

Minute

Asset Management Sub-committee

Tuesday, 1 September 2020, 10:30.

Microsoft Teams.



Present

Councillors W Leslie Manson, Norman R Craigie, Robin W Crichton, Andrew Drever, Steven B Heddle, John A R Scott and James W Stockan.

Clerk

- Hazel Flett, Senior Committees Officer.

In Attendance

- Gavin Barr, Executive Director of Development and Infrastructure.
- Karen Greaves, Head of Executive Support (for Items 1 to 8).
- Hayley Green, Head of IT and Facilities.
- Darren Richardson, Head of Infrastructure and Strategic Projects.
- Colin Kemp, Corporate Finance Senior Manager.
- Graeme Christie, Estates Manager.
- Kenny MacPherson, IT Service Manager (for Items 1 to 8).
- Ian Rushbrook, Capital Programme Manager.
- Jackie Thomson, Development and Regeneration Manager (for Items 10 to 14).
- John Wrigley, Roads and Environmental Services Operations Manager (for Items 10 to 14).
- Jill Macadam, Solicitor.

Observing

- Lorraine Stout, Press Officer.

Declaration of Interest

- Councillor John A R Scott – Item 5.

Chair

- Councillor W Leslie Manson.

1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Items 10 to 14, 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. Form of Voting

The Sub-committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll or recorded vote.

3. Revenue 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 Corporate Finance Senior Manager, the Sub-committee:

Noted:

3.1. The revenue expenditure outturn statement, in respect of service areas for which the Asset Management Sub-committee was responsible, for financial year 2019/20, attached as Annex 1 to the report by the Head of Finance, indicating an overspend of £85,600.

The Sub-committee scrutinised:

3.2. 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 by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

4. Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

4.1. The revenue financial summary statement, in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 30 June 2020, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £380,000.

4.2. The revenue financial detail by service area statement, in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 30 June 2020, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

4.3. 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.

5. Corporate Asset Maintenance Programmes

Revenue Expenditure Outturn

Councillor John A R Scott declared a non-financial interest in this item, being a Council-appointed trustee of the Pickaquoy Centre Trust, but concluded that his interest did not preclude his involvement in the discussion.

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

5.1. The summary position of expenditure incurred against the approved corporate asset revenue maintenance programmes for financial year 2019/20, as detailed in section 4.1 of the report by the Head of Finance, indicating an underspend of £210,500 as at 31 March 2020, against approved budgets totalling £1,927,900.

The Sub-committee scrutinised:

5.2. The summary of larger works undertaken as reactive repairs, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance on progress made with delivery of the approved corporate asset revenue maintenance programmes.

6. Corporate Asset Maintenance Programmes

Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

6.1. The summary position of expenditure incurred, as at 30 June 2020, against the approved corporate asset revenue maintenance programmes, as detailed in section 4.1 of the report by the Head of Finance, indicating an estimated underspend of £230,000 as at 31 March 2021, against approved budgets totalling £1,768,200.

The Sub-committee scrutinised:

6.2. The summary of larger works undertaken as reactive repairs, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance on progress being made with delivery of the approved corporate asset revenue maintenance programmes.

7. Corporate Asset Improvement and Replacement Programmes

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 Corporate Finance Senior Manager, the Sub-committee:

Noted:

7.1. The summary outturn position of capital expenditure incurred for financial year 2019/20 in respect of the corporate asset capital improvement and replacement programmes, as detailed in section 4.1 of the report by the Head of Finance, indicating an underspend of £2,687,216 as at 31 March 2020, against approved budgets totalling £5,167,496.

The Sub-committee scrutinised:

7.2. The detailed analysis of expenditure figures and project updates against the approved programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved corporate asset capital improvement and replacement programmes.

8. Digital Strategy Delivery Plan

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Head of IT and Facilities, the Sub-committee:

Scrutinised progress made in implementing the Digital Strategy, as outlined in the updated Delivery Plan attached as Annex 1 to the report by the Executive Director of Corporate Services, and obtained assurance.

9. Exclusion of Public

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, the Sub-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.

10. Plant and Vehicle Replacement Programme

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 paragraph 8 of Part 1 of Schedule 7A of the Act.

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 Infrastructure and Strategic Projects, the Sub-committee:

Noted:

10.1. That, on 9 November 2017, the Asset Management Sub-committee approved the Plant and Vehicle Replacement Programmes for 2018/19 and 2019/20, together with an indicative programme for 2020/21, to be funded from the allocation of £1,200,000 per annum within the Council's current approved capital programme.

10.2. That, as part of the budget setting process for 2020/21, to counter the inherent risk in propping up the budget through contributions from reserves and to seek to bring expenditure more into line with recurring resources, the Council agreed that a series of projects would be developed for prioritisation with the aim of realising budget savings over the next one to two years, which included a fleet review.

10.3. That the fleet review would address the need to demonstrate the Council's essential fleet requirements in the face of budget challenges and also how to be more efficient in bringing in new fleet technologies and potentially alternate fuels, which would be the subject of a report to the relevant Committee in due course.

10.4. The proposed plant and vehicle replacement programme for 2020/21, attached as Appendix 1 to the report by the Executive Director of Development and Infrastructure, at an estimated total cost of £1,271,782.

10.5. That, although the proposed plant and vehicle replacement programme for 2020/21 exceeded the approved budget of £1,200,000 by £71,782, some orders had already been placed in order to secure delivery dates, resulting in commitments against budget, rather than spend, which would be contained within the overall approved budget.

On the motion of Councillor Robin W Crichton, seconded by Councillor Andrew Drever, the Sub-committee resolved, in terms of delegated powers:

10.6. That the Plant and Vehicle Replacement Programme for 2020/21, attached as Appendix 1 to this Minute, be approved, to be funded from the allocation of £1,200,000 within the approved capital programme.

11. Potential Strategic Land Acquisition

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

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 Sub-committee:

Resolved, in terms of delegated powers, what action should be taken with regard to a potential strategic land acquisition.

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.

12. Proposed Disposal of Property in Kirkwall

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 paragraph 9 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Estates Manager, the Sub-committee:

Resolved, in terms of delegated powers, what action should be taken with regard to the proposed disposal of property in Kirkwall.

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 Andrew Drever left the meeting at this point.

13. Proposed Leasing Arrangements for Property in Kirkwall

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 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Estates Manager, the Sub-committee:

Resolved, in terms of delegated powers, what action should be taken with regard to proposed leasing arrangements for property in Kirkwall.

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.

14. Request to Purchase Site at Hatston Industrial Estate, Kirkwall

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 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a joint report by the Executive Director of Development and Infrastructure and the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Estates Manager, the Sub-committee:

Resolved, in terms of delegated powers, what action should be taken with regard to a request to purchase a site at Hatston Industrial Estate, Kirkwall.

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 Steven B Heddle left the meeting during consideration of this item.

15. Conclusion of Meeting

At 13:20 the Chair declared the meeting concluded.

Signed: L Manson.