

Minute

Policy and Resources Committee

Tuesday, 23 November 2021, 09:30.

Microsoft Teams.



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, Rachael A King, John T Richards, Stephen Sankey, John A R Scott, Gwenda M Shearer, Graham L Sinclair, Magnus O Thomson, Owen Tierney, Duncan A Tullock and Heather N Woodbridge.

Clerk

- Hazel Flett, Senior Committees Officer.

In Attendance

- John W Mundell, Interim Chief Executive.
- Stephen Brown, Chief Officer/Executive Director, Orkney Health and Care (for Items 1 to 20).
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- James Wylie, Executive Director of Education, Leisure and Housing.
- James Buck, Head of Marine Services and Transportation (for Items 3 to 9).
- Karen Greaves, Head of Executive Support.
- Andrew Groundwater, Head of HR and Performance.
- Colin Kemp, Interim Head of Finance.
- Jim Lyon, Interim Head of Children and Families and Criminal Justice and Chief Social Work Officer (for Items 4.2 to 5).
- Roddy Mackay, Head of Planning, Development and Regulatory Services (for Items 1 to 21).
- Kenny MacPherson, Interim Head of IT and Facilities (for Items 1 to 21).
- Gavin Mitchell, Head of Legal Services.
- Lorna Richardson, Interim Head of Roads, Fleet and Waste.
- David Sawkins, Depute Harbour Master (Strategy and Support) (for Items 14 to 22).
- Richard Wild, Depute Harbour Master (Operations) (for Items 10 to 21).
- Sweyn Johnston, Strategic Projects Director (for Items 13 and 14).
- Shonagh Merriman, Interim Corporate Finance Senior Manager (for Items 1 to 22).
- Ian Rushbrook, Capital Programme Manager (for Items 1 to 3).
- Stuart Allison, Economic Development Manager (for Items 1 to 13).

Observing

- Kirsty Groundwater, Project Officer (Communications and Engagement), Strategic Projects (for Items 14 to 22).
- Andrew Hamilton, Performance and Best Value Officer (for Items 1 to 6).
- Rebecca McAuliffe, Press Officer (for Items 2 to 22).

Declarations of Interest

- Councillor Stephen Sankey – Item 12.
- Councillor Gwenda M Shearer – Item 12.
- Councillor Heather N Woodbridge – Item 12.

Chair

- Councillor W Leslie Manson, Depute Leader.

1. Disclosure of Exempt Information

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 22 and 23, 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. Revenue Expenditure Monitoring

2.1. Policy and Resources

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

Noted:

2.1.1. The revenue financial summary statement in respect of the undernoted services for the period 1 April to 30 September 2021, attached as Annex 1 to the report by the Head of Finance, which indicated an underspend position of £48,900:

- Central Administration.
- Law, Order and Protective Services.
- Other Services.

2.1.2. The revenue financial detail by Service Area statement for the period 1 April to 30 September 2021, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

2.1.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

2.2. Summary

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

Noted:

2.2.1. The summary revenue expenditure statement for the period 1 April to 30 September 2021, attached as Annex 1 to the report by the Head of Finance, which indicated the following:

- A total General Fund overspend of £297,700.
- A surplus in Sources of Funding of £106,000.
- A net Non-General Fund surplus of £9,048,000.

2.2.2. The financial detail across individual Sources of Funding for the period 1 April to 30 September 2021, including significant variances identified as Priority Actions, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

2.2.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

3. Capital Expenditure Monitoring

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

Noted:

3.1. The summary financial position, as at 30 September 2021, in respect of the approved General Fund and Non-General Fund capital programmes, as detailed in section 3.1 of the report by the Head of Finance, which indicated the following:

- Actual expenditure incurred as at 30 September 2021 of £4,669,000.
- Annual budget of £27,816,000, which reflected slippage and current timescales for completion of individual projects, as recommended by the Policy and Resources Committee on 21 September 2021.
- Probable outturn as at 31 March 2022 of £22,602,000.

The Committee scrutinised:

3.2. The detailed analysis of expenditure figures, together with project updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved General Fund and Non-General Fund capital programmes.

4. Performance Monitoring

4.1. Chief Executive's Service

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:

Scrutinised:

4.1.1. The performance of the Chief Executive's Service for the reporting period 1 April to 30 September 2021, as set out in sections 3 to 5 and Annexes 1 and 2 of the report by the Chief Executive, and obtained assurance.

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

4.1.2. That the undernoted action, which had been progressed to completion, be removed from the Chief Executive's Service Service Plan:

- 10 – Purchase to Pay – Develop and introduce Purchase to Pay system.

4.1.3. That the undernoted actions be amended as indicated and thereafter incorporated within the Chief Executive's Service Service Plan:

- 01 – Review of Twinning – target date extended to 30 April 2022.
- 02 – Capital Strategy – target date extended to 31 August 2022.
- 06 – Internal Communication – target date extended to 30 April 2022.
- 07 – Council Website – target date extended to 31 August 2022.
- 11 – Feedback – target date extended to 31 August 2022.
- 13 – Carbon Reduction – target date extended to 31 August 2022.

4.2. Corporate Services

After consideration of a joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Committee:

Scrutinised:

4.2.1. The performance of Corporate Services for the reporting period 1 April to 30 September 2021, as set out in sections 3 to 5 and Annexes 1 and 2 of the joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing, and obtained assurance.

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

4.2.2. That the undernoted action, which had been progressed to completion, be removed from Corporate Services' Service Plan:

- 04 – Gender Pay Gap Action Plan – To develop an action plan to address the Council's gender pay gap and occupational segregation.

4.2.3. That the undernoted action be amended as indicated and thereafter incorporated within Corporate Services' Service Plan:

- 03 – Review of Benchmarking Arrangements – target date extended to 31 March 2022.

Due to internet connectivity issues, Councillor Owen Tierney was not present during all of the discussion for this item.

4.3. Council Delivery Plan

After consideration of a joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Committee:

Scrutinised:

4.3.1. Progress made in respect of the targets within the Council Delivery Plan 2018 to 2023 for the period 1 April to 30 September 2021, as set out in Annex 1 to the joint report by the Chief Executive and the Executive Director of Education, Leisure and Housing, and obtained assurance.

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

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

- 1.8a – Superfast Broadband – Lobby for Superfast Broadband – delivery of interim solutions to fibre-based broadband in parallel with R100 commitments.
- 2.5 – 'Commissioned Provision' opportunities for education and care – We will explore and commission 'commissioned provision' opportunities for education and care.
- 4.5 – Establish Crown Estates Marine Management Pilot Status – Establish Crown Estates marine management pilot status and Marine Planning Authority Functions – with focus on Island Authority governance and local expertise model.

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

- 4.1 – Low Carbon Energy Systems Innovation Hub – target date extended to 31 March 2025.
- 4.2 – Strategic Investment – target date extended to 31 March 2025.
- 4.9 – Islands Deal – target date extended to 31 December 2022.
- 1.1 – Inter-Island Ferry Services – target date extended to 30 April 2022.
- 1.4 – Airfield Strategy and Investment Plan – target date extended to 31 December 2022.
- 3.2 – Management of the School Estate – target date extended to 31 December 2022.
- 4.6 – Waste Management – target date extended to 31 December 2022.
- 5.13 – Maintenance Strategy – target date extended to 31 December 2022.

5. Chief Social Work Officer's Annual Report

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

Scrutinised the Chief Social Work Officer's Annual Report for 2020/21, attached as Appendix 1 to the report by the Chief Social Work Officer, and obtained assurance that social work and social care services were being delivered to an acceptable standard locally.

Councillors Barbara Foulkes and Magnus O Thomson joined the meeting at this point.

6. Integration Joint Board – Annual Performance Report

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

Scrutinised the Integration Joint Board's Annual Performance Report 2020/21, attached as Appendix 1 to the report by the Chief Officer/Executive Director, Orkney Health and Care, and obtained assurance that services commissioned by the Integration Joint Board from the Council were performing to an acceptable standard.

7. Treasury Management – Mid-year Update

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

Scrutinised the mid-year update, attached as Appendix 1 to the report by the Head of Finance, prepared by Link Treasury Services, the Council's Treasury Adviser, which covered the following elements of treasury management, and obtained assurance that the Treasury Management Practices had operated effectively for the period 1 April to 30 September 2021:

- An economic update for the first half of financial year 2021/22.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council's capital expenditure, as set out in the Capital Strategy and prudential indicators.
- A review of the Council's investment portfolio for 2021/22.
- A review of the Council's borrowing strategy for 2021/22.
- A review of compliance with Treasury and Prudential Limits for 2021/22.

8. Audio-Casting – Review

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

Noted:

8.1. That, on 19 February 2019, when considering a review of audio-casting, the Policy and Resources Committee recommended:

- That the Council should continue to audio-cast meetings of its committees.
- That the Chief Executive should purchase replacement audio-casting equipment, including a survey of the Chamber, together with dual user microphones with an electronic voting system, at a cost of £31,000, to be funded from the Capital Fund.
- That the audio-casting provision be extended to include meetings of the following Committees:
 - Planning Committee.
 - Local Review Body.
- That a further review of audio-casting be undertaken following a period of operation of one year.

8.2. That the following meetings were currently audio-cast and recorded:

- Development and Infrastructure Committee.
- Education, Leisure and Housing Committee.
- Orkney Health and Care Committee.
- Policy and Resources Committee.
- Monitoring and Audit Committee.
- Planning Committee.
- Local Review Body.
- General Meetings of the Council.
- Orkney's Integration Joint Board and its Audit Committee.

8.3. That, from 1 October 2021, the Council was no longer able to exclude the public from meetings of the Council, its committees and sub-committees for Coronavirus-related reasons, which had resulted in live audio-casting of Council meetings resuming, including meetings not normally audio-cast, in order that the public were able to attend the meeting, by listening to the proceedings live.

8.4. The options in respect of audio-casting, as detailed in section 5 of the report by the Chief Executive, with the preferred option being to extend audio-casting to the remaining Committees and Sub-committees, where those meetings were held in the Chamber.

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

8.5. That the audio-casting provision be extended to include the following Committees and Sub-committees, where those meetings were held in the Chamber:

- Licensing Committee.
- Harbour Authority Sub-committee.
- College Management Council Sub-committee.

- Asset Management Sub-committee.
- Human Resources Sub-committee.
- Investments Sub-committee.
- Pension Fund Sub-committee, together with Pension Board.
- Police and Fire Sub-committee.
- Community Development Fund Sub-committee.
- St Magnus Cathedral Sub-committee.

9. Harbour Authority Governance – Role of Duty Holder

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Head of Marine Services and Transportation, the Committee:

Noted:

9.1. The requirement, under the Port Marine Safety Code, to have an identified and designated Duty Holder for the Harbour Authority, which was currently the Harbour Authority Sub-committee.

9.2. That, at 00:01 on polling day, all elected members demitted office, effectively removing the mandated Duty Holder from the Harbour Authority structure, until such time as members were appointed to the Harbour Authority Sub-committee, normally in early June.

9.3. Options for the provision of Duty Holder responsibility, as detailed in section 4 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, with the preferred option being to induct additional permanent Duty Holder members from the Senior Management Team in order to provide continuity during local government election periods.

9.4. That, on 26 October 2021, the Harbour Authority Sub-committee recommended, to the Policy and Resources Committee, that the Chief Executive be authorised to nominate members of the Senior Management Team to act as additional Duty Holders for the Harbour Authority to ensure continuity during election periods.

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

9.5. That the Chief Executive be authorised to nominate a minimum of two members and up to a maximum of three members of the Senior Management Team to act as additional Duty Holders for the Harbour Authority to ensure continuity during election periods.

10. Orkney Health and Care Committee

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

Noted:

10.1. The analysis of health and social care reports submitted to various committees across the Council, NHS Orkney and the Integration Joint Board, for the period January 2019 to date, attached as Appendix 1 to the joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care.

10.2. That the Chief Officer had shared the findings of the analysis with all current members of the Orkney Health and Care Committee and sought their views on the effectiveness and value of the Committee.

10.3. That all current members of the Orkney Health and Care Committee felt that the function and purpose of the Committee was of little added value, particularly in light of the governance arrangements in place via the Integration Joint Board, the Policy and Resources Committee and NHS Orkney structures.

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

10.4. That the Orkney Health and Care Committee be disestablished.

10.5. That, should the Orkney Health and Care Committee be disestablished, the Chief Executive should amend Appendix 1 to the Council's Standing Orders, relating to the Scheme of Appointment of Members to Committees.

10.6. That the Chief Officer/Executive Director, Orkney Health and Care should arrange for regular briefings for all elected members on health and care matters in Orkney.

10.7. That the Chair or Vice Chair of the Integration Joint Board, whichever was the Council appointment, should, from a Council perspective, act as spokesperson on all health, social care and social work matters, including attendance at the Health and Social Care Board of the Convention of Scottish Local Authorities.

Due to internet connectivity issues, Councillor Stephen Sankey left the meeting during discussion of this item.

11. Review of Integration Scheme

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

Noted:

11.1. That, on 24 November 2020, when considering arrangements for a detailed review of the Integration Scheme, the Policy and Resources Committee noted:

- That the statutory review of the Integration Scheme was due no later than 5 February 2021.
- The outcome of the review of the Integration Scheme, undertaken in line with Scottish Government guidance due to the impact of COVID-19, as noted in section 4 of the joint report by the Chief Executive and the Chief Officer/Executive Director, Orkney Health and Care, namely that there were currently no areas requiring immediate attention.

- The proposed process for a further, more detailed, review of the Integration Scheme, as set out in section 5 of the joint report by the Chief Executive and the Chief Officer/ Executive Director, Orkney Health and Care.

11.2. The Committee thereafter recommended that a more detailed review of the Integration Scheme be commenced by March 2021.

11.3. That, on 9 December 2020, the Joint Discussion Forum agreed that there would be no amendments to the delegated functions, although subsequent discussions suggested that maternity services should be removed from the delegated services.

11.4. That key officers from Orkney Islands Council and NHS Orkney had updated sections of the Integration Scheme to reflect more contemporary language, and to ensure the document better captured current policies and procedures.

11.5. That, on 28 April 2021, the proposed amendments to the Integration Scheme were submitted informally to Scottish Government.

11.6. That, on 3 August 2021, representatives from Orkney Islands Council and NHS Orkney met with Scottish Government officials to review the proposed scheme and agree some minor amendments.

11.7. That, as the proposed revisions to the Integration Scheme were relatively minor and removal of maternity services from the list of delegated services represented a managerial change that would present no alteration to the public experience of the service, it was considered that full public consultation was not necessary.

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

11.8. That the Integration Scheme, attached as Appendix 1 to this Minute, be approved and submitted to Scottish Government.

12. Review of the Council's COVID-19 Business Response Grants

Councillor Gwenda M Shearer declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

Councillor Heather N Woodbridge declared a non-financial interest, in that a close family member could potentially benefit from proposals to assist local businesses, and was not present during discussion thereof.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Economic Development Manager, the Committee:

Noted:

12.1. That, on 16 April 2020, the Council established a Coronavirus Response Fund, with an opening balance of £5,000,000.

12.2. That the Council had established several financial support measures drawing from the Coronavirus Response Fund during the response phase to the pandemic, as follows:

- Business Hardship Support Grant Phase 1, launched on 1 May 2020.
- Business Hardship Support Grant Phase 2, launched on 9 December 2020.
- Emergency Loan Scheme, launched on 25 May 2020.
- COVID-19 Response Grant – Orkney Islands Council 10% Top-up grant, launched on 19 August 2020.
- Protective Equipment Grants, launched on 19 August 2020.
- COVID-19 Recovery Development Grant, launched on 19 August 2020.
- Hotel Job Support Grant, launched on 13 November 2020.

12.3. That, from 1 December 2020 to 30 September 2021, the Economic Development service had processed the following:

- 77 successful applications for the Business Hardship Support Grant Phase 2, amounting to £275,000.
- 77 successful applications for COVID-19 Recovery Development Grant, amounting to £542,283.

12.4. That the Council's Coronavirus Response Fund had also been used to support a variety of recovery projects, emergency loans and initiatives, totalling £3,697,887 as at 30 September 2021, as detailed in section 11.2 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

12.5. That applications to the Council's Business Hardship Support Grant scheme had significantly reduced in recent months and all Scottish Government COVID-19 grant support schemes had closed.

12.6. That applications for the Council's COVID-19 Recovery Development Grant were tending to evidence less relevance to the original criteria of the scheme.

12.7. That, although the worst impacts of lockdown restrictions had eased and business confidence continued to improve, certain sections of the Orkney business community still faced a level of uncertainty as another winter approached.

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

12.8. That the Business Hardship Support Grant Phase 2 and the Emergency Loan Scheme remain open to retain an emergency support mechanism for the business community.

12.9. That the COVID-19 Recovery Development Grant scheme be disestablished once the current ring-fenced funding was fully committed.

12.10. That powers be delegated to the Chief Executive, in consultation with the Chair and Vice Chair of the Development and Infrastructure Committee, together with the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, to determine funding requests in respect of COVID-19 recovery demands to support the business sector, which were outwith the existing criteria of the formal schemes, up to a value of £100,000 in respect of any application, to be met from the Council's Coronavirus Response Fund.

Councillor Stephen Sankey rejoined the meeting and Councillor Barbara Foulkes left the meeting at this point.

13. Scotland Loves Local – Orkney Gift Card

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Economic Development Manager, the Committee:

Noted:

13.1. That the Scottish Government had committed, under its Scotland Loves Local initiative, to launching a nationwide gift card scheme designed to promote local spending in local economies.

13.2. That Scotland's Towns Partnership was the organisation appointed to drive the resulting Scotland Loves Local campaign.

13.3. That Scotland's Towns Partnership wrote to all local authorities in April 2021, informing that the roll-out of the Gift Card platform across the whole of Scotland was fully funded for the first 12 months by the Scottish Government, and requested that local authorities sign a concordat as a commitment to support the roll out and longer-term delivery of the scheme.

13.4. That, at a meeting of the Scottish Local Authority Economic Development business group held on 21 October 2021, Scotland's Towns Partnership indicated a campaign launch date of 25 October 2021 and that 22 local authorities had signed the concordat.

13.5. That, since 2019, Kirkwall BID had been running a Kirkwall gift card scheme to encourage local spend, with initial funding support from the Council.

13.6. That, due to limited information, full assessment of the costs and benefits of the Scotland Loves Local initiative had thus far not been possible, with some reservations noted locally regarding the unknown level of leakage of money from the local economy.

Councillor Barbara Foulkes rejoined the meeting at this point.

Councillor Robin W Crichton, seconded by Councillor John A R Scott, moved that the Council decline to sign the concordat with Scotland's Towns Partnership.

Councillor Heather N Woodbridge moved an amendment that:

- The Council decline to sign the concordat with Scotland's Towns Partnership at this time.

- The Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should explore alternative options to provide an Orkney wide gift card that addressed concerns relating to breakages and other concerns, which might include the Scotland Loves Local option, and submit a further report to the Committee within 12 months.

On receiving no seconder, her amendment fell.

Councillor Steven B Heddle, seconded by Councillor Stephen Sankey, moved a further amendment, notice of which had been given, that the Council should agree to sign the concordat with Scotland's Towns Partnership.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, David Dawson, Steven B Heddle, John T Richards, Stephen Sankey, Gwenda M Shearer, Owen Tierney and Heather N Woodbridge (8).

For the Motion:

Councillors Alexander G Cowie, Norman R Craigie, Robin W Crichton, Andrew Drever, J Harvey Johnston, Rachael A King, W Leslie Manson, John A R Scott, Graham L Sinclair, James W Stockan, Magnus O Thomson and Duncan A Tullock (12).

Abstention:

Councillor Barbara Foulkes (1).

The Motion was therefore carried.

Councillor David Dawson, seconded by Councillor John T Richards, moved a further amendment, notice of which had been given, that consideration of signing the concordat with Scotland's Towns Partnership be deferred, to enable the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services to obtain further information on the value of the scheme and thereafter submit a further report, to the next meeting of the Committee.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Alexander G Cowie, David Dawson, Steven B Heddle, Rachael A King, John T Richards, Stephen Sankey, Gwenda M Shearer, James W Stockan, Owen Tierney and Duncan A Tullock (10).

For the Motion:

Councillors Stephen G Clackson, Norman R Craigie, Robin W Crichton, Andrew Drever, J Harvey Johnston, W Leslie Manson, John A R Scott, Graham L Sinclair, Magnus O Thomson and Heather N Woodbridge (10).

Abstention:

Councillor Barbara Foulkes (1).

On the casting vote of the Chair, the Motion was carried.

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

13.7. That the Council decline to sign the concordat with Scotland's Towns Partnership.

14. Community Benefit from Offshore Renewable Developments

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Strategic Projects Director, the Committee:

Noted:

14.1. That the offshore renewable energy industry in Scotland was growing rapidly, with significant potential for installation in Orkney waters, noting the Scottish Government's ambition for 11 gigawatts of offshore wind to be installed by 2030, and the potential for wave and tidal energy projects to be developed at scale in future.

14.2. That the outcome of the ScotWind leasing round, expected in early 2022, could potentially see the award of Option Agreements for up to three gigawatts of offshore wind in proximity to Orkney, with further leasing rounds expected in future.

14.3. That, whilst a draft version of 'Scottish Government Good Practice Principles for Community Benefits from Offshore Renewable Energy Developments' was published for the purposes of consultation in 2018, it was never finalised.

14.4. That the draft guidance, referred to at paragraph 14.3 above, was a useful starting point in community benefit discussions, but stopped short of setting a geographic extent, or financial quantum of benefit.

14.5. That it was therefore considered appropriate for the Council to agree a clear policy position to facilitate discussion with potential developers to secure maximum community benefit for Orkney from offshore renewable energy developments.

14.6. That, should the Policy on Community Benefit from Offshore Renewable Energy Developments be approved, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services would enter into discussions with offshore renewable energy developers to seek to maximise community benefits from any new offshore renewable energy generation development in line with the policy.

Councillor Robin W Crichton, seconded by Councillor Barbara Foulkes, moved that the Policy on Community Benefit from Offshore Renewable Energy Developments, as drafted by officers, be approved.

Councillor Stephen Sankey, seconded by Councillor Steven B Heddle, moved an amendment that the Policy on Community Benefit from Offshore Renewable Energy Developments, as drafted by officers, be approved, subject to the following addition as a sixth bullet point in the section headed "Policy":

- Orkney Islands Council would like to see carbon reduction projects prioritised in Community Benefit payments.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Norman R Craigie, Steven B Heddle, Rachael A King, W Leslie Manson, John T Richards, Stephen Sankey, John A R Scott and Owen Tierney (9).

For the Motion:

Councillors Alexander G Cowie, Robin W Crichton, David Dawson, Andrew Drever, Barbara Foulkes, J Harvey Johnston, Gwenda M Shearer, Graham L Sinclair, James W Stockan, Magnus O Thomson, Duncan A Tullock and Heather N Woodbridge (12).

The Motion was therefore carried.

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

14.7. That the Policy on Community Benefit from Offshore Renewable Energy Developments, attached as Appendix 2 to this Minute, be approved.

15. Proposed Extension of Cursiter Quarry

Stage 2 Capital Project Appraisal

After consideration of a report by the Interim Executive Director of Environmental, Property and IT Services, copies of which had been circulated, and after hearing a report from the Interim Head of Roads, Fleet and Waste, the Committee:

Noted:

15.1. That, in March 2015, the Council approved the business plan for the quarrying service, which indicated that expansion of Cursiter Quarry, by acquiring more rock reserves, was necessary to secure the long-term future of the site as a quarrying operation.

15.2. That, in July 2015, in order to facilitate the future expansion of Cursiter Quarry, the Council agreed that the necessary parcels of adjacent land should be purchased.

15.3. That, following an appeal to Scottish Ministers, planning permission for the proposed extension of Cursiter Quarry was granted on 30 June 2021.

Councillor Magnus O Thomson, seconded by Councillor John A R Scott, moved that:

- The Stage 2 Capital Project Appraisal in respect of the proposed extension of Cursiter Quarry be approved.
- As an exception to the Capital Project Appraisal process, due to concerns regarding the rapidly diminishing rock reserves within the quarry, the proposed extension of Cursiter Quarry be added to the capital programme for 2022/23 onwards, at a gross capital cost of £3,732,000.

Councillor Robin W Crichton, seconded by Councillor David Dawson, moved an amendment that the Stage 2 Capital Project Appraisal in respect of the proposed extension of Cursiter Quarry should not be approved.

The result of a recorded vote was as follows:

For the Amendment:

Councillors Stephen G Clackson, Robin W Crichton, David Dawson, John T Richards, Stephen Sankey, Owen Tierney, Duncan A Tullock and Heather N Woodbridge (8).

For the Motion:

Councillors Alexander G Cowie, Norman R Craigie, Andrew Drever, Barbara Foulkes, Steven B Heddle, J Harvey Johnston, Rachael A King, W Leslie Manson, John A R Scott, Gwenda M Shearer, Graham L Sinclair, James W Stockan and Magnus O Thomson (13).

The Motion was therefore carried.

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

15.4. That the Stage 2 Capital Project Appraisal in respect of the proposed extension of Cursiter Quarry, attached as Appendix 3 to this Minute, be approved.

15.5. That, as an exception to the Capital Project Appraisal process, due to concerns regarding the rapidly diminishing rock reserves within the quarry, the proposed extension of Cursiter Quarry be added to the capital programme for 2022/23 onwards, at a gross capital cost of £3,732,000.

16. Kirkwall Pier – Water Break Tank System

Stage 2 Capital Project Appraisal

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Depute Harbour Master (Operations), the Committee:

Noted:

16.1. That the current water supply system on Kirkwall Pier did not conform to the Water Supply (Water Fittings) (Scotland) Byelaws 2014.

16.2. That, should the water supply system not be upgraded to include an appropriate air gap, the water supply to Kirkwall Pier could potentially be suspended, with the Council potentially open to prosecution under the Water Supply (Water Fittings) (Scotland) Byelaws 2014.

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

16.3. That the Stage 2 Capital Project Appraisal in respect of the installation of a break tank on Kirkwall Pier, attached as Appendix 4 to this Minute, be approved.

16.4. That the installation of a break tank on Kirkwall Pier be added to the non-General Fund capital programme for 2022/23, at a gross project cost of £200,000, including a 23% optimism bias, to be funded from the Miscellaneous Piers and Harbours Reserve Fund.

17. 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 15 September 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Alexander G Cowie, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 15 September 2021, attached as Appendix 5 to this Minute, as a true record.

18. Investments Sub-committee

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 16 September 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Rachael A King, to approve the Minute of the Meeting of the Investments Sub-committee held on 16 September 2021, attached as Appendix 6 to this Minute, as a true record.

19. Asset Management Sub-committee

19.1. Draft Minute of Meeting held on 5 October 2021

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 5 October 2021, 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 Asset Management Sub-committee held on 5 October 2021, attached as Appendix 7 to this Minute, as a true record.

19.2. Draft Minute of Meeting held on 2 November 2021

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 2 November 2021, copies of which had been circulated, the Committee:

Resolved:

19.1. On the motion of Councillor W Leslie Manson, seconded by Councillor John A R Scott, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 2 November 2021 as a true record.

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

19.2. That the recommendation at paragraph 4.4 of the Minute of the Meeting of the Asset Management Sub-committee held on 2 November 2021, attached as Appendix 8 to this Minute, be approved.

20. Human Resources Sub-committee

After consideration of the draft Minute of the Meeting of the Human Resources Sub-committee held on 2 November 2021, copies of which had been circulated, the Committee:

Resolved:

20.1. On the motion of Councillor W Leslie Manson, seconded by Councillor John T Richards, to approve the Minute of the Meeting of the Human Resources Sub-committee held on 2 November 2021 as a true record.

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

20.2. That the recommendations at paragraphs 1.3 and 1.4 of the Minute of the Meeting of the Human Resources Sub-committee held on 2 November 2021, attached as Appendix 9 to this Minute, be approved.

21. Exclusion of Public

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

Councillor Graham L Sinclair left the meeting at this point.

22. Hatston Pier – Reclamation Phase 1

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

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Depute Harbour Master (Strategy and Support), the Committee:

Noted:

22.1. That, on 8 June 2021, when considering a Stage 1 Capital Project Appraisal in respect of the proposal to provide a pier extension and reclamation to the existing Hatston Pier and area, the Development and Infrastructure Committee recommended:

- That the Executive Director of Development and Infrastructure should submit a report, to the Policy and Resources Committee, regarding funding required to develop the Stage 2 Capital Project Appraisal in respect of the proposed extension of and seabed reclamation of Hatston Pier.
- That, subject to resources being secured, as an exception to the Capital Project Appraisal process, in order to ensure that progress with the proposed project was in line to meet the preferred developer announcement for the ScotWind off-shore leasing round due in early 2022, the Executive Director of Development and Infrastructure should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of the proposed extension of and seabed reclamation at Hatston Pier.

22.2. That an opportunity had arisen to use overburden material, due to be removed as part of the proposed extension to Cursiter Quarry that otherwise may be left unused for a period of time, to assist with the first phase of seabed reclamation works at Hatston Pier.

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

22.3. That the Stage 2 Capital Project Appraisal in respect of Phase 1 of the seabed reclamation at Hatston Pier, attached as Appendix 10 to this report, be approved.

22.4. That, as an exception to the Capital Project Appraisal process, due to an opportunity to obtain a large amount of infill material and long lead-in timescales involved with the procurement, permissions and construction of harbour works, Phase 1 of the seabed reclamation at Hatston Pier be added to the non-General Fund capital programme for 2021/22 onwards, at a total estimated cost of £7,793,000.

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 Graham L Sinclair rejoined the meeting during discussion of this item.

23. Staff Appeals 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 paragraph 1 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Staff Appeals Sub-committee held on 8 November 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Duncan A Tullock, seconded by Councillor Robin W Crichton, to approve the Minute of the Meeting of the Staff Appeals Sub-committee held on 8 November 2021, attached as Appendix 11 to this Minute, as a true record.

24. Conclusion of Meeting

At 16:42 the Chair declared the meeting concluded.

Signed: L Manson.