

# Minute

## Policy and Resources Committee

Tuesday, 17 April 2018, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



### Present

Councillors James W Stockan, 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, John T Richards, Stephen Sankey, John A R Scott, Gwenda M Shearer, Graham L Sinclair, Owen Tierney, Duncan A Tullock and Kevin F Woodbridge.

### Clerk

- Alistair Buchan, Chief Executive.

### In Attendance

- Gavin Barr, Executive Director of Development and Infrastructure.
- Gillian Morrison, Executive Director of Corporate Services.
- Wilfred Weir, Executive Director of Education, Leisure and Housing.
- Gareth Waterson, Head of Finance.
- Karen Greaves, Head of Executive Support.
- Gavin Mitchell, Head of Legal Services.
- Darren Richardson, Head of Infrastructure and Strategic Projects.
- Ian Rushbrook, Capital Projects Manager (for Items 12 to 16).
- Hazel Flett, Senior Committees Officer.

### Observing

- Andrew Groundwater, Head of HR and Performance (for Items 1 to 13).
- Scott Hunter, Head of Children and Families and Criminal Justice and Chief Social Work Officer.
- Alan Cuthbertson, Service Improvement Officer, Development and Infrastructure (for Items 7 to 16).
- Rebecca McAuliffe, Press Officer (for Items 14 to 16).

### Apologies

- Councillor Rachael A King.
- Councillor Magnus O Thomson.

### Declarations of Interest

- No declarations of interest were intimated.

## **Chair**

- Councillor James W Stockan.

### **1. Disclosure of Exempt Information**

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 14 and 15, 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. Detailed Revenue Budgets for 2018 to 2019**

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

Noted:

**2.1.** That, on 22 February 2018, when setting the budget and Council Tax levels for 2018 to 2019, the Council delegated powers to the Head of Finance to revise the approved General Fund revenue budget, following confirmation of outstanding funding levels from the Scottish Government.

**2.2.** That the Scottish Government revenue grant funding to the Council for financial year 2018 to 2019 had been confirmed as £74,620,000.

**2.3.** That the General Fund revenue budget for financial year 2018 to 2019 had now been set at £82,022,200.

**2.4.** The detailed revenue budgets for financial year 2018 to 2019, in respect of the undernoted services, attached as Annex 1 to the report by the Head of Finance:

- General Fund Services.
- Housing Revenue Account.
- Scapa Flow Oil Port.
- Miscellaneous Piers and Harbours.
- Orkney College.
- Corporate Holding Accounts.
- Strategic Reserve Fund.
- Orkney Islands Council Pension Fund.

Councillor Graham L Sinclair joined the meeting at this point.

### **3. Accounts Commission – New Best Value Audit**

#### **Best Value Assurance Report – Response Plan**

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

Noted:

**3.1.** That, on 22 February 2018, the Council considered the Best Value Assurance Report presented to the Accounts Commission on 7 December 2017, and published on 14 December 2017.

**3.2.** That the Council subsequently accepted all of the Accounts Commission's recommendations contained within the Best Value Assurance Report.

**3.3.** That, in response to the Accounts Commission's recommendations, the Chief Executive developed a Best Value Response Plan, attached as Appendix 2 to the joint report by the Chief Executive and the Executive Director of Corporate Services.

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

**3.4.** That the Best Value Response Plan, attached as Appendix 1 to this Minute, be approved.

### **4. Regulation of Investigatory Powers**

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

Noted:

**4.1.** That, on 9 March 2017, the Council approved updated policies and procedures in relation to the exercise of its statutory powers to conduct covert surveillance.

**4.2.** That Codes of Practice, issued by the Scottish Government in 2015, relating to the use of covert surveillance and use of covert human intelligence sources by public authorities, were used as models for the Council's own policies and procedures.

**4.3.** That, on 28 February 2018, the Scottish Government issued new Codes of Practice concerning the use of covert surveillance and covert human intelligence sources by public authorities.

**4.4.** That the Council's existing policies and procedures in relation to the use of covert surveillance, covert human intelligence sources and surveillance through social media had been amended and updated in order to align with the relevant provisions of the new Codes of Practice.

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

**4.5.** That the following revised policies and procedures, attached as Appendices 2 to 6 of this Minute respectively, be approved:

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

## **5. Data Protection Policy**

After consideration of a report by the Executive Director of Corporate Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Head of Legal Services, the Committee:

Noted:

**5.1.** That the General Data Protection Regulation, which was due to come into force on 25 May 2018, replaced the Data Protection Act 1998 and made changes to the law in relation to the processing of personal information.

**5.2.** That the Council's existing Data Protection Policy, governing the processing of personal information, which were approved in October 2017, required to be updated in order to reflect, and comply with, the provisions of the General Data Protection Regulation.

**5.3.** That, although the existing Data Protection Policy was previously updated within the last 12 months, the proposed amendments were necessary to reflect the provisions of new data protection legislation, which amounted to a material change of circumstances in terms of Standing Order 132, and, accordingly, the suspension of Standing Orders was not necessary.

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

**5.4.** That the revised Data Protection Policy, attached as Appendix 7 to this Minute, be approved.

## **6. Orkney Health and Care Committee**

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

Noted:

**6.1.** That, in July 2016, the Council resolved that the Orkney Health and Care Committee be retained meantime, with a review of governance arrangements in respect of the Council's aspects of the Integration Joint Board to be undertaken following 12 months of operation.

**6.2.** The rationale for increasing membership of the Orkney Health and Care Committee from six to nine Elected Members as detailed in sections 6.5 and 6.6 of the report by the Chief Executive.

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

**6.3.** That membership of the Orkney Health and Care Committee be increased from six members to nine members.

**6.4.** That the following additional members be appointed to the Orkney Health and Care Committee:

- Convener.
- Leader.
- Depute Leader.

## **7. Harbour Authority Sub-committee**

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

Noted:

**7.1.** That, in July 2016, the Council established a Harbour Authority Sub-committee, comprising five members of the Development and Infrastructure Committee, including the Chair and Vice Chair.

**7.2.** That, in June 2017, the Development and Infrastructure Committee recommended that the Chief Executive should submit a report, to the Policy and Resources Committee, reviewing the constitutional arrangements in respect of the Harbour Authority Sub-committee.

**7.3.** The rationale for increasing membership of the Harbour Authority Sub-committee from five to seven Elected Members as detailed in section 6.2 of the report by the Chief Executive.

**7.4.** That additional appointments made to the Harbour Authority Sub-committee would be effective until June 2019, when membership of all committees and sub committees would be reviewed as part of the mid-term review.

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

**7.5.** That membership of the Harbour Authority Sub-committee be increased from five members of the Development and Infrastructure Committee to seven members.

**7.6.** That the two further members to be appointed to the Harbour Authority Sub-committee should not necessarily be members of the Development and Infrastructure Committee.

After a secret ballot, the result of which was as follows:

- Councillor Stephen Sankey – 8 votes.
- Councillor Owen Tierney – 10 votes.
- Councillor Magnus O Thomson – 17 votes.

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

**7.7.** That the following additional members be appointed to the Harbour Authority Sub-committee:

- Councillor Owen Tierney.
- Councillor Magnus O Thomson.

## **8. Orkney Local Access Forum**

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

Noted:

**8.1.** That, in May 2015, the Council agreed that the representative on the Orkney Local Access Forum should be a member of the Development and Infrastructure Committee.

**8.2.** That, on 6 June 2017, the Development and Infrastructure Committee recommended that the Chief Executive should submit a report, to the Policy and Resources Committee, reviewing the Council's representation on the Orkney Local Access Forum.

**8.3.** That Councillor W Leslie Manson was subsequently appointed as the Council's representative on the Orkney Local Access Forum, until such time as representation was reviewed and, if required, subsequently amended.

**8.4.** The proposal that, as the referred functions of the Development and Infrastructure Committee included matters relating to operation of the Orkney Local Access Forum and access to the countryside, in order to be able to fulfil the role of Council representative on the local access forum, the appointed person should not be a member of the Development and Infrastructure Committee.

**8.5.** That the appointment would be reviewed in May 2019, when appointments to external bodies would be reviewed as part of the mid-term review.

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

**8.6.** That the Council's representative on the Orkney Local Access Forum should be a member who was not currently a member of the Development and Infrastructure Committee.

**8.7.** That Councillor Stephen Sankey be appointed as the Council's representative to the Orkney Local Access Forum.

## **9. Pension Fund Sub-committee together with Pension Board**

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 21 February 2018, copies of which had been circulated, the Committee:

Resolved:

**9.1.** On the motion of Councillor W Leslie Manson, seconded by Councillor Graham L Sinclair, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 21 February 2018 as a true record.

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

**9.2.** That the recommendation at paragraph 3.3 of the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 21 February 2018, attached as Appendix 8 to this Minute, be approved.

## **10. Investments Sub-committee**

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 22 February 2018, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, to approve the Minute of the Meeting of the Investments Sub-committee held on 22 February 2018, attached as Appendix 9 to this Minute, as a true record.

## **11. Police and Fire Sub-committee**

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 27 February 2018, copies of which had been circulated, the Committee:

Resolved:

**11.1.** On the motion of Councillor Andrew Drever, seconded by Councillor Gwenda M Shearer, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 27 February 2018 as a true record.

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

**11.2.** That the recommendation at paragraph 3 of the Minute of the Meeting of the Police and Fire Sub-committee held on 27 February 2018, attached as Appendix 10 to this Minute, be approved.

## **12. Orkney Islands Council Pension Fund**

### **Triennial Actuarial Valuation**

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

Noted:

**12.1.** The actuarial valuation of the Pension Fund as at 31 March 2017 issued by the Actuary, Hymans Robertson, attached as Appendix 1 to the report by the Head of Finance.

**12.2.** That the funding level of the Pension Fund had reduced from 114.4% to 112.7% over the past three years.

**12.3.** That the funding level of the Pension Fund had been maintained broadly in-line with the previous valuation after allowing for a reduction in the future expected investment returns, resulting from a fall in the real gilt yield and adoption of a lower Asset Outperformance Assumption than the previous valuation.

**12.4.** That the increase in liabilities on the Pension Fund had largely been offset by positive membership experience and better than anticipated investment returns.

**12.5.** That the Actuary was required to provide a Rates and Adjustment Certificate that set the employers' contribution rates for the next valuation period.

**12.6.** That the Actuary had approved a graduated reduction in the employers' contribution rate expressed as a percentage of pensionable pay, from the rate of 19.2% applicable in financial year 2017 to 2018 as follows:

- 2018 to 2019 – 18.2%.
- 2019 to 2020 – 17.6%.
- 2020 to 2021 – 17.0%.

**12.7.** That the reduction in the employers' contribution rate would equate to a revenue budget saving of approximately £450,000 in financial year 2018 to 2019 and a further saving of £270,000 in 2019 to 2020.

Councillor Robin W Crichton joined the meeting during consideration of this item.

### **13. Exclusion of Public**

On the motion of Councillor James W Stockan, seconded by Councillor W Leslie Manson, the Committee resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

### **14. Burial Grounds – Five Year Improvement Plan**

#### **Revised Stage 2 Capital Project Appraisal**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 6, 8 and 9 of Part 1 of Schedule 7A of the Act.



After consideration of a report by the 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 Committee:

Noted:

**14.1.** That, on 6 February 2018, the Development and Infrastructure Committee received a progress update on the five year improvement plan in respect of burial grounds, approved by Council in March 2015, to address deficiencies in the burial ground capacity and the backlog of major and general improvements within burial grounds.

**14.2.** That, as a result of significant additional costs associated with delivery of the improvement plan, as set out in section 6 of the report by the Executive Director of Development and Infrastructure, the approved programme could not be delivered within the approved capital allocation of £988,629.

**14.3.** The proposal that the proposed extension to St Olaf's Cemetery remain on the capital programme meantime, with a view to being re-profiled and potentially accelerated when suitability of the site was confirmed and the technical specifications thereafter finalised.

On the motion of Councillor James W Stockan, seconded by Councillor W Leslie Manson, the Committee resolved to **recommend to the Council:**

**14.4.** That the revised Stage 2 Capital Project Appraisal in respect of the five year improvement plan for burial grounds, attached as Appendix 11 to this Minute, be approved.

**14.5.** That the existing provision within the General Fund capital programme in respect of the five year improvement plan for burial grounds be increased by £678,371, from £988,629 to £1,667,000.

**14.6.** That the additional cost of £678,371 be met through additional General Fund borrowing, financed by the revenue loans charges budget, together with General Capital Grant.

## **15. Asset Management Sub-committee**

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 the draft Minute of the Meeting of the Asset Management Sub-committee held on 22 March 2018, 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 22 March 2018, attached as Appendix 12 to this Minute, as a true record.

## **16. Conclusion of Meeting**

At 12:15 the Chair declared the meeting concluded

Signed: James W Stockan.