

Minute

Policy and Resources Committee

Tuesday, 22 April 2025, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Heather N Woodbridge, Alexander G Cowie, Stephen G Clackson, P Lindsay Hall, Steven B Heddle, Kristopher D Leask, James R Moar, Janette A Park, Raymond S Peace, Gwenda M Shearer, Gillian Skuse, Jean E Stevenson, Ivan A Taylor, Owen Tierney and Duncan A Tullock.

Present via remote link (Microsoft Teams)

Councillors Graham A Bevan, David Dawson, Rachael A King, John A R Scott and Mellissa-Louise Thomson.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Oliver D Reid, Chief Executive.
- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure (for Items 3 to 9).
- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- James Wylie, Corporate Director for Education, Leisure and Housing (for Items 3 to 9).
- Lynda Bradford, Head of Health and Community Care (for Items 3 and 4).
- Gavin Mitchell, Head of Legal and Governance.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Nick Blyth, Climate Change Strategy Officer (for Item 3).

Observing

- Gavin Barr, Interim Head of Planning and Community Protection (for Item 3).

Apology

- Councillor W Leslie Manson.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Heather N Woodbridge.

1. Exclusion of Public

On the motion of Councillor Heather N Woodbridge, seconded by Councillor Alexander G Cowie, the Committee resolved that the public be excluded for Item 2, 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:

2. Review of Corporate Management Structure

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 1 and 11 of Part 1 of Schedule 7A of the Act.

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

Resolved to **recommend to the Council** that the revised senior management structure as outlined in Appendix 1 to this Minute, be approved.

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 David Dawson left the meeting during discussion of this item.

3. Climate Change Duties

Draft Statutory Guidance for Public Bodies: Consultation

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Climate Change Strategy Officer, the Committee:

Resolved to **recommend to the Council**:

3.1. That the draft response to the Scottish Government's consultation on updated draft statutory guidance in relation to duties on public bodies under the Climate Change (Scotland) Act 2009, attached as Appendix 2 to this Minute, be approved.

3.2. That the Corporate Director for Neighbourhood Services and Infrastructure be authorised to submit the response to the consultation on updated draft statutory guidance in relation to duties on public bodies under the Climate Change (Scotland) Act 2009 to the Scottish Government, on behalf of the Council, by the deadline of 23 May 2025.

Councillor David Dawson rejoined the meeting during discussion of this item.

4. Joint Inspection of Adult Support and Protection – Progress Review

After consideration of a report by the Chief Officer, Orkney Health and Social Care Partnership, copies of which had been circulated, and after hearing a report from the Head of Health and Community Care, the Committee:

Noted the joint inspection of adult support and protection progress review, attached as Appendix 1 to the report by the Chief Officer, Orkney Health and Social Care Partnership.

5. Police and Fire Sub-committee

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 25 February 2025, copies of which had been circulated, the Committee:

Resolved:

5.1. On the motion of Councillor David Dawson, seconded by Councillor Duncan A Tullock, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 25 February 2025 as a true record.

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

5.2. That the recommendations at paragraphs 3.1 and 3.2 of the Minute of the Meeting of the Police and Fire Sub-committee held on 25 February 2025, attached as Appendix 3 to this Minute, be approved.

6. 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 26 February 2025, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Alexander G Cowie, seconded by Councillor P Lindsay Hall, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 26 February 2025, attached as Appendix 4 to this Minute, as a true record.

7. Investments Sub-committee

After consideration of the draft Minute of the Meeting of the Investments Sub-committee held on 26 February 2025, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Alexander G Cowie, seconded by Councillor P Lindsay Hall, to approve the Minute of the Meeting of the Investments Sub-committee held on 26 February 2025, attached as Appendix 5 to this Minute, as a true record.

8. Asset Management Sub-committee

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 25 March 2025, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Alexander G Cowie, seconded by Councillor Kristopher D Leask, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 25 March 2025, attached as Appendix 6 to this Minute, as a true record.

9. Human Resources Sub-committee

After consideration of the draft Minute of the Meeting of the Human Resources Sub-committee held on 25 March 2025, copies of which had been circulated, the Committee:

Resolved:

9.1. On the motion of Councillor Alexander G Cowie, seconded by Councillor Heather N Woodbridge, to approve the Minute of the Meeting of the Human Resources Sub-committee held on 25 March 2025 as a true record.

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

9.2. That the recommendations at paragraphs 1, 2 and 3 of the Minute of the Meeting of the Human Resources Sub-committee held on 25 March 2025, attached as Appendix 7 to this Minute, be approved.

10. Conclusion of Meeting

At 11:42 the Chair declared the meeting concluded.

Signed: Heather N Woodbridge.

Appendix 1.

Corporate Management Structure

Pages 2433 to 2439

Resolved that, under section 50A(4) of the Local Government (Scotland) Act 1973, the public were excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 1 and 11 of Part I of Schedule 7A of the Act.

This constitutes a summary of the Appendix in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Local Government (Scotland) Act 1973 – Schedule 7A

Access to Information: Descriptions of Exempt Information

- Paragraph 1. Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office holder, former office-holder or applicant to become an office-holder under, the authority.
- Paragraph 11. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office-holders under, the authority.

Public bodies climate change duties: consultation on draft Statutory Guidance

Consultation Questionnaire

Climate change and equalities

1. **With respect to the protected characteristics, could the content of the Statutory Guidance be changed or added to, to strengthen any positive impacts or lessen any negative impacts as it is implemented by public bodies?**

•

Yes

No

Don't know

If so, how? Please give us your views.

It is noted that within the guidance there are illustrative examples of fairness, equality, procedural justice and health, stated to illustrate why Scottish Government has embedded just transition principles in climate legislation and emphasised the importance of planning for a fair transition. In Orkney the concept of the Just Transition is supported - <https://www.orkneycommunities.co.uk/communityplanning/documents/orkney-climate-resilient-net-zero-vision-september-2024.pdf>

There is a growing body of research on equalities issues on islands, much of which is concerned with socio-economic inequality, and unequal access to services, in addition to the protected characteristics in the Equality Act 2010. The Orkney Partnership has long considered peripherality to be an equality issue (see Scottish Index of Multiple Deprivation).

The guidance states (p63) that “when approaching climate change and equalities, public bodies are strongly advised to take an intersectional approach and look beyond the protected characteristics to include wider socio-economic considerations such as those living in low income areas, in island communities and in remote rural areas”. It is positive to note that the guidance extends approach to include **island issues**. It is proposed that these could be further exemplified and with climate change related ‘illustrative examples’ outlined (in relation to island issues such as fuel poverty, resilience and peripherality).

2. **With respect to inequality caused by socio-economic disadvantage, could the content of the Statutory Guidance be changed or added to, to strengthen any positive impacts or lessen any negative impacts as it is implemented by public bodies?**

•

Yes

No

Don't know

If so, how? Please give us your views.

The guidance identifies that – *“People experiencing social and economic disadvantage often have less power and influence to inform decisions about their lives and their communities. This is due to lack of resources such as knowledge, prestige and beneficial connections. Inequalities in power, influence and decision making are underlying drivers of both health inequalities and the unjust distribution of climate impacts. Empowering communities to exercise control over decisions which support their ability to adapt, such as local development and coastal management plans and housing rights, is important in achieving a just transition to a climate resilient and net zero Scotland”*.

Again island issues could be further exemplified for public bodies. In relation to fuel poverty, island and rural local authorities generally had the highest proportion of the least energy efficient dwellings. There is no gas grid and therefore residents rely on more expensive heating fuels such as electricity and oil. Rates of fuel poverty are generally higher in island Local Authorities with around a third of residents experiencing fuel poverty in Argyll and Bute (32%), Highland (33%), Orkney Islands (31%) and Shetland Islands (31%) councils, while the average for Scotland is 24% -

- reference [Scottish islands: data overview 2023 - gov.scot](https://www.gov.scot/resources/consultations-petitions/Publications/2023/01/Scottish-islands-data-overview-2023.pdf)

A further information source regarding socio-economic disadvantage, is the work completed by Dynamic Coast on social vulnerability and coastal erosion impacts. Although the Dynamic Coast project is referenced, it may be helpful for the guidance to specifically reference this work on disadvantage

https://www.dynamiccoast.com/files/dc2/ DC2_WS6_CE_Disadvantage_FINAL.pdf

Taking climate into account in decision making

3. Does the guidance make it clear how public bodies can fulfil the requirement to ‘best calculate’ the climate impact of their actions?

- Yes
- Partially
- No
- Don't know

Please provide comments below.

The guidance states – *“it is essential, if public bodies are to be compliant with their obligations under the 2009 Act, that the climate change duties are a part of decision making; and that the thought process behind the decision can be clearly demonstrated and explained”*. The guidance then references various sources / methods to assist with integrating climate thinking into the decision-making process, both quantitative and qualitative. A small number are outlined.

Although these are helpful, for some public bodies it will be hard to spare time to review and apply these as appropriate. This situation could possibly be improved with more tailored combined guidance, sourced across the materials, although it is acknowledged that would be a lengthy task to create. An alternative could be some tables (or graphics) outlining contents of each and flagging useful sections and why. The guidance is helpful and references most areas, but further attention could help some users such as smaller public bodies.

An area where more guidance could be given, relates to longer term transition planning (for example towards interim targets such as 2035, 2045 etc). Although the guidance references some relevant sources such as IFRS and TCFD, more tailored guidance would be helpful, for example with regard to medium term planning and business cases for decarbonisation.

4. Does the guidance make it clear how public bodies should take future climate scenarios into account when making plans and investment decisions?

- Yes
- Partially
- No
- Don't know

Please provide comments below.

This is addressed, but as mentioned above, scenarios and planning for transitions could benefit from some condensed guidance, tailored for public bodies. Scenario analysis is not directly explained. TCFD terms such as physical risk and transition risk are used in the Green Book / scenario section, but the terms are only explained later in the guidance. More introductory narrative could help users along with examples. It could be helpful in this section to also explain how these new approaches can help with Corporate Risk Registers. It is understood that in many cases, qualitative scenario analysis would be appropriate.

For many public bodies this section will include new approaches. The guidance could be improved with some further explanation.

The first duty: reducing emissions (climate change mitigation)

5. Do you have any comments about the guidance provided in this chapter (chapter 5) on complying with the first duty?

Please give us your thoughts. For example, are there any gaps or are there ways that you think it could be improved.

Chapter 5 largely addresses expected emission sources for public bodies and generally appears to be in line with recent / earlier guidance. The guidance is not overly prescriptive and we would suggest this is an important principle (to maintain).

In addition to many widely used decarbonisation approaches, the guidance recognises that estate rationalisation will also be a consideration, stating that “public bodies should focus on reducing emissions that planned to remain as part of the estate into the long term”.

Section 8.3.4 addresses the GHG emissions of electricity consumption. The guidance references an approach that ‘should’ be followed and in this, does not cater for the use of Renewable Energy Guarantee of Origin Certificates (REGOs). Some public bodies may currently be using REGOs or reporting zero emissions via the purchase of ‘green’ electricity tariffs. It is suggested that the guidance should not be overly prescriptive on this issue, other than being clear that public bodies ‘must’ be transparent if they use additional GHG accounting approaches and that in such cases, they must be supplementary to the recommended approach.

A concern recognised in the guidance, relates to a current situation of high electricity prices (page 103). Some approaches are mentioned whereby public bodies could aim to mitigate costs (e.g. through greater use of renewables generation on site). It would be helpful for public bodies to receive further business case guidance and support for such approaches.

Section 8.3.6 regarding emissions from land, is recommending some approaches that may be inappropriate (excessive) for the public sector. Public bodies should not have to create a full GHG inventory of their landholdings before engaging in land-based projects. The GHG protocol guidance that is referenced is aimed at companies / land-based sectors and is not yet published. Carbon offsetting remains a confusing field and for the public sector, it may not be appropriate to apply the same standards and guidance (with associated verification costs) that is understandably being established for corporate entities. Public bodies should be encouraged to progress projects and be guided to be cautious in how they communicate claims regarding land-based carbon removals.

Some of the guidance on Scope 3 emissions needs to be careful in language and in the principle. Scope 3 emissions are someone else’s scope 1 and 2 emissions. This is therefore an area of influence rather than direct consequence (albeit agreed it is a significant one). Therefore it would arguably, not be correct to use phrases such as “*It is estimated that typically 90% of an organisation’s emissions fall under scope 3*”. The following article provides some alternative view on this issue - <https://ghginstitute.org/2024/04/02/myth-busting-are-corporate-scope-3-emissions-far-greater-than-scopes-1-or-2/>

6. Do you think the Carbon Management Plan template is suitable for its intended purpose as outlined in Annex A?

Yes

No

Don’t know

Please give us your thoughts.

Broadly suitable - the CMP format is a guide and is not prescriptive.

7. Do you think the Climate Change Plan template for local authorities is suitable for its intended purpose as outlined in Annex B?

- Yes
- No
- Don't know

Please give us your thoughts.

Broadly suitable - the format is a guide and is not prescriptive.

The second duty: adaptation

8. The guidance lays out an approach whereby public bodies should: review the Scottish National Adaptation Plan (SNAP); identify the objectives relevant to them; contribute towards those objectives; and, where relevant, report annually on progress in their public bodies climate change duties report.

To what extent do you agree or disagree with this proposed approach?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know

Please provide any additional comments below.

The approach makes good sense. The only concern will be that nearly all issues in SNAP3 will be relevant and therefore this could increase the annual reporting burden (potentially increasing costs upon Local Authorities or displacing their focus).

To ease reporting burden, consideration should be given to whether adaptation is better reported over a longer time interval (e.g every 2 or 3 years). Given the formative nature of the Adaptation agenda, this may be more appropriate and for example would align with the timescale for public bodies biodiversity reporting. Emissions and Climate Change mitigation reporting should continue annually.

9. Do you have any other comments about the guidance provided in this chapter (chapter 6) about complying with the second duty?

Please give us your thoughts. For example, are there any gaps or are there ways that you think it could be improved.

No further entry at this stage.

The third duty: acting in the most sustainable way

10. Having considered the content of the chapter (chapter 7), is it clear how public bodies should implement the third duty, to act in the most sustainable way?

- Yes
 Partially
 No
 Don't know

Please give us your thoughts.

Many public bodies will be seeking to address this duty through their core Council Plans, through collaborations such as Community Planning or via Economic Development programmes. The guidance could be made more relevant if these are considered and examples outlined.

11. Do you have any other comments about the guidance provided in this chapter (chapter 7) about complying with the third duty?

Please give us your thoughts. For example, are there any gaps or are there ways that you think it could be improved.

As above – relevant links to Council programmes and activity could be expanded / exemplified.

Reporting of scope 3 emissions

12. To what extent do you agree or disagree with the proposed baseline reporting of the scope 3 emission categories outlined in section 8.3.5.1 of the guidance?

- Strongly agree
 Somewhat agree
 Neither agree nor disagree
 Somewhat disagree
 Strongly disagree
 Don't know

Please provide any additional comments below.

We have engaged in SSN hosted workshops with Scottish Government representatives and supported a proportionate (phased) approach to this new reporting requirement.

OIC would recommend that in addition, a 'comply or explain' principle is adopted in relation to scope 3 emission reporting.

13. Do you think that any other categories of scope 3 emissions should be included in the recommended baseline for reporting, where these are relevant and applicable? Please tick all that apply.

- Purchased goods, works and services
- Capital assets (e.g. construction)
- Upstream transportation and distribution
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchises
- Investments

If you ticked any of the categories of scope 3 emissions above, please provide an explanation. This field can also be used for any other comments related to this chapter.

The approach here should follow a principle of materiality. Bodies should be free to include sources relevant to their situation.

The guidance should address re-baselining, following addition of new sources.

Overall reflections

14. Do you think that the guidance fulfils its stated purpose of providing support to public bodies in putting the climate change duties into practice?

- Yes
- No
- Don't know

Please provide further comments below.

The guidance is thorough and references across to many wider guidance sources and standards (some of which are aimed at companies / sectors). In this regard, it is too extensive for some small public bodies and there would be value in producing a condensed guide. Without this, smaller public bodies will find the guide challenging.

As mentioned in the response at Q4, scenarios and planning for transitions could specifically benefit from simplified condensed guidance, tailored for public bodies.

15. Do you have any further comments about the guidance?

Please give us your thoughts. For example, are there any gaps or are there ways that you think it could be improved.

As above - there would be value in producing a condensed guide.

It could be helpful for the guidance to outline a 'comply or explain' principle. This will let public bodies make realistic decisions about their capabilities based on their current resources. This also encourages open and honest (transparent) reporting. The guidance does in places reference such approaches, but it does not directly state a comply or explain principle. This could be considered.

The guidance should carefully consider whether adherence to certain standards might disincentivise some climate action by public bodies. An example is the situation with land-based projects and also consideration of carbon offsetting. Public bodies should not necessarily be expected to adhere to standards that are intended for the private sector. Such standards may be suitable as a working basis (e.g. to follow principles). In some very formative areas of climate action like the blue economy, there are emergent habitat restoration practices that could contribute to carbon sequestration and climate change mitigation. These and other innovations (e.g. public sector acting as a renewables generator) should be encouraged by the guidance. Strict adherence to some carbon accounting standards, can act to stifle such innovations.

The guidance references formative developments such as the Scottish Climate Intelligence Service (SCIS). This development will extend Local Authority reporting into area-based emissions and low carbon transitions. As well as supporting Local Authorities, this new service could have resource implications for Local Authorities.

The guidance could include the example of the Islands Centre for Net Zero - <https://www.icnz.org/> within the section addressing Growth Deals. In addition, the guidance does not reference the Carbon Neutral Islands initiative - <https://www.gov.scot/policies/renewable-and-low-carbon-energy/carbon-neutral-islands/>

Minute

Police and Fire Sub-committee

Tuesday, 25 February 2025, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors David Dawson, Duncan A Tullock, Graham A Bevan, Alexander G Cowie, Raymond S Peace and Jean E Stevenson.

Present via remote link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Kenny MacPherson, Head of Property, Asset Management and Facilities.
- Donna-Claire Hunter, Service Manager (Safety and Resilience).
- Veer Bansal, Solicitor.

Scottish Fire and Rescue Service:

- Scott Gibson, Local Senior Officer.
- Alistair Holden, Station Commander.

Police Scotland:

- Chief Inspector Scott Robertson.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor David Dawson.

1. Performance Against Local Policing Plan

After consideration of a report by Chief Inspector Scott Robertson, Area Commander, copies of which had been circulated, the Sub-committee:

Scrutinised progress made against the objectives set within the Orkney Islands Local Policing Plan 2023 to 2026 Year 3, attached as Appendix 1 to the report by the Area Commander, for the period covering 1 April to 31 December 2024, and obtained assurance that progress was being made against the objectives.

2. Performance Against Orkney Fire and Rescue Plan

After consideration of a report by Scott Gibson, Local Senior Officer, copies of which had been circulated, the Sub-committee:

Scrutinised the statistical performance of the Scottish Fire and Rescue Services, Orkney Islands area, for the period 1 October to 31 December 2024, detailed in the Quarterly Performance Report, attached as Appendix 1 to the report by the Local Senior Officer, and obtained assurance that progress was being made against the objectives.

3. Scottish Fire and Rescue Service – Draft Strategy

Consultation Response

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of Property, Asset Management and Facilities, the Sub-committee:

Resolved to **recommend to the Council**:

3.1. That the draft consultation response to the Scottish Fire and Rescue Service Draft Strategy, attached as Appendix 1 to the report by the Corporate Director for Neighbourhood Services and Infrastructure, be approved.

3.2. That powers be delegated to the Corporate Director for Neighbourhood Services and Infrastructure, to submit the response, on behalf of the Council, to the Scottish Fire and Rescue Service by the deadline of 2 April 2025, following consultation with the members of the Police and Fire Sub-committee, if required, in order to finalise the draft response.

The Sub-committee noted:

3.3. That, due to the time constraints involved, the Chief Executive would be requested to exercise emergency powers to authorise submission of the Council's response by 2 April 2025.

4. Conclusion of Meeting

At 15:02 the Chair declared the meeting concluded.

Signed: David Dawson.

Minute

Pension Fund Sub-committee, together with Pension Board

Wednesday, 26 February 2025, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Pension Fund Sub-committee:

Councillors Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask and Heather N Woodbridge.

Pension Board:

Employer Representative:

Councillor Owen Tierney, Orkney Islands Council.

Trade Union Representative:

Karen Kent (Unison).

Present via remote link (Microsoft Teams)

Pension Fund Sub-committee:

Councillor Mellissa-Louise Thomson.

Pension Board:

Employer Representative:

Councillor Graham A Bevan.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- Erik Knight, Head of Finance.
- Robert Adamson, Service Manager (Payroll and Pensions).
- Shonagh Merriman, Service Manager (Corporate Finance).
- Katie Gibson, Team Manager (Finance).
- Paul Maxton, Solicitor.

Apology

Pension Board:

Employer Representatives:

- Councillor David Dawson, Orkney Islands Council.
- Karen Ritch, Orkney Ferries Limited.

Trade Union Representatives:

- Eoin Miller (Unite).
- Eileen Swanney (Unison).

Not Present

Trade Union Representative:

- Mark Vincent (GMB).

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Alexander G Cowie.

1. Revenue Expenditure Monitoring

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

Noted:

1.1. The revenue financial summary statement in respect of service areas for which the Pension Fund Sub-committee was responsible, for the period 1 April to 31 December 2024, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £10,166,300.

1.2. The revenue financial detail by service area statement in respect of service areas for which the Pension Fund Sub-committee was responsible, for the period 1 April to 31 December 2024, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

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 appropriate action was being taken with regard to significant budget variances.

2. Pension Fund – Draft Budget

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Payroll and Pensions), the Sub-committee:

Resolved that the draft revenue budget for the Orkney Islands Council Pension Fund for financial year 2025/26, attached as Annex 1 to the report by the Head of Finance, be submitted to the Policy and Resources Committee for consideration through the budget setting process.

3. Pension Fund Training

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

Noted:

3.1. The Pension Training Record 2024, attached as Appendix 1 to the report by the Head of Finance.

The Sub-committee resolved, in terms of delegated powers:

3.2. That the Annual Training Plan 2025 for members of the Pension Fund Sub-committee and Pension Board, attached as Appendix 1 to this Minute, be approved.

4. Pension Fund Risk Register Update

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

Resolved, in terms of delegated powers, that the updated Risk Register relating to the Orkney Islands Council Pension Fund, attached as Appendix 2 to this Minute, be approved.

5. Statement of Managed Funds

On the motion of Councillor Alexander G Cowie, seconded by Councillor Rachael A King, the Sub-committee 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 report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Scrutinised:

5.1. The investment monitoring report for the Pension Fund produced by Hymans Robertson, the Council's appointed investment advisor, attached as Appendix 1 to the report by the Head of Finance, relating to the performance of managed funds for the quarter to 31 December 2024.

5.2. The IFM Net Zero Infrastructure Fund Report for the quarter ending 31 December 2024, attached as Appendix 2 to the report by the Head of Finance.

5.3. The Baillie Gifford report for the quarter ending 31 December 2024, attached as Appendix 3 to the report by the Head of Finance.

Councillor Steven B Heddle left the meeting during discussion of this item.

6. Conclusion of Meeting

At 10:41 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.



Pension Fund Training Plan

2025

1. Introduction

The Orkney Islands Council Pension Fund is committed to providing training to those involved in the governance of the Fund to ensure that they have the skills and understanding required to carry out their stewardship role. This includes regular events to cover the latest developments in the Local Government Pension Scheme, investment strategy and performance monitoring. In April 2015, the Pension Fund Sub-committee adopted the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

It is important that members of both the Pension Fund Sub-committee and the Pension Board receive appropriate training to allow them to carry out their roles effectively

This training plan sets out how levels of understanding will be assessed, and how the knowledge and skills requirement and other regulatory requirements will be supported through training events over the next financial year.

2. Knowledge and Skills Framework

There are eight areas of knowledge and skills that have been identified as the core requirements for those with decision making responsibility for Local Government Pension Scheme funds. They are:

- Pensions legislation and guidance.
- Pensions governance.
- Funding strategy and actuarial methods.
- Pensions administration and communications.
- Pensions financial strategy, management, accounting, reporting and audit standards.
- Investment strategy, asset allocation pooling, performance and risk management.

- Financial markets and products.
- Pension services procurement, contract management and relationship management.

Members of the Pension Fund Sub-committee and the Pension Board are expected to have a collective understanding, and Officers are expected to have detailed understanding of these areas of knowledge and skills.

3. Pension Board Specific Requirements

Members of the Pension Board are required to have the capacity to take on the role of assisting the Scheme Manager in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

In addition, in accordance with Section 248A of the Pensions Act 2004 which was introduced to make provision relating to pensions and financial planning for retirement, it is expected that every individual who is a member of a Local Pension Board will receive training, and as a result:

- Be conversant with the regulations governing the Local Government Pension Scheme, such as the Transitional Regulations and the Investment Regulations.
- Be conversant with any policy document relating to administration of the Fund.
- Have knowledge and understanding of the law relating to pensions.
- Have knowledge and understanding of such other matters as may be prescribed.

4. Committee and Pension Board Training

Training for the Pension Fund Sub-committee and the Pension Board during 2025 will continue to focus on the following areas:

Knowledge and Skills Framework

All training will focus on maintaining the eight areas of knowledge and skills, with any gaps in knowledge identified throughout the past year and including the periodic use of member's self-assessment returns where appropriate.

Training Events

Expressions of interest are sought from members to attend relevant industry events, including conferences and seminars throughout the year. In the event that there is more interest to attend an event than places available, a decision to determine who should get approval to attend will be made by the Head of Finance, in consultation with the Chair of the Pension Fund Sub-committee, will determine appropriate representation and approve attendance.

Informative Review Presentations

Members will receive regular reports on the performance of the administration and investment functions throughout the year. In addition to this Members will be invited to attend informative review presentations by external advisors including the Pension Fund's appointed actuaries, investment advisors and fund managers.

Electronic Resources

Members are invited to access training information available on the Pension Regulator's website setting out the governance requirements of the local government pension scheme, including the respective roles of the Pension Fund Sub-committee and Pension Board at the following link:

<https://trusteetoolkit.thepensionsregulator.gov.uk/login/index.php>

Additionally, resources from previous training events have been made available to Councillors on their Council electronic device under "Training". Training materials will be added to this folder going forward as and when events occur.

5. The Pensions Regulator New General Code of Practice (GCoP)

The Pensions Regulator's (TPR) new General Code of Practice (GCoP) was presented in parliament on 10 January 2024 and came into effect on 28 March 2024. This new code consolidates and updates ten existing codes of practice into a single set of clear and consistent expectations for scheme governance and administration. The GCoP applies to all pension schemes, both public and private.

[TPR general \(single\) code of practice | The Pensions Regulator](#)

The "Knowledge and Understanding Requirements" section of the GCoP mandates that the governing body, or pension board, must demonstrate that, collectively, they possess the skills, knowledge, and experience necessary to effectively manage the scheme. The governing body should:

- Have a balance of skills and experience throughout the board and be able to demonstrate this.
- Be able to apply its knowledge to governing the scheme.
- Have enough skills to judge and question advice or services provided by a third party.
- Be able to identify and address skills gaps.
- Have enough understanding of industry good practice and standards to assess scheme performance and its service providers.
- Keep records of the learning activities of individual members and the body as a whole.
- Be able to demonstrate steps it has taken to comply with the law.
- Have and maintain training and development plans to ensure that individual and collective knowledge and understanding is kept relevant and up to date.

The GCoP requires the governing body to regularly assess their skills and experience, with best practice being to conduct a formal audit of skills and experience periodically. In line with best practice, the Pension Fund Manager will issue a questionnaire to members and officers as part of a formal audit to assess

knowledge, skills, and experience against the Knowledge and Skills Framework and schedule appropriate training as needed.

In addition, to allow a formal record of completion to be maintained, Members should notify the Pension Fund Manager when they complete a module from the electronic Trustee Toolkit training referred too above.

5. Responsible Investment Training

To ensure compliance with the Pension Fund Committee's Responsible Investment Policy, members will undergo regular training on Responsible Investment. This training will equip them with the necessary understanding to support and inform their decision-making processes.

6. Other Training

Where gaps in individual members' knowledge have been identified that will not be met by the core training described above, then Members should approach Officers in the first instance with a view to addressing those needs.

Specific training can also be provided for the Chair of the Pension Fund Sub-committee and Pension Board to support them in their role, if required.

7. Officer Training

It is important that Officers have the required training to carry out the tasks of managing the Fund's investments and administering the payment of benefits. The knowledge and skills required of staff are set out in their job descriptions, including any formal qualifications required. Officers should be familiar with the requirements of the CIPFA Code of Practice on Knowledge and Skills and should have knowledge of the eight areas of the framework.

Officers will attend relevant professional training events, conferences and seminars during the year to ensure that they remain up to date with the latest requirements. In addition, they will be expected to keep up to date through use of the internet, and conduct research on relevant issues where required

For Officers, there will be a particular focus on the following areas:

Governance – Understanding the guidance and regulations in relation to local pension boards and keeping up-to-date with how other Funds are working with their boards, in order that the Pension Board can be supported effectively and add value to the governance of the Fund.

New Investment Arrangements – Understanding the implications of how the Financial Conduct Authority will implement the Markets in Financial Instruments Directive (MiFIDII) and what the Fund will need to do to comply.

New Investment Products – Keeping up to date with what the market is offering, in order to assess the validity of new products for investment by the Fund.

Accounting Issues – Keeping up to date with the latest CIPFA guidance on the format of the Pension Fund Statement of Accounts and the content of the Annual Report.

Pensions Admin Regulations – Understanding the latest guidance and interpretation of changes to LGPS Regulations and their impact on procedures.

Pensions Admin Systems - Keeping up to date with updates/new releases to the software system Altair, passing training onto all staff.

Wider Pensions Issues – Understanding the impact of wider Government reforms to pensions, such as “freedom and choice” on the LGPS.

8. Reporting and Compliance

In line with the CIPFA Code of Practice, a disclosure will be made in the Fund’s Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

Orkney Islands Council

Pensions Fund Risk Register



1. Objectives

The objectives of the Risk Register are to:-

- identify key risks that could prevent the achievement of the Fund's objectives
- evaluate the significance of the risks;
- identify any mitigating controls;
- identify the owner of each risk; and
- act as a basis by which the risks can be monitored and reported upon.

2. Risk Assessment

Identified risks are assessed separately and for each the following is determined:-

- the likelihood of the risk materialising; and
- the impact/potential consequences if it does occur.

3. Risk Evaluation

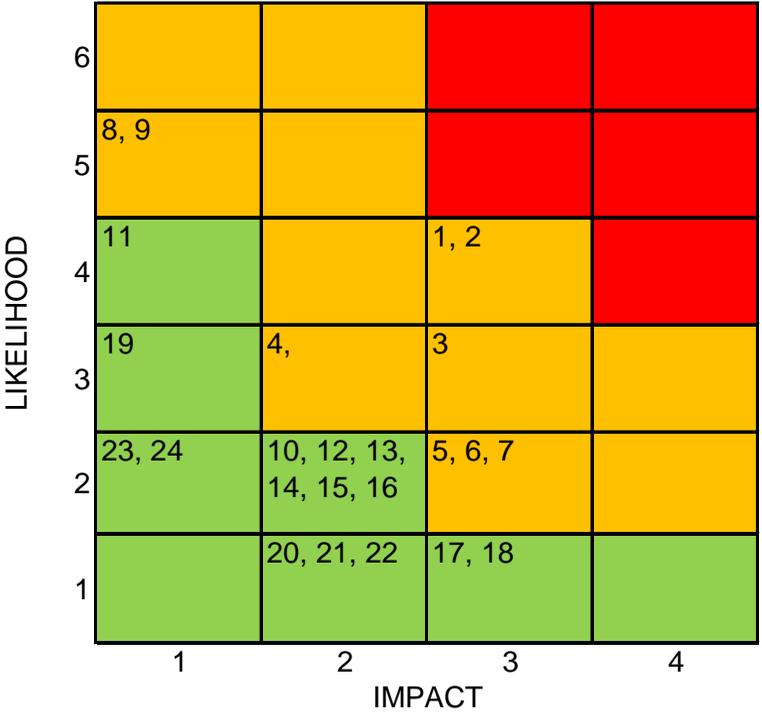
Risks are evaluated on a sliding scale of 1-10 with 10 the highest value i.e. highest likelihood / most severe impact / consequences. The risk evaluation tables overleaf have been used in order to assess specific risks and to introduce a measure of consistency into the risk assessment process. The overall rating for each risk is calculated by multiplying the likelihood value against the impact value to give the total score. The risk rating scores are then used to prioritise the risk rating which is shown in the register itself.

Risk Evaluation Criteria

The Risk Evaluation Tables:Likelihood	
1	Negligible never happened to the Fund but is theoretically possible
2	Extremely unlikely within the next 3 years, but possible within a 10 year cycle
3	Extremely unlikely within the next 12 months, but possible within a 5 year cycle
4	Feasible within the next 12 months
5	Probable within the next 12 months
6	Confidently expected within the next 12 months

The Risk Evaluation Tables: Impact	
1	Negligible
2	Significant – potential to cause significant damage in the short and medium term without threatening the survival of the Fund
3	Could seriously threaten Fund reputation or weaken its capacity to survive
4	Catastrophic

Risk Matrix



Summary and Prioritisation of Pension Fund Risks

Risk Ranking	Risk Theme	Risk	Risk Rating
1	Investment	Active investment manager under-performance relative to benchmark at aggregate level and/or failure of investment market(s) from economic and political instability etc. Inefficiencies with the portfolio could result in unintended risks.	12
2	Investment	Financial risks arising from UK and geopolitical uncertainty which could impact the Fund's Assets and Liabilities, which could accelerate rate which contributions are required to be paid following the next actuarial valuation.	12
3	Investment	Changes in legislation and other regulatory frameworks, such as pooling and merging of LGPS schemes in Scotland, or Single Island Authority may impact adversely on the Fund in terms of funding levels and governance structures.	9
4	Governance	Committee and Board members have inadequate knowledge and understanding.	6
5	Operational	Breach of Data Protection Legislation, increased cyber security threats through changes in working practices - theft or loss of data.	6
6	Operational	Failure to produce compliant annual report and accounts within deadline including possible delays through failure of external auditors.	6
7	Operational	Scale of Pension Team could create an over reliance on Key Pension Officers and staff absence being problematic. Recruitment and retention of key staff.	6
8	Investment	Outcome of the McCloud judgement and how it will impact on future liabilities of the Fund.	5
9	Investment	Outcome of the Cost Cap and how it will impact on future contributions.	5
10	Operational	Business Continuity (Service delivery threats, Insufficient daily backup etc)	4
11	Operational	New pension access reforms, "Freedom and choice", and increase in awareness, may lead to Fund members electing to transfer all or part of their pension entitlement much earlier than projected resulting in the potential change in liability profile for the Fund.	4
12	Governance	Funding Strategy is only updated following the tri-ennial actuarial valuation and does not reflect any subsequent regulatory changes, longevity, early retirement patterns, or any pay and price inflation.	4
13	Governance	Lack of communication and budgetary controls between Administering Authority and members of the Pension Fund Sub Committee.	4
14	Investment	Credit risk in relation to internally managed funds where there is a risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation.	4
15	Operational	Incomplete member records and failure to carry out statutory functions including submission of member data and contributions to the Pension Fund in a timely manner.	4
16	Investment	Failure of Fund Advisor leading to replacement.	4
17	Operational	Fraud/Theft of Fund assets by internal staff members.	3
18	Investment	Negligence, default, fraud by investment manager.	3
19	Investment	As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.	3
20	Governance	Decisions influenced by possible conflicts of interest or not in the best interests of stakeholders.	2
21	Governance	Failure to adhere to relevant statutory regulations including updates from LGPS. Failure to process accurate pension benefit payments, including lump sum payments, in a timely manner.	2
22	Investment	Failure of Global Custodian.	2
23	Operational	The administration performance measure and targets may no longer be the most appropriate for the fund.	2
24	Operational	Closure of facilities due to a pandemic.	2

Pension Fund - Risk Ranking

Ranking	Risk	Impact	L	I	Current Risk Rating	Previous Risk Rating	Risk Control Measures	Assigned to	Target Date (priority items)
1	Active investment manager under-performance relative to benchmark at aggregate level and/or failure of investment market(s) from economic and political instability etc. Inefficiencies with the portfolio could result in unintended risks.	Illiquidity or loss of investments. Negative publicity and adverse reporting. Potential loss of interest from any excessive holding of funds. Underperformance on investments.	4	3	12	12	<ul style="list-style-type: none"> Regular review of Funding Strategy, at least 3 yearly. Regular review of Investment Strategy in line with the actuarial valuation. External investment consultants and actuary are appointed to advise the PFSC. Diversified long-term investment strategy focused on developed markets and managed by experienced Investment Managers. Market regulation. Robust governance and investment monitoring framework. Quarterly monitoring of investment managers performance by external independent advisers and PFSC. Diversified strategic asset allocation policy which is regularly reviewed by the PFSC. Investment Management Agreement that incentivises the Fund Manager to outperform the benchmark and drive out any inefficiencies. 	Head of Finance/PFSC	Ongoing
2	Financial risks arising from UK and geopolitical uncertainty which could impact the Fund's Assets and Liabilities, such as <ul style="list-style-type: none"> Risk of rising inflation increasing the amount of future pensions paid. Actuarial basis risk of falling gilt yields, which could accelerate rate at which contributions are required to be paid following the next actuarial valuation. 	Loss of value to the Fund.	4	3	12	8	<ul style="list-style-type: none"> External investment consultants and actuary are appointed to advise the PFSC. Diversified long-term investment strategy focused on developed markets and managed by experienced Investment Managers. Robust governance and investment monitoring framework. Annual review of mandates. Periodic review of investment structure. Diversification of scheme assets, global approach, multiple fund managers. Investment strategy review following outcome of triennial valuation. Performance of the Pension Fund will continue to be monitored quarterly by Hymans Robertson and any recommendations they make on the assets will be considered by the Pension Board and Sub-Committee. 	Head of Finance/PFSC	Ongoing
3	Changes in legislation and other regulatory frameworks, such as pooling or merging of LGPS schemes in Scotland, or Single Island Authority may impact adversely on the Fund in terms of funding levels and governance structures	Loss of investments or control of investments.	3	3	9	9	<ul style="list-style-type: none"> Participation in active CIPFA and Scottish Pension network allow changes and impacts to be identified quickly. Involvement with COSLA discussions on Pensions. Participation in consultation on pooling/merger by the Scheme Advisory Board. Monitoring and highlighting actions and decisions from scheme advisory board. Consultation reform group. 	Head of Finance/PFSC	Ongoing
4	Committee and Board members have inadequate knowledge and understanding.	Qualified audit report; potential bad publicity; excessive pressure on officers; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers.	3	2	6	6	<ul style="list-style-type: none"> Training policy statement in line with the Code of Practice on Public Sector Pensions Finance Knowledge and Skills. A training register maintains a record of all training provided and attended. A training plan is agreed annually. 	Head of Finance	Ongoing
5	Breach of Data Protection Legislation, increased cyber security threats through changes in working practices - theft or loss of data.	Audit criticism, legal challenge, reputational damage, financial penalties.	2	3	6	6	<ul style="list-style-type: none"> Data securely sent/received to/from the fund actuary using a secure internet portal. Pension Fund adopted internal controls of Administering Authority. New Pension Regulator provisions in place from November 2021 to strengthen the checks that take place prior to any transfers being made. Management will continue to monitor closely the checks that have taken place prior to any transfers out being made. Management will work closely with staff to ensure they are getting the correct level of support to deliver their role in the team. Staff complete the online i-Learn module on Data Protection. Staff will be made aware of any potential scams that could take place. This is being further enhanced by the development of a new online training course which will be mandatory for all Finance staff. Confirmation from Fund Managers that they have data protection procedures in place. 	Pensions Manager /IT/Legal	Ongoing
6	Failure to produce compliant annual report and accounts within deadline including possible delays through failure of external auditors.	Audit criticism, reputational damage.	3	2	6	6	<ul style="list-style-type: none"> Agree audit program timeously Plan timetable annually Use of qualified staff 	Accounting / Pensions	Ongoing

Pension Fund - Risk Ranking

Ranking	Risk	Impact	L	I	Current Risk Rating	Previous Risk Rating	Risk Control Measures	Assigned to	Target Date (priority items)
7	Scale of Pension Team could create an over reliance on Key Pension Officers and staff absence being problematic. Recruitment and retention of key staff.	Failure to process payments on time or correctly leading to possible delays or overpayments. Loss or failure of service delivery	3	2	6	6	<ul style="list-style-type: none"> Checklists. Pensions Manager focused on mentoring and knowledge sharing. Front line management course. Staff have access to online training. Staff complement in the Pensions section has been increased. OIC's policy includes actively encouraging skilled and educated workers to remain in Orkney. Existing staff are given the opportunity to gain an appropriate pension qualification. 	Head of Finance Pensions Manager/ HR	Ongoing
8	The outcome of the recent court judgements, including McCloud and Goodwin, will impact future liabilities of the Fund and increase pressure on contributions depending on the remedy decided by the UK Government to compensate individuals for the difference in treatment since public service pension reforms in 2015 on the grounds of age and gender discrimination.	Increase in employer contribution rates.	5	1	5	5	<ul style="list-style-type: none"> Hymans Robertson allow for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting rollforward calculations and therefore an allowance is included in the accounting disclosure. The cost cap introduced in 2015 will limit the impact. 	Head of Finance/ PFSC	Ongoing
9	The Cost Cap or Cost Management as it is also known as, is being introduced to the LGPS as a mechanism for sharing funding risk between the employers and members. It will not be fully implemented until the outcome of the McCloud judgement is known but could lead to scheme benefits changing and either employers or employees paying higher contributions.	Increase in employer contribution rates.	5	1	5	5	<ul style="list-style-type: none"> Once the full implications of the cost cap are established officers, with assistance from Hymans Robertson, will further quantify the impact on the Fund. Good investment returns protect the Fund in the short term and the impact will be further reviewed in the interim valuations each year and at the next triennial valuation. 	Head of Finance/ PFSC	Ongoing
10	Business Continuity (Service delivery threats, insufficient daily backup etc)	Temporary loss of ability to provide service to stake holders. Staff downtime, loss of service delivery. Monthly pension payroll to pensioners delayed resulting in possible hardship.	2	2	4	4	<ul style="list-style-type: none"> Business continuity and disaster recovery plans in place. Procedures to back-up IT System are fully developed and stored securely. Contingency arrangements are in place including staff ability to work from home. Pensions Administration system is now fully operational with established procedures in place. 	IT / Pensions Manager	Ongoing
11	New pension access reforms, "Freedom and choice", and increase in awareness, may lead to Fund members electing to transfer all or part of their pension entitlement much earlier than projected resulting in the potential change in liability profile for the Fund.	Requirement to release large amounts of cash to members. Disinvest current assets in a much more unplanned manner with the potential to disadvantage the Funding position.	4	1	4	4	<ul style="list-style-type: none"> Management will continue to monitor the amounts being transferred. Management will notify Hymans Robertson, Actuaries to the Fund, if they feel the level of transfers could impact on the funding position. Requirement of scheme is for any transfers over £30K to provide evidence that they have sought financial advice from an adviser registered with the FCA. 	Pensions Manager	Ongoing
12	Funding Strategy is only updated following the tri-ennial actuarial valuation and does not reflect any subsequent regulatory changes, longevity, early retirement patterns, or any pay and price inflation.	Movement in employers contribution rates. Movement in liabilities leading to change in employer contribution rates. Pressure on cash flow and funding equation.	2	2	4	4	<ul style="list-style-type: none"> The focus of the actuarial valuation process on real returns, net of prices and pay increases. Valuation monitoring by annual Navigator reports are intended to act as an early warning system. Expert Actuaries appointed to monitor and forecast accordingly. Stabilisation of contributions through a mechanism that ensures the setting of contributions is not affected by short term funding issues. 	PFSC	Ongoing
13	Lack of communication and budgetary controls between Administering Authority and members of the Pension Fund Sub Committee.	Unexpected variances over budget headings; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers.	2	2	4	4	<ul style="list-style-type: none"> Annual service budget agreed in advance of financial year. Monthly budget monitoring reports (BMR). Quarterly budget reports to the PFSC. 	Pensions Manager PFSC Head Of Finance	Ongoing

Pension Fund - Risk Ranking

Ranking	Risk	Impact	L	I	Current Risk Rating	Previous Risk Rating	Risk Control Measures	Assigned to	Target Date (priority items)
14	Credit risk in relation to internally managed funds where there is a risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation.	Financial loss borne by the Pension Fund	2	2	4	4	<ul style="list-style-type: none"> The Council's Annual Treasury Management Strategy sets out the Fund's approach to credit risk for internally managed funds. Deposits are only made with banks and financial institutions if they are independently rated and meet the OIC's credit criteria. The strategy also sets limits as to the maximum percentage of deposit with any one class of financial assets. Additional controls and protections are provided through the Financial Services Compensation Scheme (FSCS) up to set limits. For larger cash balances Sterling Liquidity Funds will be considered managed by regulated managers. 	Head of Finance	Ongoing
15	Incomplete member records and failure to carry out statutory functions including submission of member data and contributions to the Pension Fund in a timely manner.	Adverse impact on cash flow position; delays in closure of year end accounts; employers forced to leave the scheme. Possible adverse audit opinions, possible unacceptable delays in settlements or overpayments. Missing, incomplete records on pensions administration system undermines service delivery and causes difficulties in establishing correct benefits at individual level and liabilities at whole Fund level.	2	2	4	4	<ul style="list-style-type: none"> Monitor membership on triennial actuarial valuation. Admitted bodies to notify of significant structural changes. Vetting on any new or prospective employers before entering into an admission agreement. Senior Officers liaise closely with employers Contribution monitoring procedures Monthly monitoring of receipts and escalation procedures in place. Annual contribution return certificates. 	Pensions Manager/Internal Audit	Ongoing
16	Failure of fund advisor leading to replacement.	Failure to make timely arrangements to transition to a new fund advisor would be detrimental to the fund.	2	2	4	N/a	<ul style="list-style-type: none"> Contract in place with current financial advisor, long standing relationship. Advice provided is scrutinised and challenged by PFSC and officers. Advisor performance is reviewed on an annual basis. Procurement process would be followed if a replacement fund advisor was required and would seek to ensure advisers have appropriate professional qualifications and quality assurance procedures in place. 	Head of Finance/PFSC	Ongoing
17	Fraud/Theft of Fund assets by internal staff members.	Overpayment, unauthorised payment, system corruption, audit criticism, reputational damage	1	3	3	3	<ul style="list-style-type: none"> Established systems of internal controls and security are in place Segregation of duties Supervisory checking of all calculations Internal audit and monitoring arrangements Fraud ilearn course compulsory for all Finance staff 	Head of Finance Pensions Manager/Internal Audit	Ongoing
18	Negligence, default, fraud by investment manager.	Loss of value to the Fund; reputational damage.	1	3	3	3	<ul style="list-style-type: none"> Indemnities in Investment Management Agreements and Financial Conduct Authority (FCA) Regulations. Separation of assets from management via global custody arrangement. Document review process on internal control reports from Fund custodians takes place. Process in place for reporting any significant issues to members of the Pension Board and Sub-Committee. 	PFSC	Ongoing
19	As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.	Loss of value to the Fund. Increased workload and fees surrounding scope 3 administration when it becomes a statutory requirement.	3	1	3	3	<ul style="list-style-type: none"> The Statement of Investment Principles are regularly reviewed. Investment managers are required to take account of both financial and non-financial factors in their investment decisions. Managers are required to be signatories of the UNPRI. Managers are challenged on their engagement activities in connection with environmental, social and governance (ESG) issues including climate risk. Managers are required to report regularly on their compliance with our ESG policy. Responsible Investment Policy is in place which confirms the actions to be taken by the Fund in relation to climate change. 	Head of Finance/PFSC	Ongoing
20	Decisions influenced by possible conflicts of interest or not in the best interests of stakeholders.	Limited discretion for interested parties or stakeholders to influence decisions. The pension fund is regulated by the statutory provisions of the LGPS.	1	2	2	2	<ul style="list-style-type: none"> Training provided. Potential conflicts of interest are declared at the beginning of each committee meeting. Register of Interests for members to the PFSC and PB is in place and reviewed annually. 	Head of Finance	Ongoing

Pension Fund - Risk Ranking

Ranking	Risk	Impact	L	I	Current Risk Rating	Previous Risk Rating	Risk Control Measures	Assigned to	Target Date (priority items)
21	Failure to adhere to relevant statutory regulations including updates from LGPS. Failure to process accurate pension benefit payments, including lump sum payments, in a timely manner.	Incorrect calculations of pensions, possible unacceptable delays in making full payments to pensioners. Audit criticism, legal challenge, reputational damage and cost.	1	2	2	2	<ul style="list-style-type: none"> Regular systems checks take place to ensure compliance with current LGPS (Scotland) Regulations. Continual review of discretionary pension policies. Participation in the Scottish Pension Investments Governance Group. Provision of staff training. Updates confirmed via Scottish Public Pensions Agency (SPPA). System provider updates pension administration system. Segregation of duties. Regular checks by Internal Audit. Subscription to tracing service for deceased pensioners. 	PFSC/PB Head of Finance Pensions Manager Internal Audit	Ongoing
22	Failure of Global Custodian.	Loss of investments or control of investments.	1	2	2	2	<ul style="list-style-type: none"> Regular review and periodic re-tendering. Banking and FCA regulation. Fund's assets not on custodian's balance sheet. The Global Custodian's hold certificates of investments only, with the Fund Managers holding the actual money relating to those investments. 	PFSC	Ongoing
23	The administration performance measures and targets may no longer be the most appropriate for the fund.	Poor performance of the administration of the Pension Fund.	2	1	2	2	<ul style="list-style-type: none"> Performance is measured and reported to the Pension Board twice yearly. Increased staffing within the Pensions Section has resulted in more targets being met. Regular reviews of performance measures will take place. 	Pensions Manager	Ongoing
24	Closure of facilities due to a pandemic.	Loss of income for employer resulting in inability to pay contributions. Adverse impact on cashflow.	2	1	2	2	<ul style="list-style-type: none"> Low number of admitted and scheduled bodies and any new admitted bodies are carefully considered before admission. The Pensions Section are in regular contact with the admitted bodies and would be aware very quickly of any potential non-payment of contributions. The main employer in the scheme is OIC and funding of the Council is not at risk. 	Head of Finance and Pensions Manager	Ongoing

Minute

Investments Sub-committee

Wednesday, 26 February 2025, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask and Heather N Woodbridge.

Present via Remote Link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Katie Gibson, Team Manager (Corporate Finance).
- Michael Scott, Solicitor.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Alexander G Cowie.

1. Revenue Expenditure Monitoring

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

Noted:

1.1. The revenue financial summary statement in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 31 December 2024, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £4,465,000.

1.2. The revenue financial detail by service area statement in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 31 December 2024, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

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 appropriate action was being taken with regard to significant budget variances.

2. Treasury Management – Monitoring

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

Scrutinised:

2.1. The quarterly report, 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 were operating effectively:

- An economic update for the quarter ended 31 December 2024.
- Interest rate forecasts.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- A review of prudential and treasury indicators for 2024/25, as at 31 December 2024.

2.2. The status of the temporary loans portfolio as at 31 December 2024, as detailed in section 3 of the report by the Head of Finance report, and obtained assurance that the Treasury Management Practices are operating effectively and the portfolio was producing an acceptable rate of return.

3. Statement of Managed Funds

On the motion of Councillor Alexander G Cowie, seconded by Councillor Heather N Woodbridge, the Sub-committee 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 report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Scrutinised:

3.1. The investment monitoring report for the Strategic Reserve Fund produced by Hymans Robertson, the Council's appointed investment advisor, attached as Appendix 1 to the report by the Head of Finance, relating to the performance of managed funds for the quarter to 31 December 2024.

3.2. The Barings Global High Yield Credit Strategies Fund ESG report for the quarter ending 31 December 2024, attached as Appendix 2 to the report by the Head of Finance.

3.3. The Schroders Sustainable Investment report for the quarter ending 31 December 2024, attached as Appendix 3 to the report by the Head of Finance.

4. Conclusion of Meeting

At 14:29 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.

Minute

Asset Management Sub-committee

Tuesday, 25 March 2025, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, Steven B Heddle, Kristopher D Leask, Janette A Park, Ivan A Taylor and Heather N Woodbridge.

Present via remote link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Erik Knight, Head of Finance.
- Kenny MacPherson, Head of Property, Asset Management and Facilities.
- Lorna Richardson, Head of Neighbourhood Services.
- Thomas Aldred, Service Manager (ICT).
- Graeme Christie, Service Manager (Estates).
- Michael Scott, Solicitor.
- Gwyn Evans, Strategic Projects.

In Attendance via remote link (Microsoft Teams)

- Glen Thomson, Service Manager (Property and Capital Projects).

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Alexander G Cowie.

1. Information Technology Capital Replacement Programme

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Service Manager (ICT), the Sub-committee:

Resolved, in terms of delegated powers:

1.1. That the Information Technology Capital Replacement Programme for 2025/26, together with the indicative programme for 2026/27, attached as Appendices 1 and 2 to this Minute, to be funded from the allocation of £600,000 per annum within the Council's current approved capital programme, be approved.

1.2. That powers be delegated to the Corporate Director for Neighbourhood Services and Infrastructure, in consultation with the Head of Finance, to adjust the two-year programme, referred to at paragraph 1.1 above, as variations arose in order to maximise use of the annual capital allocation.

2. Exclusion of Public

On the motion of Councillor Alexander G Cowie, seconded by Councillor Kristopher D Leask, 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.

3. Corporate Asset Maintenance and Improvement Programmes

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 Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Service Manager (Property and Capital Programme), the Sub-committee:

Noted:

3.1. That, for each of financial years 2025/26, 2026/27 and 2027/28, the Council had determined that the Corporate Capital Improvement Programme be increased to £2,000,000 per annum.

3.2. That the budget for 2025/26 had been further increased by £115,000, following the award of additional General Capital Grant from the Scottish Government in recognition of the climate emergency.

The Sub-committee resolved, in terms of delegated powers:

3.3. That the undernoted programmes for 2025/26, together with provisional programmes for 2026/27 and 2027/28, attached as Appendices 3 to 6 to this report, be approved:

- Revenue Repairs and Maintenance Programme, to be funded from the allocation of £1,866,500 per annum set annually as part of the budget setting process.

- Strategic Reserve Fund Revenue Repairs and Maintenance Programme, to be funded from the allocation of £134,900 per annum set annually as part of the budget setting process.
- Capital Improvement Programme, to be funded from the approved allocations set out at paragraphs 3.1 and 3.2 above.
- Strategic Reserve Fund Capital Improvement Programme, to be funded from the allocation of £118,600 per annum within the approved capital programme.

3.4. That powers be delegated to the Corporate Director for Neighbourhood Services and Infrastructure, in consultation with the Head of Finance, to adjust the three-year programmes, referred to at paragraph 3.3 above, as variations arose and in order to maximise use of the annual budget allocations.

Councillor Heather N Woodbridge joined the meeting during discussion of this item.

4. 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 Corporate Director for Neighbourhood Services and Infrastructure, copies of which had been circulated, and after hearing a report from the Head of Neighbourhood Services, the Sub-committee:

Resolved, in terms of delegated powers:

4.1. That the Plant and Vehicle Replacement Programmes for 2025/26 and 2026/27, together with the indicative programme for 2027/28, attached as Appendix 7 to this Minute, be approved.

4.2. That powers be delegated to the Corporate Director for Neighbourhood Services and Infrastructure, in consultation with the Head of Finance, to adjust the programmes referred to at paragraph 4.1 above, as variances arose and in order to maximise use of the annual capital allocation.

5. Conclusion of Meeting

At 10:03 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.

Information Technology Replacement Programme 2025/26

Asset Group	Project	Reason.	Sub Total.	Total.
Datacentre Replacement	Server Room Replacement	Replacement of Server and Network Room Equipment including UPS (backup power), Remote Management, Monitoring and Access Controls. Improved UPS is required at all sites to ensure resilience for new digital phone systems.	£45,000	£45,000
Server Replacements	Replacement of servers that are end-of-life.	Replacement of the servers that are at end of operational lifetime and reaching or beyond vendor support.	£25,000	£45,000
	Replacement of Storage and Backup Infrastructure	Replacement of storage that is approaching capacity and enhance the resilience of data backups.	£20,000	
Local Area Network Replacement	Wi-Fi Modernisation	Renew and improve Wi-Fi systems to maintain capacity and currency of support, replacing end of life equipment.	£30,000	£60,000
	Replacement of Network Switches	Replacement of Network Switches that are end of support.	£30,000	
Security Gateways	Proxy/Firewall Replacements	The present web filtering system is end of life and requires replacement. This is an opportunity to ensure devices used remotely benefit from filtering and improved security protection. Included in this new system are corporate, remote/home working and school devices.	£200,000	£200,000
Telephony	Analogue to Digital switchover	Replacement of voice infrastructure requiring replacement as part of the analogue switch off in Council sites, extending the Council's core switchboard via updated equipment to Council and School sites.	£65,000	£65,000
Wide Area Network Replacement	Replacement of End of Life and Poor Performing Radio Wireless and Microwave Mast Equipment	To replace core WAN WIFI equipment to ensure connectivity between our main mast sites and care homes and schools.	£65,000	£65,000

Asset Group	Project	Reason.	Sub Total.	Total.
Device Replacement	Replacement of end User Devices (Corporate).	To replace end of life end-user devices in Council Offices.	£35,000	£90,000
	Replacement of end User Devices (Schools).	To replace end of life end-user devices in Schools.	£55,000	
Other	Failures and Emergency Replacements of Capital Equipment.	Allocation to replace failures not covered by repairs, and any systems that fail security audit requirements.	£30,000	£30,000
			Total	£600,000

Information Technology Indicative Replacement Programme 2026/27

Asset Group	Project	Reason.	Sub Total.	Total.
Datacentre Replacement	Server Room Replacement	Replacement of Server and Network Room Equipment including UPS (backup power), Remote Management, Monitoring and Access Controls. Improved UPS is required at all sites to ensure resilience for new digital phone systems.	£45,000	£45,000
Server Replacements	Replacement of servers that are end-of-life.	Replacement of the servers that are at end of operational lifetime and reaching or beyond vendor support.	£25,000	£75,000
	Replacement of Storage and Backup Infrastructure	Replacement of storage that is approaching capacity and enhance the resilience of data backups.	£50,000	
Local Area Network Replacement	Wi-Fi Modernisation	Renew and improve Wi-Fi systems to maintain capacity and currency of support, replacing end of life equipment.	£20,000	£90,000
	Replacement of Network Switches	Replacement of network switches that are end of support. Ensuring devices are in current support is an essential objective in maintaining Public Sector Network Accreditation in line with the Public Sector Action Plan, this will include the replacement of core datacentre networking switchgear.	£70,000	
Security Gateways	Proxy/Firewall Replacements	Main perimeter SWAN Pathfinder router will require upgrading	£80,000	£80,000
Telephony	Analogue to Digital switchover	To complete replacement of voice infrastructure requiring replacement as part of the analogue switch off in Council sites, extending the Council's core switchboard via updated equipment to Council and School sites.	£65,000	£65,000
Wide Area Network Replacement	Replacement of End of Life and Poor Performing Radio Wireless and Microwave Mast Equipment	To replace core WAN WIFI equipment to ensure connectivity between our main mast sites and care homes.	£65,000	£65,000

Asset Group	Project	Reason.	Sub Total.	Total.
Device Replacement	Replacement of end User Devices (Corporate).	To replace end of life end-user devices in Council Offices.	£60,000	£130,000
	Replacement of end User Devices (Schools).	To replace end of life end-user devices in Schools.	£70,000	
Other	Failures and Emergency Replacements of Capital Equipment.	Allocation to replace failures not covered by repairs, and any systems that fail security audit requirements. Particularly WAN wireless	£50,000	£50,000
			Total	£600,000

Corporate Asset Maintenance and Improvement Programmes

Resolved that, under section 50A(4) of the Local Government (Scotland) Act 1973, the public were 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 I of Schedule 7A of the Act.

Programmes for 2025/26, together with Provisional Programmes for 2026/27 and 2027/28 in respect of the following:

- Appendix 3 – General Fund – Revenue Repairs and Maintenance Programme (pages 2477 to 2481).
- Appendix 4 – Strategic Reserve Fund – Revenue Repairs and Maintenance Programme (pages 2482 to 2483).
- Appendix 5 – General Fund – Capital Improvement Programme (pages 2484 to 2493).
- Appendix 6 – Strategic Reserve Fund – Capital Improvement Programme (page 2494).

This constitutes a summary of the Appendix in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Local Government (Scotland) Act 1973 – Schedule 7A

Access to Information: Descriptions of Exempt Information

Paragraph 9. Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

Appendix 7.

Plant and Vehicle Replacement Programmes

Pages 2495 to 2498.

Resolved that, under section 50A(4) of the Local Government (Scotland) Act 1973, the public were 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 I of Schedule 7A of the Act.

This constitutes a summary of the Appendix in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Local Government (Scotland) Act 1973 – Schedule 7A

Access to Information: Descriptions of Exempt Information

Paragraph 8. The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Minute

Human Resources Sub-committee

Tuesday, 25 March 2025, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, James R Moar, Janette A Park, John A R Scott, Gwenda M Shearer, Ivan A Taylor, Duncan A Tullock and Heather N Woodbridge.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Gavin Mitchell, Head of Legal and Governance.
- Craig Walker, Service Manager (Human Resources Operations).

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Alexander G Cowie.

1. Recruitment and Selection Policy

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Service Manager (Human Resources Operations), the Sub-committee:

Resolved to **recommend to the Council** that the revised Recruitment and Selection Policy, attached as Appendix 1 to this Minute, be approved.

2. Relocation Policy

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Service Manager (Human Resources Operations), the Sub-committee:

Resolved to **recommend to the Council** that the Relocation Policy, attached as Appendix 2 to this Minute, be approved.

3. Market Supplement Policy

After consideration of a report by the Corporate Director for Neighbourhood Services and Infrastructure, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Service Manager (Human Resources Operations), the Sub-committee:

Resolved to **recommend to the Council** that the Market Supplement Policy, attached as Appendix 3 to this Minute, be approved.

4. Conclusion of Meeting

At 14:23 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.



Recruitment and Selection Policy
May 2025

Document Control Sheet

Review / approval history.

Date.	Name.	Position.	Version Approved.
March 2016.	General Meeting of the Council.	n/a.	1.0
April 2025	General Meeting of the Council.		2.0

Change Record Table.

Date.	Author.	Version.	Status.	Reason.
2025	HR & OD		Draft	Fundamental review of policy and procedure as part of the Council Strategic People Plan.
Next due for review in 2029.				

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1. Introduction

People are the Council's most valuable resource. Orkney Islands Council wants to attract, recruit, develop and retain a skilled and flexible workforce. The Recruitment and Selection Policy and the accompanying procedure and guidance are designed to achieve a fair, effective, robust, and safe process.

We aim to attract and retain staff with the right values, skills, behaviours, attitudes, growing our own workforce for the future, to ensure we continue to deliver high quality services for the communities of Orkney.

The aims of this policy are to:

- Promote best recruitment and selection practice.
- Ensure a fair and equitable approach compliant with the Equality Act 2010.
- Provide a recruitment approach to safeguard and promote the welfare of children, young people, and protected adults that the Council provide services to.
- Ensure that those who may face challenge or disadvantaged in gaining employment i.e. through having convictions, disability, being unemployed etc, are not unfairly excluded from gaining employment.
- Provide developmental opportunities for local, young people to seek employment and develop long-term career opportunities.
- Provide clear framework for all recruitment and selection activity.

2. Scope

This policy and relevant supporting procedures and guidance will apply to all recruitment and selection activity in relation to the following groups of employees:

- Scottish Joint Negotiating Council for Chief Officials (Chief Executive, Corporate Directors, and Heads of Service).
- Scottish Joint Council for Local Government Employees (SJC).
- Teachers and other education professionals covered by Scottish Negotiating Committee for Teachers (SNCT) conditions of service.
- UHI Orkney Academic staff employed by Orkney Islands Council under National Joint Negotiating Committee for Scottish College.
- Orkney Ferries Limited shore-based staff, employed by Orkney Islands Council.

The policy and supporting procedures and guidance will also apply where the Council is seeking to appoint a temporary agency worker and/or fill a vacancy using a recruitment agency.

3. Responsibilities

3.1. Chief Officers (Corporate Directors and Heads of Service)

Chief Officers are responsible for ensuring that recruitment which takes place is authorised, that it takes place in line with this policy, and supporting procedures and guidance, and that officers taking part in recruitment decisions undertake designated training.

3.2. Recruiting Managers

Recruiting managers are responsible for:

- Ensuring that a recruitment and selection process is conducted in line with this policy and supporting procedures and guidance.
- Ensuring that recruitment and selection is based on an up-to date job profile.
- Ensuring that assessment of applicants is only conducted on the specified criteria in the job profile and that all assessment decisions are based on evidence from the application, interview, or selection process only.
- Ensuring that all decisions in recruitment are made on merit.
- Ensuring the security and confidentiality of recruitment information by all shortlisting and/or interview panel members.
- Ensuring that all relevant documentation is completed and forwarded to Human Resources and/or Payroll, in relation to recruitment and selection.
- Ensuring that recruitment checks are completed and satisfactory.
- Establishing, maintaining and developing a positive and ongoing relationship, throughout the recruitment process, with applicants and successful candidate(s).

3.3. Human Resources

Human Resources and Organisational Development (HR and OD) are responsible for:

- Ensuring that the Council has a Recruitment and Selection Policy and supporting procedures and guidance that are legal, fair and support best practice.
- Managing the centralised aspects of the recruitment process via Talentlink – advertising, interviews, offers of employment and contract issue.
- Providing relevant training, advice and guidance, and supporting managers in relation to recruitment and equalities.

3.4. All others involved in recruitment.

Any other individual involved in recruitment must:

- Ensure that they are familiar with this Recruitment and Selection Policy, procedures and guidance.
- Conduct recruitment and selection in line with Council policy, fairly and without prejudice.
- Undertake any training required by the Council.
- Ensure the security and confidentiality of recruitment information.

4. Procedures and Guidance

The Council has a range of supporting procedures and guidance to support implementation of this policy. These do not form part of the approved policy and, as such, are able to be amended and updated to reflect necessary changes to support more efficient and effective recruitment for the Council without formal review.

5. Exceptions to this Policy

In some specific circumstances, the Council has other agreed policy, procedures or process which have an agreed variation to the normal Recruitment and Selection Policy.

- Where an individual is awaiting redeployment in line with the Council Redeployment Policy and Procedure, i.e., ill health, avoidance of redundancy etc.
- Where there is a justifiable basis for a post to be advertised requiring applications from either male or female applicants only, in line with the Equality Act 2000.
- Where the Council offers a guaranteed interview scheme, as outlined in the policy.
- Where an employee has been in a post continuously for at least 2 years, on a temporary basis, and the post is established as permanent/becomes available on a permanent basis.
- Where the post has been temporary, with the same post holder in the post for a minimum of 4 years on temporary contracts, and approval is given by the Chief Executive to establish the post and employee contract on a permanent basis.

6. Guaranteed Interview Schemes

Orkney Islands Council offers a guaranteed interview to applicants, as part of its positive commitments to support the following:

- Care experienced young people, including care leavers up to the age of 26.
- Applicants with a disability, as defined under the Equality Act 2000.
- Current and former armed forces personnel.
- Those studying or having completed the Introduction to Care course.
- Orkney Islands Council Modern Apprentices or Graduate Apprentices.
- Orkney Islands Council employees with unpaid caring responsibilities. (refer to Council Carers Support Policy).
- Partners/resident family members of people relocating into Orkney to take up employment (refer to Council Relocation Policy).

7. Positive Action

The Council can follow the principles of positive action under the Equality Act 2010. This can be applied during a recruitment process when a tie breaker situation arises between two (or more) candidates of equal merit. Positive action allows the Council to make an appointment based on a particular protected characteristic possessed by a candidate.

This decision should only be based on evidence of an under-representation of a particular group or tackling disadvantage within the workforce. This process must only be used following consultation with the Head of Human Resources and Organisational Development or Service Manager (HR Operations).

8. Reasonable Adjustments

The Council is committed to making reasonable adjustments for applicants with a disability to any stage of the recruitment process including application, interviews and where an individual is successful in their applications for their employment.

The recruiting manager is responsible for contacting any applicant indicating that they need reasonable adjustments in the recruitment process to establish what support they would ideally like and for then looking to implement reasonable adjustments as far as reasonable possible.

Where it is not possible to implement reasonable adjustments or to the extent requested by an applicant, this must be communicated back to the applicant with an explanation as to why.

Separate advice and guidance is available on making reasonable adjustments to the recruitment process and advice and guidance is available from Human Resources.

9. Conflicts of Interest

Shortlisting and/or Interview/Selection panel members are required to disclose any relationship or knowledge of an applicant which might affect their ability to be impartial as set out in the Council Employee Code of Conduct, in order that a decision can be made on whether they should continue or withdraw from the process.

Where an applicant is a close relative of an employee or a Councillor, that employee or Councillor may not take part in that selection process.

Where there is any other possible conflict of interest for a panel member, they should declare this to the Chair of the panel. They should determine if it is appropriate that they continue to be a member of the panel or not. Advice and guidance may be sought from Human Resources as required.

It is recognised that in a small community there will be occasions where relatives work together, so for the purposes of selection a close relative is defined as spouse, partner, grandparent, parent, aunt, uncle, sister, brother, child, niece, nephew, grandchild (including 'step' and 'in law').

10. Lobbying

Any applicant attempting to lobby a Council employee involved in the recruitment process or a Councillor, directly or indirectly, to secure an appointment or promotion will be disqualified from the recruitment and selection process for that post.

If the individual determined to be lobbying is already an employee of Orkney Islands Council, they may be subject to action under the Council Disciplinary Policy and Procedures.

Similarly, Councillors and employees will not advocate for the appointment of any individual from out with the selection process. This does not preclude the provision of a reference if requested to do so.

11. Political Restrictions

Some posts in the Council are politically restricted by virtue of the Local Government and Housing Act 1989 and the Local Government Officers (Political Restrictions) Regulations 1990, as amended.

Where a political restriction applies this means that the applicant will not be permitted to be involved, or may be restricted, in political interests or associations.

Recruitment documentation including the advert and job description will make it clear that the post is politically restricted.

Human Resources and Organisational Development maintain a list of all politically restricted posts.

12. Modern Slavery and Human Trafficking

The Council is committed to the principles of the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking.

As an equal opportunities' employer, we're committed to creating and ensuring a non-discriminatory and respectful working environment for our staff. We want all our staff to feel confident that they can expose wrongdoing without any risk to themselves.

Our recruitment and selection processes are designed to ensure that all prospective employees are legally entitled to work in the UK and to safeguard employees from any abuse or coercion.

We do not enter into business with any organisation, in the UK or abroad in relation to recruitment and selection (including the supply of agency staffing), which knowingly supports or is found to be involved in slavery, servitude and forced or compulsory labour.

13. Advertising

All Council posts will normally be advertised fairly, openly and on a transparent basis. As a minimum all posts must be advertised internally to the Council, unless one of the specified exceptions in this policy apply and is agreed with Human Resources.

Advertising of posts would normally be via the Council recruitment portal but can include other forms of advertising including local press, professional organisations and social media.

14. Recruitment Incentives

In circumstances that the Council has acknowledged hard to fill posts, the Corporate Leadership Team in conjunction with the Head of HR and OD may choose to implement short-term temporary recruitment incentives i.e. Market Supplement, Golden Hello or Refer a Friend.

Any recruitment incentive must be supported by a business case that is equality proofed, temporary in nature, able to be funded within existing budget and will have agreed terms and conditions produced by HR and OD.

Please refer to separate policy/guidelines issued in relation to any approved recruitment incentives.

15. Applications

Applications for employment are made via the Council Recruitment Portal, unless there is a need for an alternative format as a reasonable adjustment for an applicant with a disability. The Council will provide reasonable support for applicants with a disability or who may require assistance in submitting an on online application.

Applicants requiring assistance in submitting an online application should contact HR Support on 01856 873535 ext. 2250 or via hrsupport@orkney.gov.uk.

The Council does not accept speculative applications of any sort or CVs as part of the application process.

16. Appointment Decisions

All appointments must be made based on merit and be consistent with current employment legislation.

There must be documentary evidence to support decisions made at each stage of the recruitment and selection process.

All recruitment decisions must be made based on a panel consideration; they cannot be the decision of one person.

17. Shortlisting

Shortlisting of all applications received will be conducted by the interview/section panel (see Panel Membership table in section 1.4.6 of the Recruitment and Selection Procedure).

Shortlisting will normally be conducted within a week of the advertised closing date for the post, or in line with any specified arrangements stated within the advert.

It is recommended best practice that shortlisting arrangements are made as part of the recruitment planning process and stated within adverts to help inform applicants as to when they would expect to hear about their outcome.

Shortlisting and interviewing will be conducted in all but very exceptional circumstances by the same panel.

Where a panel size is only 2 people, the same 2 people must undertake shortlisting and interview.

Where panel sizes are larger than 2 people the majority of the panel must be consistent for both shortlisting and interview.

Appointments in relation to permanent Head Teachers and Depute Head Teachers will be compliant with the provisions of the Scottish Schools (Parental Involvement) Act 2006 (see separate guidance).

All other Teacher/educational professional recruitment (including UHI Orkney Academic posts) shall be in line with normal Council provisions.

17.1. Participation in a Panel

All Council Officers involved in shortlisting or interview/selection of candidates via the recruitment process for the Council will have attended relevant approved training on Recruitment and Selection and Equality, Diversity, and Inclusion from Orkney Islands Council.

Other people involved in shortlisting or interview, including service users, are strongly recommended to have also conducted relevant approved training on Recruitment and Selection and Equality, Diversity, and Inclusion from Orkney Islands Council.

18. Interview/Selection

Interview is the normal method of selection for employment with the Council. The actual selection process for any post can also include other processes including presentations, skills assessments and in tray exercises.

The exact arrangements for the selection process will be confirmed to applicants following shortlisting.

18.1. Applicant Feedback

Feedback will be provided on request to any applicant for employment with the Council, irrespective of how far they progress through the recruitment process i.e. not shortlisted, not successful at interview and even the successful applicant(s).

For applicants who have disclosed a conviction, feedback on whether the conviction was the deciding factor will be made explicit, within the Criminal Convictions Risk Assessment process feedback.

Applicants applying under any of the guaranteed interview processes will automatically be provided with summary feedback.

19. Service User involvement in recruitment

Whilst not a requirement, services can should they wish appropriately involve service users in relevant recruitment processes. It is the responsibility of the Recruiting Manager/Chair of the panel to arrange any service user involvement and to ensure that this involvement is appropriate and that the service user has the appropriate ability to understand and effectively contribute to the process and maintain compliance with Council policies.

Examples of service user involvement include:

- Pupil involvement in a Head Teacher recruitment.
- Pupil involvement in House Parent recruitment at Papdale Halls of Residence.
- Student involvement in UHI Orkney, Principal recruitment.
- Resident (child/young person or elderly person) involved in Registered Manager recruitment process.

Service user involvement will normally be via means of a separate service user panel, facilitated and led by a Council Officer who has completed all relevant training on recruitment and selection and equality, diversity and inclusion.

It may be possible that a service user could join the main interview panel as an adviser (non-voting), subject to the following provisions being satisfied:

- They are of an age and ability to be able to effectively understand and contribute fully to the panel process.

- They cannot be a voting member of any interview/selection process.
- They must understand and follow Council Policies on Recruitment and Selection and Equality, Diversity and Inclusion.
- They must have attended/carried out Council training on both Recruitment and Selection and Equality, Diversity and Inclusion.
- Advice and guidance must be sought from Human Resources where it is intended that a service user is being considered to join a main interview/selection panel as an adviser.

20. Recruitment Checks and Vetting

Please refer to the Recruitment and Selection Guidance documentation (available on My View/Useful HR Information or from Human Resources) in relation to Recruitment checks and vetting, further details and advice, guidance, and support on what is required.

These provisions apply to all appointments including where a successful applicant is an existing Council employee.

20.1. Right to Work in the UK

All successful applicants must provide original, documentary evidence of their right-to-work in the UK, in compliance with the UK Government legislative requirements.

The Council must have seen original documentation, taken, certified and have on record clear copies of this documentation.

Evidencing the right-to-work in the UK is a mandatory part of the pre-employment checking for all successful applicants for all posts, including current employees of the Council. Please refer to the separate guidance on pre-employment checks for full details.

20.2. Sponsorship

For some applicants and some posts, the Council will also require putting sponsorship arrangements in place as part of the right-to-work in the UK, to comply with UK Government legislative requirements.

Adverts and relevant recruitment information must make it clear where sponsorship may be or is not available.

20.3. References

The Council References are a mandatory part of the pre-employment checking process for all successful applicants for all posts, including current employees of the Council. Please refer to the Recruitment and Selection Guidance documentation (available on My View/Useful HR Information or from Human Resources).

It is accepted that some employers have a policy of only providing references confirming dates and role of employment. In such circumstances, where this is confirmed as the employer's policy, this will be deemed an acceptable employment reference by the Council.

20.3.1. Providing a Reference on behalf of the Council

An employment reference request for any Council employee must be provided by the line manager, a more senior manager within the relevant line management structure who has/had knowledge of the employee/former employee.

In circumstances that this may not be possible i.e. no current managers have knowledge of the individual, a purely factual reference confirming employment role and dates should be provided.

The Council does not operate a policy that we would refuse to provide an employment reference.

Employment references/references on behalf of the Council cannot be provided by work colleagues, any such reference can only be a character reference from that individual and is supplied on a personal basis.

Referees are reminded that the content of any employment reference must be honest, accurate and factual and should not contain subjective opinions or unsubstantiated views.

It is recommended best practice that any employment reference provided by the Council is copied to the employee/former employee.

20.3.2. Employment References from Applicants

Employment references for working with the Council must be provided by the applicant's line manager, a more senior manager within the relevant line management structure of the organisation who has/had knowledge of the employee/former employee.

In circumstances where this may not be possible i.e. no current managers have knowledge of the individual, a purely factual reference confirming employment role and dates should be provided.

20.4. Health Clearance

The Council operates a risk management-based approach to recruitment health clearance for all posts, based on the demands of the role. Health clearance is a mandatory part of the pre-employment checking for all successful applicants for all posts, including current employees of the Council. Refer to the separate guidance on the Pre-employment Health clearance process.

20.5. Protection of Vulnerable Groups Scheme Membership

For posts working with children or vulnerable adults as defined in the Disclosure (Scotland) Act 2020 successful applicants are required to disclose current and spent criminal convictions.

It is also a legal requirement to be a member of the Protection of Vulnerable Groups scheme through Disclosure Scotland in respect of either Children and/or Adults as relevant to their employment, with Orkney Islands Council, before they can commence employment.

The list of Council posts that require PVG scheme membership is available in the supporting documentation section and on My View Useful HR Information or from Human Resources.

Advertising and recruitment documentation for these roles must specify that a role requires PVG scheme membership for children and/or adults as it is a criminal offence for anyone barred from working with children and/or adults to apply for such a post and for the Council to employ anyone who is barred from working with children and/or adults.

The Council has a legal duty to undertake updated PVG scheme checks every five years, commencing from April 2026.

20.6. Government Baseline Personnel Security Standard

Any Council role that has an orkney.gov.uk email address or accesses the secure Council IT network, must satisfy the provisions of the above standard as specified by the UK Government.

This will require post holders to disclose any current but not spent criminal convictions and for a Level 1 check (formerly Basic Disclosure) to be conducted via Disclosure Scotland.

Where a post already requires a higher level of criminal convictions check i.e. PVG scheme membership a further check is not required.

The list of Council posts that require Level 1 Disclosure check is available in the supporting documentation section and on My View Useful HR Information or from Human Resources.

Advertising and recruitment documentation for these roles must specify that a role requires this check.

20.7. Other Criminal Convictions Checks

Other posts within the Council will require a Level 1 Disclosure check (previously Basic Disclosure) or a Level 2 Disclosure check (previously Standard or Enhanced Disclosure).

Where a post already requires a higher level of criminal convictions check i.e. PVG scheme membership a further check is not required.

The list of Council posts that require Level 2 Disclosure check is available in the supporting documentation section and on My View Useful HR Information or from Human Resources.

Advertising and recruitment documentation for these roles must specify that a role requires this check.

20.8. Evidence of Qualifications/Training

For any post that specifies that a qualification or specific training requirement (including a driving licence) is required, the recruiting/line manager must see the original evidence, take a certified copy, and forward this to HR Support so that it can be retained on the employee's personnel file.

20.9. Evidence of Professional Body Membership

For any post that specifies that membership of a professional body/organisation is required, the recruiting/line manager must see evidence of this, take a certified copy and forward this to HR Support so that it can be retained on the employee's personnel file.

The line manager should also ensure that evidence of continued membership is checked and maintained on record for the duration of the individual's employment in that role.

21. Offer of Employment

Successful applicants at interview/selection will be provided with a conditional offer of employment, confirming the Council's intent to employ them, subject to successful completion of all relevant pre-employment checking.

Following satisfactory completion of all recruitment checks the recruiting/line manager can agree a future start date with the applicant, ensuring that this will take account of any notice provisions, need for relocation etc.

Following confirmation of the agreed start date, Human Resources will issue a confirmed offer of employment.

These provisions apply to all appointments whether the successful applicant is an existing employee of the Council or not.

22. Starting in Post

Until such time as all recruitment checks are successfully completed, a start date agreed, and a confirmed offer of employment issued, a successful applicant cannot commence employment in their role.

It is illegal to enable an employee to commence work in a role where the Council does not hold verified documentary evidence of their legal right to work in the UK or for a post that requires PVG scheme membership for that scheme membership with the Council to be in place. Allowing a successful applicant to commence work in breach of these or any other legal recruitment provisions will result in action being taken under the Council Disciplinary Policy and Procedure.

These provisions apply to all appointments whether the successful applicant is an existing employee of the Council or not.

23. Data Protection

The recruitment and selection process requires that applicants share a range of necessary information with the Council. This information under the General Data Protection Regulations (The Data Protection Act 2018), will include information that will be personal and classed as special category i.e. criminal convictions or health information.

Orkney Islands Council is committed to ensure compliance with the principles of GDPR throughout the recruitment and selection process and has an Employment Privacy Notice available on the Council website.

23.1. Requesting Information

We will only ask for relevant information at the appropriate stage in the process, when it is necessary in the process i.e. only seeking information relating to criminal convictions for successful interview candidates, and for posts where it is appropriate to do so.

23.2. Processing Information

We will process all recruitment and selection information securely and will ensure that it is only available to those individuals who require it as part of the recruitment and selection process.

23.3. Retention of Information by the Council

Recruitment and selection information for unsuccessful applicants is only retained for a period of one month beyond the end of the recruitment process, in order that feedback may be provided or any complaint dealt with. Thereafter it is confidentially destroyed.

Recruitment information provided through the MyJobScotland system, is retained by CoSLA, who manage the system on behalf of the Council for 2 years, thereafter it is confidentially destroyed.

23.4. Sharing of Confidential Information to non-Council Employees

Anyone involved in Council recruitment and selection who is not an employee of the Council is bound by the provisions of this policy and is required to adhere to the same confidentiality and data security requirements.

Any application forms or recruitment information being shared with non-Council employees for the purposes of short listing/interviewing require to be returned (if in paper format) or be deleted from email and the individual's deleted items folder if they have been shared via email.

24. Recruitment and Selection Complaints

Orkney Islands Council is committed to promoting equality of opportunity and will endeavour to ensure no individual receives less favourable treatment through the Recruitment and Selection process.

Any individual who believes they have been treated less favourably than another individual or feel that they have been subject of discrimination during the Recruitment and Selection process, is entitled to complain.

Anyone wishing to complain should do so within 14 calendar days of being advised of the outcome of their application to the Head of Human Resources and Organisational Development, Council Offices, School Place, Kirkwall KW15 1NY.

Complaints will be investigated by an independent officer and a response normally issued within 21 calendar days from receipt of the complaint. There is no further right of complaint or appeal in respect of recruitment complaints.



Relocation Policy May 2025

For Trade Union Consultation

Document Control Sheet.

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1. Introduction

Orkney Islands Council has and always will face some additional challenges in relation to recruitment given our geographical location. However, since the COVID-19 pandemic new and unprecedented challenges in the employment and recruitment market in Orkney, including the increase in home and remote working, means that the Council is competing with public and private sector organisations from a much larger geographical area; Brexit has also result in skills shortages in key sectors such as care, early learning, and childcare. These make it even more important than ever that the Council is an employer of choice.

The Council has continues to see many service areas facing recruitment challenges including higher levels of vacancies and a reduction in the number and experience of applicants for posts.

In this context this policy would enable the Council to have the ability to offer attractive financial assistance for people having to relocate to start employment with the Council, targeted for posts that are experiencing difficulties in recruitment.

The Council will align to HM Revenue and Customs (HMRC) rules and procedures in relation to relocation expenses.

All £ values quoted in this policy are inclusive of VAT where appropriate.

2. Who does this apply to?

This policy can apply to any post being recruited to, at the discretion of the recruiting service.

Services must be able to identify that posts have trouble in attracting applicants. This could be evidenced in several ways including a number (minimum of 2) of previous unsuccessful attempts to recruit to the post over a reasonable timescale or an evidenced national shortage of a particular skill or type of employee.

3. Eligibility

HMRC rules require that for an individual to be eligible to claim relocation expenses, they must:

Change their sole or main residence because of starting a new job, changing the duties of the existing job, or changing the place where the duties are performed. They do not have to dispose of the old property.

HMRC rules dictate that the new property must be within reasonable daily travelling distance of the new, normal place of work and the old residence must not be within reasonable daily travelling distance of the new, normal place of work.

For the purposes of this policy, to comply with HMRC rules, the Council has determined the following:

3.1. Could qualify for Tax Free relocation of up to £8,000:

- Relocating into Orkney to start first employment with the Council.

3.2. Could qualify for Tax Free relocation of up to £3,500:

- Relocating from the mainland and linked South Isles of Orkney to a North Isle (North Ronaldsay, Westray, Papa Westray, Sanday, Stronsay and Eday) to start a role based on that Island.
- Relocating from a North Isle (North Ronaldsay, Westray, Papa Westray, Sanday, Stronsay and Eday) to another North Isle (North Ronaldsay, Westray, Papa Westray, Sanday, Stronsay and Eday) to start a role based on that Island.

3.3. The following would not qualify for relocation of any type:

- Relocating to the mainland and linked South Isles of Orkney from a North Isle (North Ronaldsay, Westray, Papa Westray, Sanday, Stronsay and Eday – as there is no realistic ability to commute daily) to start a role based on the mainland and linked south isles.
- An individual working remotely, either fully or partly from the mainland of Scotland or other location out of Orkney.

4. Commitment to Remain in Employment

To be eligible for payment of relocation expenses, an employee is committing to work for Orkney Islands Council for a minimum of a three-year period, from the first date of employment in the post for which a relocation payment was claimed.

Should an individual choose to leave employment with the Council before the three-year period is up, they will be required to repay a pro-rata amount of the total relocation expenses claimed.

The calculation of any repayment will be worked out on the following basis:

Number of weeks remaining in minimum 3-year period X £ Relocation Expenses Paid
156 week (3 years)

Any outstanding payment will automatically be deducted from final salary payment. Where this is insufficient to cover the amount owed, the deduction may be spread over more than one salary period, or an invoice will be raised for the outstanding balance for payment within 30 days.

A Corporate Director or Head of Service will have responsibility along with Finance to ensure that any repayment is made.

In exceptional circumstances a Corporate Director or Head of Service can waive the repayment requirement. This waiver can be for some or all the required repayment depending on the individual circumstances. In these circumstances the Corporate Director or Head of Service must advise Finance and Human Resources in writing of their decision not to seek repayment.

The Council will not reclaim relocation expenses where the Council terminates the employment on the grounds of redundancy or early termination of a fixed -term contract. Should the reason for termination relate to reasons of discipline or misconduct, then reclaiming shall be pursued.

5. Time limit for claiming

HMRC rules indicate that relocation expenses must be incurred and claimed before the end of the tax year, following the one in which the employee starts in their new job.

The Tax year runs from 6 April to 5 April annually.

Example 1: A new employee relocating to Orkney commences their job on 15 May 2024.

They have until 5 April 2026 to be able to claim their relocation expenses.

- Employee commences work in Tax Year 6 April 2024 – 5 April 2025.
- The end of the tax year following the tax year in which they commence is 5 April 2026.

Example 2: A new employee relocating to Orkney commenced their job on 15 March 2024.

They have until 5 April 2025 to claim their relocation expenses.

- Employee commences work in Tax Year 6 April 2023 – 5 April 2024.
- The end of the tax year following the tax year in which they commence is 5 April 2025.

6. How much can be claimed?

HMRC rules set the maximum amount of relocation expense that can be paid without liability for Tax and National Insurance at £8,000 including VAT.

7. Temporary Contracted Employees

7.1. Allowance Payable

The Council does not offer relocation expenses for temporary contracts of a duration of less than 1 year, for temporary contract holders in respect of relocation within Orkney Mainland and linked South Isles or for relocation from an outer isle to the mainland or linked south isles.

Temporary contracts of a duration of between 1 year and 3 years+ will be paid a pro-rata amount of the normal, permanent contracted relocation amount. Based on the number of complete weeks of the contract.

Calculation is as follows:

$$\frac{\text{Number of complete weeks of temporary contract}}{156 \text{ (3 years)}} \times \text{Max allowance table 7.1.1/7.1.2}$$

7.1.1. Relocating into Orkney (Mainland and linked South Isles) for Temporary Contract

Circumstances	Maximum Claim £			Tax & NI Liability
	1 yr Temp Contract	2 yr Temp Contract	3 yr+ Temp Contract	
Relocating to Orkney	£2,667	£5,333	£8,000	No

7.1.2. Relocating within Orkney from Orkney (Mainland and linked South Isles) to a North Isle (North Ronaldsay, Westray, Papa Westray, Sanday, Stronsay and Eday for a or Temporary Contract

Circumstances	Maximum Claim £			Tax & NI Liability
	1 yr Temp Contract	2 yr Temp Contract	3 yr+ Temp Contract	
Relocating to a North Isle (North Ronaldsay, Westray, Papa Westray, Sanday, Stronsay and Eday	£666.67	£1333.33	£2,000	No

7.2. Time limit for Temporary Employment Claims

All relocation expenses claims must be submitted no later than either before the 5 April of the calendar year following the date that started employment in this post, or the end date of your temporary contract whichever is first.

7.3. Extension of Initial Temporary Contract

Where an initial temporary contract was for less than 3 years, and you received a pro-rata entitlement to relocation expenses, and your temporary contract is extended on a continuous service basis, you will be eligible for a further increase in pro-rata entitlement to relocation expenses, until you reach the maximum eligibility of a 3 year temporary contract.

Example: Employee had an initial 1-year temporary contract and received an initial relocation expense entitlement of one-third of the £8,000 i.e. £2,667.

Subsequently the employee received a 1-year extension to their temporary contract, taking the total continuous duration of the initial contract to 2 years.

With this extension of continuous temporary contract, their maximum entitlement to relocation expenses increases to two-thirds of the £8,000, namely £5,333 in total (including the initial £2,667).

7.3.1. Repayment for Temporary Employment Claims

Where a temporary contract holder chooses to leave employment with the Council within the duration of their temporary contract, they will be eligible to repay a pro-rata amount. The pro-rata amount is calculated based on the number of remaining weeks in the contract, divided by the total number of weeks in the temporary contract multiplied by the relocation expenses claimed.

Any outstanding payment will automatically be deducted from final salary payment, where this is insufficient to cover the deduction may be spread over more than one salary period, or an invoice will be raised for the outstanding balance for payment within 30 days.

A Corporate Director or Head of Service have responsibility along with Finance to ensure that any repayment is made.

In exceptional circumstances a Corporate Director or Head of Service can approve that the required repayment is not necessary. This approval can be for some, any, or all the required repayment. In these circumstances the Corporate Director or Head of Service must advise Finance and Human Resources in writing of their decision not to seek repayment.

8. What costs can I claim for?

The Council want to provide relocation employees with as much flexibility as possible in terms of how they choose to use their relocation expenses. However, expenses are only eligible if they satisfy the HMRC rules.

HMRC rules determine that eligible expenses for relocation must fit into one of the following criteria:

- Disposal or intended disposal of old residence.
- Acquisition or intended acquisition of new residence.
- Transporting belongings.
- Travelling and subsistence.
- Domestic goods for the new residence.
- Temporary accommodation.
- Bridging loans.

8.1. Disposal or intended disposal of old residence (Sale).

Examples of types of expenses eligible for claim in this category:

- Legal fees or services connected with the disposal.
- Legal fees or services connected with the redemption of a loan relating to the property. A loan relates to a property if it was raised to acquire the property, or if it was secured on the property.
- Penalties for redeeming a loan relating to the property.
- Estate agent or auctioneer fees for services.
- Advertising.
- Disconnection of electricity, gas, water, or phone services.
- If the property is left empty awaiting disposal:
 - Any rent paid during the period when the property is empty.
 - Insurance for the period.
 - Maintenance of the property during the period.
 - Preserving the security of the property during the period.

Examples of types of expenses not eligible for claim in this category:

- Council Tax.

8.2. Acquisition or intended acquisition of new residence (Purchase).

- Legal expenses and services connected with the acquisition.
- Legal expenses and services connected with any loan raised to acquire (the interest in) the property.
- Procurement or arrangement fees connected with such a loan.
- Mortgage indemnity premiums.
- Survey or inspection of the property.
- Fees payable to the Keeper of the Registers of Scotland.
- Stamp Duty.
- Connection of electricity, gas, water, and phone services.

8.3. Transporting belongings

This covers the physical removal of domestic belongings from the old residence to the new, and the costs of insuring them in transit.

Removal includes:

- Packing and unpacking.
- Temporary storage if a direct move from the old residence to the new is not made.
- Taking down domestic fittings in the old residence if they are to be taken to the new residence and re-attaching them on arrival there.

The Council will pay the lower of two quotes for the removal of household effects to Orkney. If an employee is relocating from another country, they may claim the cost of removing household effects to Orkney. One of the quotes must be from an Orkney based removal company.

Domestic belongings can include household pets.

8.4. Travelling and subsistence

The employee may be eligible for travel and subsistence up to a maximum of two trips for spouse / partner and dependants:

- Preliminary visits to the new location, prior to taking up appointment of the post (Also applies to the employee's immediate family).
- Travelling between the old home and the new work location.
- Travelling between the new home and the old work location (Where the house move takes place before the job transfer).
- Temporary living accommodation. Subsistence is defined for the purposes of removals legislation as meaning 'Temporary living accommodation' (see 8.5).
- Travelling between the old home and the temporary living accommodation.
- Travelling from the old home to the new home when the move takes place (Also applies to the employee's immediate family).

Where a child stays behind at the old location or is sent ahead to the new location to ensure continuity of education, relief may be available for the child's cost of travel and subsistence.

8.5. Temporary Accommodation

Temporary accommodation applies where the employee intends to move to permanent accommodation to complete the relocation. So, for an employee who lives in a hotel until the old home is sold and a new home purchased, or who moves into a rented house at the new location for the same reason, the hotel and rented property represent temporary living accommodation.

Orkney Islands Council does not provide council housing as part of the relocation package. Relocating workers will be considered for council housing under the terms of the Council's Allocation Policy, in line with all other housing applicants.

Ability to claim payment of the temporary accommodation will stop should any of the following circumstances occur:

- The employee takes possession of a property they have bought in Orkney.
- The employee takes up a Scottish Secure Tenancy from Orkney Islands Council or Orkney Housing Association Limited.
- The total cost of the relocation package exceeds the maximum entitlement as stated in the relocation agreement (inclusive of VAT).
- Expiry of the period defined by HRMC for relocation expenses to be claimed with (see section 5).

8.6. Specific Island Communities.

Priority will be given to a Head Teacher to access a schoolhouse as relevant. The Council's Lettings Policy gives some priority to those requiring living in specific communities because of, for example, work commitments. Allocation of property thereafter is dependent on availability and level of demand.

8.7. Domestic goods for the new residence

Costs for the purchase of essential domestic goods for the new residence, are potentially eligible for claim where the purchase of domestic goods is to replace items used at the old home that are not suitable for use in the new home. This does not include replacement of goods for aesthetic purposes, nor does it cover goods deemed as non-essential/luxury i.e. installation of Sky or broadband.

9. International Relocation

Where an individual is relocating to start work with the Council from out with the UK, there is no different value of maximum relocation package available to them.

Costs associated with obtaining Visas for the employee and or their family members are not eligible for claiming via relocation expenses. All other provisions of this policy apply equally.

10. Approval and Payment

Employees will not be eligible to reclaim expenses until the agreement for the repayment of relocation expenses has been signed.

All costs are directly paid by the employee and are then reimbursed following completion of the appropriate claim form(s) (Appendix 1). The exception is removal costs, which can be

paid directly by the Council. Only expenditure that is actually and necessarily incurred will be reimbursed.

It is the employee's responsibility to ensure that their expenditure claim is in line with the Relocation Policy rules, in advance of making a financial commitment to relocation expenditure.

Claims in respect of these allowances will normally be submitted via the Council Expenses process on Integra. Only where an employee has no ability to be able to access Integra shall manual claims be accepted, which must be approved by the Head of Service.

All claims must be supported by appropriate statements / receipts.

The Corporate Director or Head of Service will ensure all claims are legitimate before approval of payment is granted.

The Service will administer all payments, ensuring costs are claimed within the timescale and that the total cost of each relocation package does not exceed the maximum limit inclusive of VAT.

The Payments Section, Finance will process these payments following confirmation from the Service, and receipt of appropriately authorised documentation and receipts.

The employee will determine the make-up of the relocation package; however, **the total cost must not exceed the maximum claim as indicated in the relocation agreement** and must comply with qualifying categories set out in section 8 of this policy.

The examples of eligible items for claims given in this policy are neither an exhaustive nor definitive list of eligible and non-eligible claims. The Corporate Director, Head of Service and Head of Finance, or their nominated deputy, have the right to reject any aspect of a claim where these do not comply with this policy and HMRC rules for eligible claims of relocation expenses.

11. Other Relocation Support

11.1. Relocation Support Contact

The Council will allocate a named point of contact for any new employee relocating to Orkney to start employment. They will function as relocation support to provide any advice, guidance, and support in respect of any matter relating to relocation.

11.2. Support for Relocating Family Members

The Council acknowledges that when an individual relocates to Orkney for work, they are often joined by a partner or other family members who live with them, who may also be seeking employment.

The Council is committed to look to offer support and assistance for partners and resident family members to be able to find employment, from the point at which the formal offer of employment is accepted for a period of up to 3 months.

The Council will provide the following support and assistance to partners/resident family members of individual relocating to Orkney to start employment with the Council:

- Enable partners/resident family members to be able to apply for any Council vacancy, including internal advertised roles.
- Offer a guaranteed interview for partners/resident family members where they meet the essential criteria for a Council post.
- Signpost partners/resident family members to other possible employers within Orkney.

12. Supporting Documents

Supporting documentation for this policy:

- Relocation Offer Letter and Agreement (Permanent Contracts)
- Relocation Offer Letter and Agreement (Temporary Contracts)
- Relocation Offer Letter and Agreement (Temporary Contract Extension)
- Relocation Expenses Claim Form (Appendix 1)

These are available on MyView/Useful HR Information or from HR Support.



Market Supplement Policy (SJC Posts)
May 2025

Document Control Sheet.

Review / approval history.

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1. Introduction

Orkney Islands Council has and always will face some additional challenges in relation to recruitment given our geography and remoteness. However, since the COVID-19 pandemic there has been new and unprecedented challenges. They include the dramatic increase in home and remote working which means that the Council is competing with public and private sector organisations from a much larger geographical area; Brexit has also resulted in skills shortages in key sectors such as care, early learning and childcare. These make it even more important than ever that the Council is an employer of choice.

The Council has seen and continues to see many service areas facing continuing challenges including higher levels of vacancies and a significant reduction in the number and experience of applicants for posts.

In this context this policy would enable the Council to have the ability to use market supplements (temporary additional payments) to attract and retain staff to posts where there is clear evidence that the Council's total remuneration package is causing recruitment and retention issues; and this represents an unacceptable level of organisational risk.

The rate of pay payable for posts within the Council is determined according to the national terms and conditions applicable to the staffing group as detailed in Section 2.

Determining pay in this way ensures that the Council meets its statutory obligation of equal pay for work of equal value.

In exceptional circumstances, where the Council is able to demonstrate that recruitment and retention issues are impacting on service delivery, the payment of a temporary additional element of pay paid in addition to basic salary may be justified. This should be supported with clear evidence that the Council's rate of pay for a defined post or group of posts falls below the required level in relation to the comparator market.

This policy will provide services with information on the circumstances under which it may be possible to use market supplements to enhance the total remuneration package offered to postholders and applicants in order to attract and retain the required calibre of staff.

2. Who does this apply to?

The scope of this policy applies to all permanent, temporary and casual/supply employees of Orkney Islands Council including employees covered by the Scottish Joint Council (SJC) conditions of service (those paid on the Council pay structure of Grade A to Grade N).

All other Council employees are covered under separate national or other pay arrangements which the Council has no ability to vary in this manner.

3. What is a Market Supplement?

A market supplement is a temporary additional payment to employees in a specific post where there is clear evidence that the Council's total remuneration package is causing recruitment and retention issues resulting in unacceptable organisational risk.

Unacceptable risk would include:

- Inability to meet essential service delivery.
- Inability to comply with statutory responsibilities.
- Reputational damage to the Council.
- Financial risks to the Council.

General Principles

The following guiding principles must be followed when considering and applying for approval of market supplement payments to ensure legal compliance and minimise the risk of creating equal pay liability.

- All other non-pay options to improve recruitment and retention to the post must have been considered before an application for approval of a market supplement can be submitted.
- Approval of a market supplement application will only be granted where a business case is supported by evidence of recruitment and retention difficulties, consideration of alternative non-pay options and prevailing market conditions and comparators, which provide justification for application of a market supplement.
- Market supplement payments must be justifiable with reference to current market conditions and therefore will only be agreed for a maximum period of 24 months.
- A review of market conditions will be conducted prior to the end of the agreed period to determine whether the payment should be withdrawn, extended or changed.
- The market supplement will automatically end at the 24 month period, unless a process of review of the market conditions and subsequent approved application is in place before that time.
- The maximum total duration that a market supplement for a post will be paid for is 3 years, from the first date that it was agreed.
- The payment of market supplements may be reviewed at any time where market conditions no longer justify the payment.
- Twelve weeks' notice will be provided to postholders in the event that a market supplement will end early or is subject to change.
- Market supplement payments must be supported by the Head of Human Resources and Organisational Development and then will be submitted for approval by the Chief Executive.
- Market supplement payments will be made to all postholders of the relevant post that meet the criteria for the supplement, those newly recruited and existing employees, including any casual/supply/relief workers.

4. Equality Implications

The Council must ensure that the payment of a market supplement does not lead to exposure to equal pay claims under the Equality Act 2010. Payment of a market supplement has the potential to, for example, result in male and female employees being paid differing amounts for work which has been rated as equivalent under the Council's job evaluation scheme or other national pay agreement.

In order to successfully resist equal pay claims the Council must be able to show that the difference in pay is explained by a material factor that does not involve direct or unjustified sex discrimination. The material factor in this case must therefore be the prevailing market conditions.

The ability to evidence market conditions and the business case to support market supplements, along with a consistent approach to their application is therefore essential to mitigate against any risk of successful equal pay challenge.

A full Equal Pay Risk Assessment is required to be carried out by the Service as part of the business case for any application for a market supplement.

5. Job Review or Redesign

Prior to preparing a business case, consideration should be given to whether it would be appropriate to review or redesign the post, and then submitting the post for job evaluation, therefore potentially mitigating the need for a market supplement.

Job evaluation may be possible in the following circumstances:

- Not been evaluated for a significant period of time (3 - 5 years).
- Where the post has undergone substantial, permanent material change in the level of duties and responsibilities since the last time it was evaluated (More of a similar work level, or increased work load generally will not be sufficient to warrant re-evaluation).

An initial assessment, by Human Resources, of the job evaluation factors against an up-to-date job description and completed Evaluation Information Form for the post provided by the service would indicate whether there is merit in formal job evaluation.

The decisions as to whether a post would satisfy the criteria for re-evaluation rests with the trained and experience job analysts, within Human Resources.

6. Preparing the Business Case

A business case for payment of a market supplement may be made where recruitment and retention issues are resulting in unacceptable risk to service delivery, compliance with statutory responsibilities, the Council's reputation or financial stability.

Such risks may be identified when a service has experienced difficulty in recruiting to a specific post where the postholder or group of postholders provide essential services and are in a recognised hard to fill position or where there is a relevant skills shortage.

The cost of applying a market supplement must be managed within the current service budget and future budgetary position for the duration of the proposed period of the market supplement. Therefore, the business case must consider how such costs will be managed in relation to the number of postholders to whom the market supplement will apply.

Evidence of Recruitment and Retention Issues

There must be more than a belief that there are recruitment and retention difficulties, and therefore services must provide evidence including:

- Turnover rates.
- Exit questionnaire data.
- Unsuccessful recruitment campaigns.

Non-Pay Factors

Recruitment and retention problems are often caused by factors other than pay which should be addressed in the first instance, before application of market supplement is considered. The Service will be required to provide evidence that recruitment and retention issues cannot be successfully addressed through non-pay options or promotion of the total benefit package. Applications should therefore provide evidence of consideration of the following:

- Job re-design.
- Effective advertising.
- Opportunities for development.
- Support or facilities offered in post.
- Any matters relating to employee relations or the working environment raised by staff either informally or formally or through the employee survey.
- Promotion of the Council's total benefit package including – pension provision, annual leave, family care benefits, flexible working or employee benefits platform.

Equality Impact

The business case should consider any impact to employee groups across the Council to establish any inequality in relation to protected characteristics. Careful consideration should be given to employee groups where posts have been evaluated as being of equal value.

A full Equality Impact Assessment (EqIA) should be conducted with the outcome of the assessment summarised in the Market Supplement Application Form and the EqIA included with the form for reference.

7. Market Conditions and Comparators

In order for a market supplement to be approved, there must be clear evidence that the basic rate of pay for the specific post is directly contributing to increased labour turnover or an inability to recruit. Therefore, in addition to ruling out other non-pay factors, consideration must be given to the prevailing market conditions with a view to identifying comparators.

The case for payment of a market supplement should be supported by clear evidence that the Council's rate of pay for a specific post falls below the 'going rate' in the comparator market.

When considering market rates and determining whether they are an appropriate comparator, account should be taken of the following:

- The employment sector – local authority, wider public sector, private sector or voluntary sector and the ability of employees to work across these sectors.
- The geographic labour market – where are the comparator organisations based in relation to the Council and where might employees reasonably travel from.
- The organisations considered to be the main competitors for talent in relation to the specific post.
- The size and resources of the potential comparator organisation.

In addition to the organisational factors above, identification of an appropriate comparator must take account of the post itself. The posts should be the same, or broadly similar, in terms of duties and responsibilities and knowledge and skill requirements. It may therefore be necessary to obtain job descriptions for comparator posts.

Comparative data from more than one source should be provided as evidence, obtained for example through:

- Benchmarking;
- National earnings surveys or sector specific surveys;
- Local and National job advertisements; and
- Employer networks (local authority and profession specific).

8. Determining the level of Market Supplement

When determining the market supplement payment to be made, the total remuneration package (salary and wider benefits) of appropriate comparator posts should be considered.

The starting point is to assess the extent of the difference between the comparator market rate and the Council rate, taking account of the salary range payable and any additional allowances.

Market supplements are normally based on the median pay of comparators, however the total remuneration package, inclusive of any market supplement, should be sufficient to enable the recruitment and retention of employees and should not exceed the level deemed necessary to attract suitable candidates.

When recruiting to a post that attracts a market supplement payment, care must be taken when appointing on higher pay points within the grade as the total remuneration must justify market conditions.

9. Pay Considerations

Market supplement payments will be:

- Paid monthly as an allowance, clearly identifiable and separate to basic pay.
- Pensionable and subject to tax and NI.
- Pro rata for part-time employees.
- Payable during authorised paid leave including sickness absence and family care leave – calculation of 90% of earnings and half pay for maternity leave and other types of family care leave will be inclusive of any market supplement payment, as will half pay for sick leave.
- Payable during a paid suspension from work.
- Included in any deductions related to unpaid leave or other unpaid absence.
- Payable for hours worked up to 35 or 37 hours per week (Normal full-time hours for the post per week) – overtime above the normal full time working hours for any post per week will not attract market supplement payments.
- Adjusted accordingly where contracted hours are increased/decreased.
- Payable to all postholders of the relevant post including those undertaking the role on a temporary or supply basis.
- Payable during contractual notice periods.

Market supplement payments will not:

- Be paid if an employee moves to, or is seconded/redeployed to, a post that does not attract the market supplement.
- Attract pay award increases or be affected by incremental progression.
- Be included in pay protection.

It is acknowledged that payment of market supplements will impact on pay differentials between posts attracting a market supplement payment and those who may be directly line managing them. However, employees in posts not in scope of the relevant market supplement payment should not automatically receive a pay rise to maintain pay differentials. Erosion of pay differentials will be a consideration for the Chief Executive in determining whether a proposed market supplement should be approved.

10. Application and Approval Process

Initial Discussions

Initial discussions and agreement to conduct the necessary market condition and comparator research should be conducted between the relevant Service Manager, Head of Service and Human Resources.

In line with the Trade Union Consultation Protocol, it would be appropriate at this stage to informally consult with relevant trade union representatives to identify any potential areas of concern. All information shared at this preliminary stage should be treated in the strictest confidence on the understanding that it will not be communicated to potentially affected employees or other parties unless agreement to do so is reached.

Application and Approval

Applications for market supplement payments should be prepared by the Service Manager, endorsed by the relevant Head of Service and Corporate Director.

The completed application form should be shared with relevant Trade Union representatives. It is the responsibility of the Head of Service to ensure that appropriate consultation with relevant trade union representatives is undertaken to allow the Trade Union(s) to express views which may influence final proposals and decisions. Trade Union feedback and comments should be recorded in the application form.

The application must then be submitted to the Head of Human Resources and Organisational Development or their nominated deputy for consideration and then the application will be submitted to the Chief Executive for consideration.

Prior to submitting, the Head of Service should ensure any required legal advice has been sought and consult with Human Resources to ensure equal pay risks have been considered and any risks and proposed mitigation are reflected in the application.

Advertising a Post with a Market Supplement

Adverts for posts attracting a market supplement payment will clearly set out that a market supplement payment will be paid as a temporary additional allowance on top of the annual salary/hourly rate, setting out the agreed payment period or specified end date and review arrangements.

Contractual Documentation

All eligible employees, both those newly recruited and existing employees, will receive an additional contractual letter detailing all the terms and conditions relating to the temporary market supplement payment.

Review of Market Supplement Payments

Market supplement payments will only be agreed for a maximum period of 24 months and subject to review.

The review should be undertaken no later than six months before the market supplement end date to determine whether the payment should be withdrawn, extended or changed.

The review will be subject to the same process and scrutiny as the initial application and should provide up to date evidence of the prevailing market conditions and business case to support the continuation of any payment. The Service Manager will be required to complete the Market Supplement Application Form for approval indicating that the application relates to the review of a market supplement.

Where the review is not concluded before the end of the 24 month period, the market supplement will cease as planned at the 24 month period. Any extension of the supplement cannot be back dated.

The maximum total duration for any market supplement is 36 months, there will be no ability to seek an extension beyond a 36 month total period.

The payment of market supplements may be reviewed at any time where it becomes evident that market conditions no longer justify the payment. Service Managers will be responsible for maintaining an understanding of current market conditions to bring market supplement payments to an end as appropriate. Twelve weeks' notice will be provided to postholders if a market supplement will end early or be reduced.

Contractual documentation will be issued in accordance with any decision to extend or change a market supplement.

Application for payment of a Market Supplement

Service		<input type="checkbox"/> ELH	<input type="checkbox"/> ESR	<input type="checkbox"/> NSI	<input type="checkbox"/> OHAC	<input type="checkbox"/> SPBS
Head of Service Area						
Post Title						
Post Grade		Grade Min*		Salary Max*		
DIA Payable	£2,859	Other allowances				
Established number of posts			Established FTE for Posts			
Vacant Number of posts			Established FTE Vacant			

*excluding DIA and other allowances.

Details of Market Supplement being Sought					
Application For	<input type="checkbox"/> Payment of a new market supplement for up to 24 months. <input type="checkbox"/> Extension to market supplement (total not to exceed 36 months). <input type="checkbox"/> Payment of a revised rate of market supplement.				
Annual amount of Market Supplement £					
Duration for Market Supplement		<input type="checkbox"/> 12 months	<input type="checkbox"/> 18 months	<input type="checkbox"/> 24 months	
Proposed Implementation Date					
Post Numbers Supplement applies to					

Risk Factors	
Please identify and detail supporting evidence of where recruitment and retention difficulties to this post are resulting in unacceptable organisational risk application:	
<input type="checkbox"/> Inability to meet essential service delivery.	
<input type="checkbox"/> Inability to comply with statutory responsibilities.	
<input type="checkbox"/> Reputation damage to the Council.	

Financial risks to the Council.

Job Evaluation

When was the job description for the post last updated?

When was the post last job evaluated?

Was the post re-graded at that evaluation?

Has the need for re-evaluation been considered as an alternative to a market supplement? Please provide evidence of and assessment of job evaluation factors against an up-to-date job description for the post.

Recruitment and Retention Difficulties for this post

Please provide details of turnover rates for this post, in comparison with average turnover rates.

Please provide details of the reasons for leaving provided by staff who have left this post in the last two years.

In competitor organisations please detail the main driver in attracting staff away from the Council.

Please provide information on the number and quality of responses to job adverts include ORK reference no, dates where advertised and recruitment initiatives adopted.

Please provide details of any other attempts to recruit to this post i.e. use of agency and training structures and detail dates, the number and quality of responses.

Is there a regional/national skills shortage impacting on recruitment to this position? Would the skills shortage be better addressed through new/alternative training schemes and are there any plans to introduce such?

Non-Pay Factors

To support an application for a market supplement, evidence must be provided that recruitment and retention issues can not be successfully addressed through non-pay options.

Please provide evidence that consideration has been given to re-designing the job/structure to undertake work in a different way e.g. development of trainees, re-allocation of duties.

Please provide evidence that consideration has been given to the opportunities for development in the post to retain current staff and attract new recruits. How have such opportunities been promoted?

Please provide evidence that consideration has been given to support and facilities available in the post to order to retain current staff and attract new recruits. How have such support and facilities been promoted?

Please provide evidence that the total value of the Council's benefits package (pension, provision, annual leave, family care, flexible working, employee benefits) has been promoted effectively.

Equality Impact

In order to successfully resist equal pay claims, the Council must show that the difference in pay of two posts of equal value is explained by a material factor that does not involve direct or unjustified discrimination.

Therefore, to support an application for a market supplement evidence must be provided that any equality impact is objectively justifiable.

Difficulty in recruiting is not an objectively justifiable defence for equal pay purposes for paying a market supplement or other recruitment incentive.

Therefore a full Equality Impact Assessment of the proposed market supplement must be carried out, documented and submitted with this application and summarised below.

Please provide evidence that consideration has been given to posts across the Council which have been evaluated as being of equal value to the post under consideration for application of a market supplement.

What is the male/female split of the post under consideration for application of a market supplement and post(s) considered to be of equal value?

Is there any reason to believe that the market rate itself is discriminatory?

Have you identified any other impact on employee groups on the basis of protected characteristics of the application of market supplement?

Alternative Strategies

It is likely that application of a market supplement will trigger a pay spiral within the Council and in other competing organisations, resulting in increasing pay rates to attract the same small group of individuals? If this is the case, please provide evidence that consideration has been given, as an alternative to market supplements, to strategies such as partnership working?

Please provide evidence that consideration has been given to the use of agency workers, contractors, private sector or other providers. Please outline the advantages/disadvantages and associated costs.

Market Conditions

Please provide evidence gathered to determine the 'going rate' for role in the comparator market. Evidence must include the:

- Employment sector.
- Geographic labour market.
- Main competitors.
- Size and resource of comparator organisations.
- Duties and responsibilities of comparator posts.
- Knowledge and skill requirements of comparator posts.
- Sources of the comparator data.

Please include all documentary evidence with this application.

Proposed Market Rate Calculation

How has the proposed market supplement been calculated? Please provide comparison of the total remuneration package of appropriate comparator posts against the current Council rate and proposed against the current Council rate and the proposed total remuneration package including market supplement.

Is the market supplement proposed equal to the media for of comparators? If not, please provide justification for the rate proposed.

Please provide evidence of consideration of the implications of the implications of application of a market supplement in relation to the higher pay points of the salary range and ensuring justification of the market supplement,

Please provide evidence of how the market supplement will be funded within the current service budget and future budgetary provision for the proposed period of market supplement provision.

Service Manager Statement

It is my genuine belief that the evidence provided demonstrates that:

- There is an unacceptable risk associated with ongoing issues of recruitment and retention in relation to the relevant post;
- Payment of a market supplement if justifiable to address issues with recruitment and retention in relation to the relevant post;
- The amount of payment is justifiable and likely to achieve positive results.

Signature: _____ Date: _____

Forward application & supporting info to Head of Service the Corporate Director

Head of Service and Corporate Director Statement

We am satisfied that the application for payment of a market supplement is justified and supported by the evidence provided. I have discussed any potential equal pay risk with Human Resources, seeking legal advice as required, and I am satisfied that the business case provides mitigating evidence against equal pay.

Head of Service Signature: _____ Date: _____

Corporate Director Signature: _____ Date: _____

Forward the application and supporting information to Human Resources.

Head of Human Resources and Organisational Development	
I am satisfied that the application for payment of a market supplement is justified and supported by the evidence provided and I am satisfied that the business case provides mitigating evidence against equal pay and on that basis I would support the application.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Signature: _____ Date: _____	
Forward the application and supporting information to the Chief Executive.	

Chief Executive	
I am satisfied that the application for payment of a market supplement is justified and supported by the evidence provided and I am satisfied that the business case provides mitigating evidence against equal pay and on that basis I approve the market supplement as detailed in this application.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Signature: _____ Date: _____	
Please return application and supporting information to Human Resources	