

Minute

Special General Meeting of the Council

Wednesday, 25 November 2020, 09:30.

Microsoft Teams.



Present

Councillors J Harvey Johnston, Alexander G Cowie, Norman R Craigie, Robin W Crichton, David Dawson, Andrew Drever, Barbara Foulkes, Steven B Heddle, Rachael A King, W Leslie Manson, John T Richards, Stephen Sankey, John A R Scott, Gwenda M Shearer, Graham L Sinclair, James W Stockan, Magnus O Thomson, Owen Tierney, Duncan A Tullock and Heather N Woodbridge.

Clerk

- Gavin Mitchell, Head of Legal Services.

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 (for Items 1 and 2).
- James Wylie, Executive Director of Education, Leisure and Housing.
- Gareth Waterson, Head of Finance.
- Karen Greaves, Head of Executive Support.
- Hazel Flett, Senior Committees Officer.

Observing

- Hayley Green, Head of IT and Facilities.
- Andrew Groundwater, Head of HR and Performance.
- Roddy Mackay, Head of Planning, Development and Regulatory Services (for Items 1 and 2).
- Jackie Thomson, Development and Regeneration Manager (for Items 1 and 2).
- Stuart Allison, Economic Development Manager (for Items 1 and 2).
- Claire Kemp, Business Gateway Manager (for Items 1 and 2).
- David Hartley, Communications Team Leader.
- Lorraine Stout, Press Officer.

Apology

- Councillor Stephen G Clackson.

Declaration of Interest

- Councillor Stephen Sankey – Item 2.

Chair

- Councillor J Harvey Johnston, Convener.

1. Disclosure of Exempt Information

The Council noted the proposal that the public be excluded from the meeting for consideration of Item 3, 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. Economic Recovery Steering Group – Proposed Resource Allocation

Councillor Stephen Sankey declared a financial interest in this item, in that his company could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

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

Noted:

2.1. That, on 11 June 2020, when considering proposed governance and spending priorities in relation to the business and economy response and recovery phase of the COVID-19 pandemic, the Council resolved inter alia:

- That the Governance Structure [attached as Appendix 4 to the Minute], including establishment of a short life working group which would be associated with the Vibrant Economic Delivery Group of the Orkney Community Planning Partnership, be endorsed.
- That Council representation on the Steering Group should comprise the Chief Executive, the Executive Director of Development and Infrastructure and five elected members.
- That the Chief Executive should submit a report to the Council, in due course, presenting the Steering Group Cross Sector/Cross Agency Recovery Plan, together with any financial implications for the Council arising from the Plan.

2.2. That, in June 2020, the Orkney Partnership Board established the short life working group, entitled the Economic Recovery Steering Group, with a remit to develop a strategy for Orkney's economic recovery from the COVID-19 pandemic.

2.3. That membership of the Economic Recovery Steering Group comprised the following:

- Five Elected Members of the Council, namely:
 - Councillor Barbara Foulkes.
 - Councillor Rachael A King.
 - Councillor John T Richards.
 - Councillor Graham L Sinclair.
 - Councillor James W Stockan.
- Nine representatives from Orkney's business sector.
- Senior officers from the Council and Highlands and Islands Enterprise.

2.4. That the Economic Recovery Steering Group, which had met seven times between 18 August and 14 November 2020, had developed a vision for Orkney's economic recovery, ASPIRE, together with an initial action plan, attached as Appendix 1 to the joint report by the Chief Executive and the Executive Director of Development and Infrastructure, which had been endorsed by the Orkney Partnership Board.

2.5. That the Economic Recovery Steering Group had requested financial support from the Council to establish the dedicated resource required to deliver the ASPIRE programme.

On the motion of Councillor Barbara Foulkes, seconded by Councillor John T Richards, the Council resolved:

2.6. That the vision and initial action plan relating to ASPIRE Orkney, developed by the Economic Recovery Steering Group, attached as Appendix 1 to this Minute, be supported in principle.

2.7. That the detail of the ASPIRE Orkney programme be subject to further consideration, in the context of the Council's corporate plan, by the Policy and Resources Committee, with effect from January 2021, and thereafter as a standing item for the Policy and Resources Committee.

2.8. To commit an allocation of up to £250,000, to be sourced from the Council's Coronavirus Business Hardship Fund, to enable the Economic Recovery Steering Group to establish the necessary programme management resource to instigate delivery of the ASPIRE programme.

2.9. That powers be delegated to the Executive Director of Development and Infrastructure, in consultation with the Leader, the Chair of the Development and Infrastructure Committee, the Head of Finance and the Solicitor to the Council, to establish an appropriate mechanism to distribute the funding, referred to at paragraph 2.8 above, to be made available to the Economic Recovery Steering Group.

Councillor Magnus O Thomson joined the meeting at this point.

3. Air Services – Strategic Opportunity

On the motion of Councillor J Harvey Johnston, seconded by Councillor James W Stockan, the Council resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

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

Resolved what action should be taken with regard to a strategic opportunity relating to air services.

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.

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4. Conclusion of Meeting

At 12:45 the Convener declared the meeting concluded.

Signed: Harvey Johnston.

ASPIRE Orkney
Economic Recovery Steering Group
Vision and Initial Action Plan

November 2020

Introduction

The economic landscape is going to look very different post Covid-19 – both here in Orkney, and everywhere that has been affected.

We are facing a complete reset of the economy, ways of living and ways of working. Many of our businesses are experiencing a significant reduction in turnover and employment. Some businesses have already closed, and jobs have already been lost.

A large number of people in our communities are living on reduced wages and less secure contracts. Many of our business owners have had to exhaust reserves where they had them and borrow at unprecedented levels to achieve survival. The economic impact of Covid is affecting individual, family, and community wellbeing.

Challenges are yet to emerge, including the market response to Brexit.

In the face of this, Orkney can work together to create a different kind of economic future which benefits the whole community. We can choose to build back better and create a true wellbeing economy, which prioritises economic prosperity and the creation of quality jobs, with an unequivocal focus on climate change, fair work and diversity.

Delivering this will require bold, innovative, collective leadership and action. No single agency can make this happen. We need a new, deeper partnership between the OIC, HIE, skills agencies, the private, third and voluntary sectors, based on a shared ambition and vision for Orkney.

This document sets out our vision for Orkney's economic recovery, the challenges that we face, our action plan and our proposed delivery model.

Glen McLellan

Chair Orkney Economic Recovery Steering Group

Our Vision: ASPIRE Orkney

To recover from the pandemic, and build a better future, Orkney must **aspire** to be:

Ambitious, **S**ustainable, **P**rosperous, **I**nclusive, **R**esilient, **E**nterprising

Ambitious

- Value and harness the county's natural, cultural, and human resources
- Take control of our own economic future
- Take control of our demographic future
 - Support population growth across the county for all ages
 - Retain people through employment, education, and housing
 - Attract new talent
- Innovate, experiment, improve

Sustainable

- Commit unequivocally to an environmentally sustainable future
 - Lead the transition to a net zero economy: when we get there, shout about it
- Invest in sustainable enterprises and skills
 - Create alternative career paths for those in environmentally damaging industries
- Develop a circular economy that keeps more money in Orkney for longer
 - Increase community empowerment and ownership

Prosperous

- Aim high: become global leaders in the sectors we can truly excel in
- Create quality jobs
 - Make Orkney a Real Living Wage community
 - Improve conditions in important but typically low-wage sectors
- Work to eradicate fuel poverty
- Provide local investment opportunities
 - Invest local authority funds locally
- Campaign for increased Westminster and Holyrood funding
- Discover and secure new ways of attracting inward investment into Orkney

Inclusive

- Make sure no one in our community is left behind
 - Create equal wellbeing in all areas of the county, including the isles
 - Embrace diversity, creating opportunities for all
 - Focus on eradicating child poverty and create a place where young people want to live and work
 - Recognise and celebrate the contribution older people make in our community to allow them to love later life
 - Increase investment in training, retraining and education
- Welcome new ideas and people wherever they come from
- Increase transparency so everyone can understand and endorse decisions taken by their local authority and associated organisations

Resilient

- Step up scenario planning
 - Plan for future changes and challenges
 - Identify strategies to respond to forecast megatrends
- Invest in robust technology and systems to help Orkney spring back from adversity
 - Dramatically improve connectivity throughout the county
 - Develop agile supply chains
- Attract and retain a highly skilled, adaptable workforce
 - Train for a future where flexibility and problem-solving are essential attributes

Enterprising

- Unite and utilise the different skills of the public, private and third sectors
 - Link short-term, urgent action with long-term vision
 - Challenging bureaucracy : focus on goals, not processes
- Gather data, analyse it, act on it – and update it constantly
- Make bold, well-informed decisions in planning, training, and investment
 - Seek out inward investors who share our vision
- Invest in and support enterprises and organisations that embody the ASPIRE principles, whether private, third sector, voluntary or community

Our challenges

Money exists but it's in the wrong places

Short term:

- £5m was ring-fenced by the OIC for Covid economic support, but only approximately £1.5m has been allocated. It's in the wrong place: it should be circulating in the economy.
- The challenge is to get that money making an effective, immediate impact in the local economy.

Medium term:

- The Strategic Reserve Fund is a valuable asset that has served Orkney, and the OIC, well over the last 40 years.
- The challenge is to renegotiate the different understandings, both OIC and community, of what the SRF is for, and then come to an agreement on how the asset should best be used over the next 40 years.
- A further challenge is to successfully channel the resources of other public agencies with a footprint in Orkney towards this Recovery Plan, and to ensure proportionate and effective the levels of financial support is made available to Orkney from Governments

Regulations protect us but can also harm our economic well-being

Short term

- When regulations work against Orkney's economic recovery, don't stick to them unquestioningly:
 - Work with government and regulatory bodies to find ways to rethink them
 - Or consider risk-based approaches to alternatives.

Medium term

- Recognise that pre-Covid regulations are sometimes no longer fit for purpose.
- Become a community known for challenging orthodoxy and outdated regulations.
- Innovate to resolve challenges specific to our island community.

Public procurement involves large expenditure, but local businesses lose out

Short term

- Seek best value, not lowest cost:
 - Often this should mean Orkney suppliers
 - Always it should mean suppliers who align with ASPIRE principles.

Medium term

- Argue for relaxation or remodelling of national procurement regulations:
 - in Orkney's special circumstances

- in the light of the post-Covid changed landscape.
- Be aware that using contractors based on an island, where a project is planned, can have benefits for that island, beyond those provided by a Mainland-based contractor.
- Ensure this can be a common approach for all public service providers within Orkney

We have resources of people and money: let's apply them where most needed

Short term:

- Orkney's public bodies, have resources of skilled, intelligent, well-informed staff:
 - Use that human resource to deliver ASPIRE
 - This work is too important to Orkney's future to be done as an add-on task: secondment may be a solution.
- Bring in contributions from the whole of Orkney's civic society.

Groups discussing Orkney's future have too many good ideas

Short term:

- The challenge is to know which of these ideas to prioritise:
 - Identify which issues facing us are short-term and urgent in their impact, and which are medium term
 - Take brave and ambitious decisions which deliver step-change differences.

Medium term:

- Get the balance right between governance and delivery, consulting and doing, short term and long-term action.

The future is uncertain and unpredictable

Short term:

- The pandemic is still developing, and so is the economic collapse coming in its wake.
- Some economic impacts are clear, others are still emerging. This is likely to be the case until at least the end of 2021, and possibly much longer.
- Short term support needs to come quickly and boldly, based on current knowledge of where it is most needed.
- Brexit will bring further uncertainty and new challenges, on top of pandemic-related ones.
- Some markets may close down, others may open up: details are far from certain.

Medium term:

- Establish economic data-collection systems:
 - The approach must be accurate, but also efficient, agile, and appropriate to the needs of Orkney
 - Continually collect and analyse data

- Base future decisions on this. It may not be definitive, but it will be a lot more up to date than we currently have.
- Whatever the future brings, excellent digital connectivity will be essential: currently it is very patchy, and areas with poor connections are disproportionately challenged by the current uncertainties

Orkney has great strengths but too often we doubt ourselves

Short term:

- Build confidence and a sense of identity by supporting Orkney's culture: music, art, literature, language, film, theatre.

Medium term:

- Develop strategies to increase recognition of Orkney's achievements in every sphere: awards, documentation, publication.
- Support development of shared digital resources including an 'Orkneypedia' reference site.
- Learn to sing our praises as a community so our skills, resources, supply chain and contributions are more visible, and more appreciated.
- Enable new partnerships between the private, public and third sectors to share resources and expertise, to resolve island challenges.

We don't benefit sufficiently from money generated here, or from all our globally dispersed assets

Short term:

- Support any business that follows ASPIRE principles, to help it survive the pandemic and the immediate aftermath.
- Questions of long-term viability cannot be answered in the present exceptional circumstances: the important thing is to preserve employment and the Orkney economic ecosystem.
- Develop a circular economy strategy, designed to keep as much of the money generated here in the county for as long as possible.

Medium Term:

- Using improved data, analyse how money leaks or floods out of Orkney:
 - Develop strategies to combat that
 - Support a culture of locally owned businesses that help money stay in the county.
- Where non-locally owned businesses exist, encourage all of them to 'put something back' into the community, recognising that many already do this really well.
 - Work to attract quality inward investment from organisations who share our values.
 -
- Establish strong links with the Orkney diaspora:
 - People with an Orkney connection now settled and living elsewhere

- People with an Orkney connection temporarily working elsewhere.

All of Orkney is affected by the economic collapse, but our response is fragmented

Short term:

- Inject energy and urgency into the three-part economic recovery system.
- Hold rolling BERRG consultations, so up to date sectoral inputs are continually feeding into the system.
- Provide urgent sectoral support based on current knowledge.
- Ensure solutions are relevant for, and work for, all of Orkney's communities.

Medium term:

- Take a holistic approach to the Orkney economy, based on up to date data and analysis of what our economy really consists of.
- Avoid narrowly sectoral approaches, based on received wisdom of which sectors we 'think' are significant.

Everyone wants the best for Orkney, but there are barriers between us

Short term:

- The ASPIRE statement of goals, values and approaches need to be adopted by the private sector, the public sector and the third sector.
- Develop effective communications to overcome organisational and cultural barriers.

Medium term:

- Develop the 'Team Orkney' mindset across private, public and third sectors, as well as the wider community.
- Increase transparency so we can work with a new level of trust, mutual respect, and collaboration.
- Champion this new approach nationally
 - Use it to argue for effective support for our island community.

Our Initial plan

This plan documents the actions we will take to achieve our ASPIRE vision and build a more equal, sustainable, and prosperous Orkney. The plan contains a mix of actions required to get the right *delivery framework* in place, alongside actions to *drive economic recovery*. The actions marked with * are drawn from the Scottish Government's Recovery Plan.

Timescales:

- Ongoing / already underway
- Short term: By March 2021
- Medium term: March 2021 to end 2021
- Long term: 2022 onwards

What	Timescale	Lead	Governance Provided By
Data and foresight: Getting a clear, shared picture of what Orkney's economy looks like now and how it is changing, to drive informed decision making			
Establish our baseline economic data in an accessible form	Ongoing / already underway	Data TADT	ERSG
Create an ASPIRE economic data dashboard which visualises the data to provide the community with accurate, timely data about our economy	Short term	Data TADT	ERSG
Create an economic model that helps us to understand how our economy operates, and how it is changing	Ongoing / already underway	Euan Smith & Gareth Davies	ERSG

What	Timescale	Lead	Governance Provided By
Carry out scenario planning to explore predicted impacts of Covid and Brexit on employment and income, to guide decisions about where, when and how to take action	Short term	TBC	ERSG
Establish an initial outlook on which jobs have been permanently lost, which may return, and which are unaffected to feed into the skills and retraining work	Short term	TBC	ERSG
Our future economic model: Create the principles for a new inclusive and sustainable economic model, learning from new economic thinking and blending it to create something that works for Orkney			
Define the principles for the unique Orkney economic model that will enable us to deliver our ASPIRE vision	Short term	Economic Circularity TADT	ERSG
Establishing a local Covid Economic recovery delivery framework: No single agency can delivery Orkney's economic response and recovery work. We need a new, deeper partnership between the OIC, HIE, skills agencies, businesses, the third, voluntary sectors and broader community, based on a shared ambition and vision for Orkney			
Create a shared vision for Orkney's economic recovery work	Draft	Glen McLellan & Fiona Smith	ERSG/ CPP Board
Identify / support the creation of sector recovery plans, where these do not already exist	Ongoing / already underway	HIE / OIC Ec Dev	OIC / HIE mang structure
Secure an initial fund and human resources to support the work of the ESG	Short term	Glen McLellan, John Mundell, Gavin Barr	ERSG / CPB

What	Timescale	Lead	Governance Provided By
Establish whether there is business appetite for a forum for dialogue and cross sector working with the business community, including the third and voluntary sectors	Short term	Programme Manager / Ec Dev / HIE	ERSG
Implement a communication plan which achieves community buy in and provides hope, including an easy to access 'portal' where people can see what help and opportunities are available (this can't be just digital, it needs to be accessible in other formats)	Short term	Programme Manager and CP team	ERSG
Protecting and creating employment and supporting viable businesses: Protecting viable, sustainable jobs and businesses			
Develop proposals for a 'Winter Job Retention Scheme' (potentially a package of smaller schemes / defining what we mean by viability)	Short term	TBC	ERSG
Maximise the local impact of the Scottish Job Guarantee Scheme, Kickstart Scheme and No One Left Behind Scheme	Short to medium term	Skills and Employability Strategy group	SDS
Monitor take-up of, central government grant schemes, to ensure that maximum funding flows into Orkney, and that we fully understand the extent to which exemptions are preventing local businesses from accessing funding	Ongoing / already underway	Ec Dev, Business Gateway, HIE	OIC / HIE mang structure
Monitor provision of local grant and loan schemes in response to unmet local needs, with regular reviews of uptake and feedback	Ongoing / already underway	Ec Dev, Business Gateway, HIE	OIC / HIE mang structure
Supporting people and businesses facing redundancy: Helping people to find new fulfilling, secure, paid work, quickly			
Revise the local skills strategy in response to Covid, with a focus on retraining, upskilling, and reskilling	Short to medium term	Orkney Skills and Employability Strategy group	OSEG

What	Timescale	Lead	Governance Provided By
Implement the COVID-19 Transition Training Fund *	Short to medium term	Skills and Employability Strategy lead group	SDS
Understand the impact of moving to a net zero, circular economy in Scotland and what this means for skills, jobs and the supply chain in Orkney. Create a long-term strategic skills plan to enable this*	Short to medium term	Skills and Employability Strategy lead group	VEDG/ESRG
Better Planning and Regulation: Our planning and regulatory systems will be crucial in supporting investment and growth, as part of our economic recovery, while maintaining our high standards			
Explore options to alleviate planning constraints, build capacity and deal more quickly with applications to ensure the service is as proactive and efficient as possible *	Medium term	OIC	OIC
Investing in our digital capabilities for economic recovery: The pandemic has underlined the economic importance of digital capability. Tackling Orkney's lack of connectivity and digital exclusion will play a critical role in our future economic wellbeing			
Critically access the proposed R100 roll out to ensure that it will deliver the required connectivity in the required timescale.	Medium to Long term	OIC	ERSG
Scope out connectivity infill projects	Short term	OIC	ERSG
Digital enablement ensure businesses are aware of and supported to adopt innovative technologies.	Ongoing/ already underway	HIE/OIC	OIC/HIE mgt
Support the adoption of digital trading and marketing	Ongoing / already underway	OMAG? Ec Dev / HIE	OIC / HIE mang structure

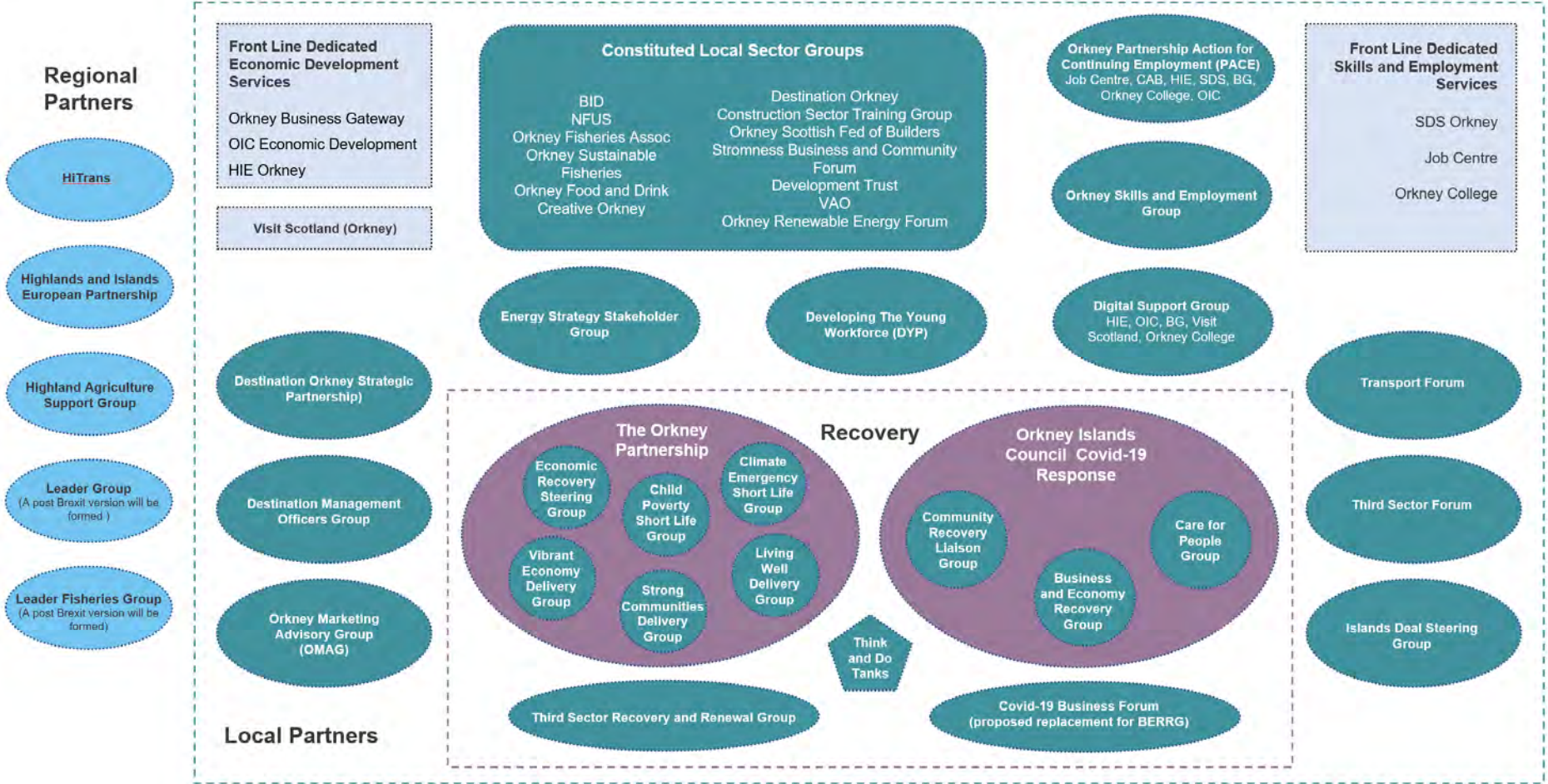
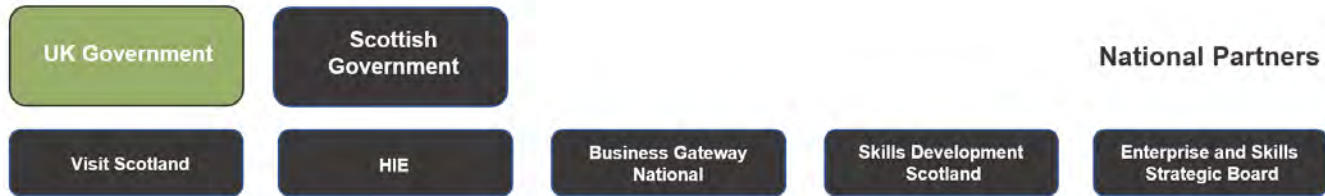
What	Timescale	Lead	Governance Provided By
Reform the Digital support & training group to co-ordinate and identify gaps in digital support	Ongoing / already underway	Digital Support & Training Group	?
Creating economic circularity: Enable community wealth building by retaining spend within Orkney's economy, to aid local job creation and drive inclusive growth			
Create a discussion paper on key ways in which Orkney can increase its economic circularity, including principles for our economy	Short term	Economic Circularity TADT	ERSG
Carry out an options appraisal to identify ways to maximise opportunities in local procurement for local suppliers and the Third Sector	Medium term	OIC	ERSG
Undertake procurement spending analysis to understand actual local spend from public / private sector money	Short term	Economic Circularity TADT	ERSG
Carry out benchmarking and generate an options appraisal for enablers to help local businesses to better compete with major online retailers such as Amazon	Short term	Programme Manager	ERSG
Develop and support 'Shop Local' initiatives	Short term	Ec Dev, HIE, BID, SBCF	ERSG
Maximise closer to home markets. Carry out an option appraisal for ways to prepare and sell locally, food caught, farmed and produced in Orkney. Identify the financial support required to help local producers adapt lines for local need.	Short term	OIC Ec Dev / HIE working with Orkney Food & Drink, NFU and OFA	ERSG

What	Timescale	Lead	Governance Provided By
Creating a localised Investment Strategy: Choosing what we invest in and how we invest, allows us to choose a green recovery with equality at its heart			
Carry out an options appraisal for creative ways to mobilise local funds/savings to invest in our local economy for the long term (e.g. expanding the Credit Union, establishing an Orkney Bank, a local cluster investment fund, a scheme which enables local pension funds to be invested locally).	Short term	Finance TADT	ERSG
Generating inward investment: Seeking out inward investors who share our vision and are committed to benefiting the local community as well as generating a return on their investment			
Develop Orkney's ability to present its opportunities, in response to feedback from potential investors about being underwhelmed by Orkney's 'sales pitch and collateral'	Medium term	TBC	ERSG
Maximise the local benefit of the Scotwind proposals	Medium term	TBC	?
Drive economic benefit from the Islands Deal opportunities	Long term	OIC & HIE	Island Deal Steering Group
Transport: Transport is a key enabler of our economy			
Carry out an options appraisal to support airport investment for economic growth (e.g. increased demand as result of offshore wind growth)	Long term	TBC	?
Driving a Green Recovery: Committing unequivocally to an environmentally sustainable future. Leading the transition to a net zero economy: when we get there, shout about it			
Publish Environmental Sustainability and Climate Change strategy, setting out how Orkney will reach net zero carbon by 2030	end 2021 (target COP)	OREF	OIC

What	Timescale	Lead	Governance Provided By
Appoint Climate Change Officer	Jan 2021	OIC	OIC
Establish a green recovery vision and action plan	end 2021 (target COP)	OIC	OIC
Implement the Orkney Tourism Strategy 2020-2025: A strategy for sustainable tourism	Ongoing	Destination Management Planning Group	Destination Orkney Strategic Partnership
Drive more affordable energy and transport solutions through ReFLEX programme	TBC	TBC	?
Capitalise on Scottish Government's drive and funding for District Heating Schemes*	TBC	TBC	?
Conclude Waste Service Review and replacement waste facility Capital Programme Appraisal Process	March 2021	OIC	OIC

Orkney's Covid Economic Response Eco System

The main groups engaged in Orkney's Covid response and recovery work, and longer term economic development



Emerging Policy Frameworks

Economic Recovery Implementation Plan
The Scottish Government's response to the Advisory Group on Economic Recovery

Addressing the labour market emergency - The Scottish Government's response to the Report by the Enterprise & Skills Strategic Board sub-group on measures to mitigate the labour market impacts from COVID-19

Major Funding Streams

- Islands Deal funding (from 2022)
- Shared Prosperity Fund (which replaces EU funding)
- Crown Estate Fund
- Regional Tourism Infrastructure Fund
- National Infrastructure Fund
- See Business Gateway list for other funders and schemes

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Appendix 3: The Scottish Government’s Wellbeing Economy Monitor

Wellbeing Economy Monitor

To help us achieve our vision of an economy that delivers sustainable and inclusive growth for the people of Scotland.

