list and contained a number of uncertainties.
- Annex 2 provided the assumptions applied to the budget for 2023/24.
- Annex 3 identified the funding gap, should the constituent authorities not increase the requisitions.
- The Plan had not moved much in the past year, with COVID-19 effectively replaced by the cost-of-living crisis.
- Section 9 provided a short commentary on risk management.
- The Plan was based on a number of assumptions which could change, therefore best and worst case scenarios, which had featured in previous plans, had been removed.

The Treasurer was reasonably confident that inflation would come down to between 4% and 5% by the end of the current calendar year, but that was dependent on pay settlements and the ongoing Ukraine conflict. The long term plan by the Bank of England was to get inflation to around 2%. Each year, the budget and three year plan would show different figures with different assumptions and pressures therefore, as the plan was refreshed annually to keep the figures and assumptions as relevant and up to date as possible, comparing 10 year projections would not be helpful, as each year's baseline figures would be different.

The Board noted:

**15.1.** That the Medium Term Financial Plan served as a key planning document for the use of resources over the medium-term.

**15.2.** That the Medium Term Financial Plan linked to the Service Plan 2023-2026 and the Workforce Plan 2021-2024.

**15.3.** The key principles of the Medium Term Financial Plan, as outlined in section 5 of the report circulated.

The Board **resolved**:

**15.4.** That the Medium Term Financial Plan, for the period 2023/24 to 2025/26, attached as Appendix 1 to the report circulated, be approved.

## **16. Date of Next Meeting**

It was noted that the next meeting was scheduled to be held on 29 June 2023.

The Clerk advised that this meeting was originally scheduled to be held virtually, although that was subsequently changed to being in person, in order that further development sessions could be arranged and delivered. Accordingly, the Board was asked to consider the venues for future meetings, with the proposal that the September meeting be held in person in Shetland, as it had previously been agreed that development sessions be arranged twice per annum.

On the motion of the Convener, seconded by Mr Lindsay Hall, the Board **resolved** that future meetings of the Board be scheduled as follows:

- 29 June 2023 – in Orkney.
- 28 September 2023 – in Shetland (to include development session).
- 14 December 2023 – virtual meeting.

## **17. Conclusion of Meeting**

Following the conclusion of Board business, the Convener thanked members for the debate and officers for their input, particularly Mr Darryl Rae, Assessor and Electoral Registration Officer, who had joined the Board at a particularly difficult time. The Convener thanked Mr Rae for all his work and wished him well in his next post. He also had great pleasure in announcing that, following the recent recruitment exercise, Mr Robert Eunson had accepted the position of Assessor and Electoral Registration Officer and would take up post imminently.

There being no further business, at 15:30 the Convener declared the meeting concluded.

Signed: Stephen Leask.