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## Moray Council

Wednesday, 06 March 2024

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Moray Council** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Wednesday, 06 March 2024** at **09:30**.

### **BUSINESS**

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests \***
3. **Resolution**  
Consider, and if so decide, adopt the following resolution:  
"That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 18 - 20 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."
4. **Minute of Meeting of Moray Council on 6 December 2023** 7 - 20
5. **Minutes of Special Meeting of Moray Council on 12 December 2023** 21 - 28
6. **Minutes of Special Meeting of Moray Council on 24 January 2024** 29 - 36
7. **Written Questions \*\***
8. **Notice of Motion - Report Request on Artificial Intelligence** 37 - 38

9.	<b>Moray Integration Joint Board Summary Report</b>	<b>39 - 44</b>
	Report by the Chief Officer, Health and Social Care Moray	
10.	<b>Revenue Expenditure 31 December 2023</b>	<b>45 - 76</b>
	Report by Depute Chief Executive (Economy, Environment and Finance)	
11.	<b>Capital Plan 2023-24 Q3</b>	<b>77 - 88</b>
	Report by Depute Chief Executive (Economy, Environment and Finance)	
12.	<b>Charging for Services</b>	<b>89 - 92</b>
	Report by Depute Chief Executive (Economy, Environment and Finance)	
13.	<b>Telford Bridge Craigellachie</b>	<b>93 - 100</b>
	Report by Depute Chief Executive (Economy, Environment and Finance)	
14.	<b>Moray Growth Deal Annual Report</b>	<b>101 - 148</b>
	Report by Depute Chief Executive (Economy, Environment and Finance)	
15.	<b>Elgin Long Term Town Plan</b>	<b>149 - 166</b>
	Report by Depute Chief Executive (Economy, Environment and Finance)	
16.	<b>Review of Standing Orders</b>	<b>167 - 196</b>
	Report by Depute Chief Executive (Education, Communities and Organisational Development)	
17.	<b>Question Time ***</b>	
	Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.	
	<b>Item(s) which the Committee may wish to consider with the Press and Public excluded</b>	

18. **Voluntary Early Retirement Application [Para 1 and 11]**
- 1. Information relating to staffing matters;

19. **Elgin Community Centre [Para 9]**

- 9. Information on terms proposed or to be proposed by or to the Authority;

20. **Disposal of Surplus Asset [Para 9]**

- 9. Information on terms proposed or to be proposed by or to the Authority;

**Watching the Meeting**

You can watch the webcast live by going to:

[http://www.moray.gov.uk/moray\\_standard/page\\_43661.html](http://www.moray.gov.uk/moray_standard/page_43661.html)

**Webcasts are available to view for 1 year following the meeting.**

**You can also attend the meeting in person, if you wish to do so, please come to the High Street entrance door and a member of staff will be let into the building.**

\* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

\*\* **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

\*\*\* **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than ten minutes after the Committee has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

# MORAY COUNCIL

## Moray Council

### SEDERUNT

Councillor Kathleen Robertson (Chair)  
Councillor Donald Gatt (Depute Chair)

Councillor James Allan (Member)  
Councillor Peter Bloomfield (Member)  
Councillor Neil Cameron (Member)  
Councillor Tracy Colyer (Member)  
Councillor Theresa Coull (Member)  
Councillor John Cowe (Member)  
Councillor John Divers (Member)  
Councillor Amber Dunbar (Member)  
Councillor Jérémie Fernandes (Member)  
Councillor David Gordon (Member)  
Councillor Juli Harris (Member)  
Councillor Sandy Keith (Member)  
Councillor Scott Lawrence (Member)  
Councillor Graham Leadbitter (Member)  
Councillor Marc Macrae (Member)  
Councillor Paul McBain (Member)  
Councillor Neil McLennan (Member)  
Councillor Shona Morrison (Member)  
Councillor Bridget Mustard (Member)  
Councillor Derek Ross (Member)  
Councillor John Stuart (Member)  
Councillor Draeyk van der Horn (Member)  
Councillor Sonya Warren (Member)  
Councillor Ben Williams (Member)

Clerk Name:	Tracey Sutherland
Clerk Telephone:	07971 879268
Clerk Email:	committee.services@moray.gov.uk



**Minute of Meeting of the Moray Council**

**Wednesday, 6 December 2023**

**Council Chambers, Council Office, High Street, Elgin, IV30 1BX**

**PRESENT**

Councillor James Allan, Councillor Peter Bloomfield, Councillor Neil Cameron, Councillor Tracy Colyer, Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Juli Harris, Councillor Sandy Keith, Councillor Scott Lawrence, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Paul McBain, Councillor Neil McLennan, Councillor Shona Morrison, Councillor Bridget Mustard, Councillor Kathleen Robertson, Councillor Derek Ross, Councillor John Stuart, Councillor Draeyk Van Der Horn, Councillor Sonya Warren, Councillor Ben Williams

**IN ATTENDANCE**

The Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Chief Officer, Health and Social Care Moray, Head of Governance, Strategy and Performance, Chief Financial Officer, Head of Housing and Property Services, Head of Economic Growth and Development, Head of HR, ICT and Organisational Development, Head of Service/Chief Social Work Officer, Gary Templeton, Principal Planning Officer, Sport and Culture Manager, Jeanette Netherwood, Senior Project Officer and the Democratic Services Manager.

**1. Chair**

The meeting was chaired by Councillor Kathleen Robertson.

**2. Declaration of Group Decisions and Members Interests**

In terms of Standing Orders 21 and 23 and The Councillors' Code of conduct the Council noted the following declarations:

Councillors Gatt and Warren declared that they were substitute members of the Moray Integration Joint Board.

Councillors Cameron, Gordon and Macrae declared that they were members of the Board of Moray Leisure Centre.

The Head of Governance, Strategy and Performance advised the Council and in particular those Councillors who are members of the Moray Integration Joint Board and Moray Leisure Centre that in terms of Section 5 of the Councillor's Code of Conduct has a 2 part test with regards to declarations, firstly whether there is a connection and secondly if that connection leads to a declarable interest.

He stated that paragraph 5.4 of the codes states that a connection does not include being a member of an Outside Body to which a Councillor has been appointed on behalf of the Council unless there is a particular personal conflict. The advice note issued by the Standards Commission for Integration Joint Board (IJB) members mentioned the potential for conflicts of interest particularly in the relation to finances and para 4.4 states that as a member of an IJB Councillors will have to manage such conflicts of interest. He further added that the advice note did not give guidance on the line at which a declaration should be made but stated that in relation to the scrutiny of the budget there may come a point where Councillors may feel that they get to that line and a declaration needs to be made. In the aspect of normal scrutiny and the interests of the IJB and Council are still aligned there is no issue with participating in discussion and not declaring an interest.

There were no other declarations for Group Leaders or Spokesperson in regard to any prior decisions taken on how members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

### **3. Resolution**

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 17 - 19 of business on the grounds that it involves the likely disclosure of exempt information of the class.

Para number fo the minute	Para Number of Schedule 7a
23	Para 1 Information in relation to staffing matters
24	Para 6 Information in relation to the financial affairs of any particular person/s
25	Para 12 Information in relation to instructions to counsel any opinion of counsel and any advice received, information obtained or action to be taken in connection with any legal proceedings

### **4. Minutes of Meeting of Moray Council on 27 September 2023**

The minute of the meeting of Moray Council on 27 September 2023 had been submitted.

Councillor Mustard had prior to the meeting notified the Clerk of 2 typos within the minute which would be corrected prior to final publication.

The Chair further advised that there had been a change to the wording in paragraph 16 under Points of Accuracy. The first paragraph would be changed to state 'Councillor McLennan sought to identify points of accuracy with the

Minute. The Chair allowed Councillor McLennan to raise a point of accuracy on the minute as the opportunity had not been given earlier'.

Councillor McLennan, thanked the Chair for agreeing to the amendment, however sought clarification on why Point of Order raised by Councillor Macrae at the meeting was not minuted.

In response, the Head of Governance, Strategy and Performance confirmed that he had discussed the issue with the Democratic Services Manager when the minutes were being drafted and took a view that it was not necessary for the incident to be detailed in the minute as it had been addressed with the apology from Councillor Macrae and the recording of the apology at the subsequent meeting on 4 October 2023.

Subject to the amendment above, the Council agreed the minutes of the meeting.

**5. Minutes of Special Meeting of Moray Council on 4 October 2023**

The minute of the Special Meeting of Moray Council on 4 October 2023 was submitted and approved.

**6. Minute of Special Meeting of Moray Council on 25 October 2023**

The minute of the Special Meeting of Moray Council on 25 October 2023 was submitted and approved.

**7. Minute of meeting of Joint Consultative Committee on 31 October 2023**

The minute of the Joint Consultative Committee on 31 October 2023 was submitted and noted.

**8. Written Questions**

The Council noted that no written questions had been submitted.

**9. Notice of Motion - Lift the Ban**

In terms of Standing Order 35a there was submitted a Notice of Motion by Councillor Fernandes, seconded by Councillor Leadbitter in the following terms:

**Right to work for asylum seekers**

[Lift the Ban](#) is campaigning to restore the right to work for everyone waiting for more than 6 months for a decision on their asylum claim.

People seeking protection in the UK should be able to work and make the most of their potential, to provide for themselves and their families, similar to Ukrainian refugees who do already have the right to work.

Restrictions on right to work can lead to extremely poor mental health outcomes and waste of potentially invaluable talents and skills, both for the local economy and wider society.

The Council's own risk register lists Human Resources (People) at [Very High](#) with a likelihood of 5 out of 5, and that it is "difficult to recruit in a range of areas including certain subject teachers, vehicle technicians, specialist professional posts, senior management, clerical and administrative roles, temporary and relief staff, and community care employees."

Allowing people seeking asylum the right to work would lead to positive outcomes for individuals as well as benefiting public and private sector organisations in the region who are struggling with recruitment and retention.

A [majority of Scots](#) believe that Scotland needs to attract more people through immigration to work in key industries and public services.

In 2022 the [Shortage Occupational List was expanded](#) to include positions like social care, nursing, opening the possibility of employment for people seeking asylum. Council welcomes the [UK Migration Advisory Council report in March 2023 into labour shortages in the construction and hospitality sectors](#) and the potential use of the immigration system as a response, with a further report following a call for evidence due to be published this autumn.

### **Action**

Council therefore agrees:

- To confirm support for the Lift the Ban campaign and our belief that the right to work is a fundamental human right;
- To formally join the Lift the Ban coalition alongside other local authorities, following the lead of Glasgow who joined earlier this year; and
- To instruct the Council Leader to write to the UK Government urging that they introduce legislation giving people seeking asylum the right to work, setting out the significant workforce pressures Moray is currently facing.

Draft Letter:

"Dear

I am writing on behalf of the Moray Council to ask that the UK Government restore the right to work for people seeking asylum who have been waiting for a decision on their asylum claim for six months.

Under the UK Government's current system people seeking asylum are effectively banned from working. They can only apply to the Home Office for permission to work if they have been waiting for a decision for over 12 months and only for jobs that are on the Government's restricted Shortage Occupation List.

This policy is in nobody's interest.

At present, people who have risked everything to find safety in the UK are forced to live on just £8.24 per week to meet all essential living costs, forcing them into destitution. Instead, people could be using their skills, contributing to the economy through increased tax revenue and consumer spending, and saving money spent on asylum support.

This is particularly the case in Moray where we are experiencing workforce shortages in various sectors such as transport, agriculture and the food and drink industry, as well as in the Moray Council itself, where we are struggling to recruit in a range of areas including certain subject teachers, vehicle technicians, specialist professional posts, senior management, clerical and administrative roles, temporary and relief staff, and community care employees.

You will be aware that there are currently around fifty people seeking asylum hosted in the Eight Acres Hotel in Elgin. They are not allowed to work while they are waiting for their claim to be processed.

There is significant public support for reform and the UK is currently a major outlier compared to other countries across North America and Europe, as in almost all other cases people are able to support themselves at an earlier stage with fewer restrictions.

People who have risked everything to find safety in the UK to have the best chance of contributing to society and integrating into our communities. It is not effective to waste the talents of our population.

I would be grateful to hear your views on this matter, and I am looking forward to your response.”

Councillor Williams sought agreement from Councillor Fernandes to remove the wording 'a majority of Scots' as he felt that it looks like the Notice of Motion is being proposed because it is a popular topic rather than because it is the right thing to do.

Councillor Fernandes confirmed that he was happy to remove the phrase.

The Head of Governance, Strategy and Performance provided some guidance to Council with regards the correct person to write letters as detailed in this item on the agenda and the following item. Where the letter is regarding executive issues, the letter should be sent by the Chief Executive and where the letter seeks political type pressure the letter should be sent by the Council Leader.

Following further consideration the Council agreed the notice of motion and the letter as stated below with the deletion of 'majority of scots'.

Dear Minister

### **Right to Work for Asylum Seekers: Lift the Ban**

I am writing on behalf of the Moray Council to ask that the UK Government restore the right to work for people seeking asylum who have been waiting for a decision on their asylum claim for six months.

Under the UK Government's current system people seeking asylum are effectively banned from working. They can only apply to the Home Office for permission to work if they have been waiting for a decision for over 12 months and only for jobs that are on the Government's restricted Shortage Occupation List.

Moray Council is of the view that this policy is in nobody's interest.

At present, people who have risked everything to find safety in the UK are forced to live on £9.58 per week to meet all essential living costs, forcing them into destitution. Instead, people could be using their skills, contributing to the economy through increased tax revenue and consumer spending, and saving money spent on asylum support.

This is particularly the case in Moray where we are experiencing workforce shortages in various sectors such as transport, agriculture and the food and drink industry, as well as in the Moray Council itself, where we are struggling to recruit in a range of areas including certain subject teachers, vehicle technicians, specialist professional posts, senior management, clerical and administrative roles, temporary and relief staff and community care employees.

You will be aware that there are currently around 38 people seeking asylum hosted in the Eight Acres Hotel in Elgin. They are not allowed to work while they are waiting for their claim to be processed.

There is a significant public support for reform and the UK is currently a major outlier compared to other countries across North America and Europe, as in almost all other cases people are able to support themselves at an earlier stage with fewer restrictions.

People who have risked everything to find safety in the UK to have the best chance of contributing to society and integrating into our communities. It is not effective to waste the talents of our population.

I would be grateful to hear your views on this matter, and I am looking forward to your response.

## **10. Notice of Motion - Business Rates Incentivisation Scheme**

In terms of Standing Order 35a there was submitted a Notice of Motion by Councillor Gordon, seconded by Councillor McBain.

### **Preliminary issues**

None.

### **Background**

The non-domestic Business-Incentivisation-Scheme (BRIS/NDRIS) was suspended in 2021 (due to Covid) and has not been re-instated.

This can (and did) generate extra cash for local authorities, who exceeded a business rates target as set by the Scottish Government. Anything gained over that target was split 50/50 between the local authority and the Scottish Government.

This could generate typically for an authority of our size anything from £1 - £2m (2019/21).

### **Action**

We ask the Council to send the attached letter to the Deputy First Minister in her capacity for Cabinet Secretary for Finance; which requests that the non-domestic rates incentivisation scheme is reinstated.

### **Financial implications to Moray Council in producing this report and sending the attached letter.**

None.

*References:*

<https://www.gov.scot/publications/report-barclay-review-non-domestic-rates/>

Proposer: Councillor Gordon

Seconder: Councillor McBain

“Draft Letter:

To the Deputy First Minister (and Cabinet Secretary for Finance).

Dear Deputy First Minister,

In 2021 the Business Rates Incentivisation Scheme (BRIS) was suspended (due to Covid) and has not been re-instated. It was established in 2012 and revised in 2015.

This scheme enabled local authorities to benefit with extra cash if they exceeded a target set for them. It was an incentive for local authorities to raise their NDR tax base without any resulting deduction from grant aid.

The extra cash generated by a LA in this way was then split 50/50 with the Scottish Government.

The generation of more business rates and such a scheme does not affect businesses in any way; it does not affect the non-business taxpayer; and it is money that the Scottish Government does not have to find from the block grant; money that could provide much needed extra support to local authorities in these cash-restricted and inflationary times.

Moray Council ask you to re-instate the Business Rates Incentivisation Scheme.”

Councillor Leadbitter stated that he had no issue with the letter but understood that the 50/50 split is between the Local Authority and the National Rates Pool but sought clarification from the Chief Financial Officer.

The Chief Financial Officer confirmed that this was correct.

Councillor Gordon stated that he was happy to amend the wording.

Councillor Keith sought to add to the letter a request to review Business Rates in general as the current system of Business Rates is based on Land Valuation Scotland Act 1854 which underpins the current calculations of business rates. Councillor Keith proposed adding – “Moray Council notes the outmoded business rates legislation in Scotland and calls upon the Scottish Government to undertake a wholesale review of Business Rates recognising the important role that thriving High Streets can have on local communities.”

Councillor Gordon confirmed he was happy to accommodate the change and would agree wording with Councillor Keith prior to sending the letter.

Following further consideration the Notice of Motion was agreed subject to the agreed amendments to the letter:

Dear Deputy First Minister

## **Business Rates Incentive Scheme**

I write to you on behalf of the Moray Council to ask that the Scottish Government considers reinstating the Business Rates Incentive Scheme.

In 2021 the Business Rates Incentive Scheme (BRIS) was suspended (due to Covid) and has not been re-instated. It was established in 2012 and revised in 2015.

This Scheme enabled local authorities to benefit with extra cash if they exceeded a target set for them. It was an incentive for local authorities to raise their NDR tax base without any resulting deduction from grant aid.

The extra cash generated by a Local Authority this way was then split 50/50 with the Rates Pool.

The generation of more business rates and such a scheme does not affect businesses in any way; it does not affect the non-business taxpayer; and it is money that the Scottish Government does not have to find from the block grant; money that could provide much needed extra support to local authorities in these cash-restricted and inflationary times.

Moray Council also notes the outmoded Business Rates legislation in Scotland and calls upon the Scottish Government to undertake a wholesale review of business rates, recognising the important role thriving high streets can have in local communities.

Moray Council ask you to re-instate the Business Rate Incentivisation Scheme.

I look forward to hearing from you.

Councillor McLennan left the meeting during the consideration of this item.

## **11. Varying Order of Business**

With reference to Standing Order 29, the Chair sought agreement to vary the order of the agenda due to Officer availability. Items 8, 8a and 9 would be taken as near to 11am as possible.

This was unanimously agreed.

## **12. Capital Plan 2023-24 Quarter 2**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) advising Council of expenditure to 30 September 2023 under the capital plan for financial year 2023/24 and of estimates of projected expenditure profiled into quarters.

Following lengthy consideration the Council unanimously agreed to:

- i) note expenditure to 30 September 2023 of £8,120,000
- ii) notes the current plan, prior to amendment of £63,531,000 for 2023/24 based on approved expenditure adjusted for known differences in planned expenditure which have been identified to date, profiled into quarters, as set out in Appendix 1;

- iii) notes the projected overall expenditure for projects spanning more than one financial year, as set out in Appendix 2;
- iv) notes the amended projected expenditure in the year as detailed in section 7.1; and
- v) approves amendments to the 2023/24 and 2024/25 capital plan as detailed in section 6.1 of this report.

### **13. Smarter Working Project - Progress Update**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) providing an update on progress with the Smarter Working project.

Following consideration the Council unanimously agreed to:

- i) note the progress on the project to date;
- ii) note the overall recurring reduction in revenue budgetary requirements of £56k for 2023/24 and recurring savings of £115k from 2025/26 as set out in paras 4.14 to 4.23; and
- iii) approve the additional one-off £30k outlined in para 4.11 for telephony and communication equipment for Buckie Phoenix House.

### **14. Monitoring Officer Report from 1 November 2022 to 31 October 2023**

The meeting had before it a report by the Monitoring Officer informing the Council on the range of activities undertaken by the Monitoring Officer.

Following consideration the Council unanimously agreed to note the contents of the report.

### **15. Review of Outside Body Appointments**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) informing the Council of vacancies which have arisen due to the resignation of several Councillors from Outside Body Appointments and agree appointments to the vacancies where it is deemed necessary.

Councillor Gordon proposed himself as the representative for the North East Scotland Pension Fund, this was seconded by Councillor Gatt.

Councillor Gatt proposed Councillor Mustard for the position of Equalities Champion and Councillor Bloomfield for the role of joint Older Person's Champion, this was seconded by Council Dunbar.

Following consideration and there being no one other wise minded the Council unanimously agreed to appoint:

- i) Councillor David Gordon to the North East Scotland Pension Fund from 19 December 2023;
- ii) Councillor Bridget Mustard as Equalities Champion; and
- iii) Councillor Peter Bloomfield as joint Older Person's Champion.

Councillor Van Der Horn sought agreement for the Council to appoint a Younger Person's Champion.

In response, the Chair confirmed that this could be added to a future agenda as she felt members did not have enough information before them on the role and remit of a Younger Person's Champion to allow them to make a decision at this meeting.

## **16. Moray Integration Joint Board Summary**

The meeting had before it a report by the Chief Officer, Health and Social Care Moray informing the Council of the latest approved minutes of the meetings of the Moray Integration Joint Board.

The Chief Officer acknowledged that consideration will be given to amending the format of the report following concerns raised by a number of Councillors.

Following consideration the Council agreed to note the report.

Councillor McLennan re-joined the meeting during the consideration of this item.

## **17. Annual Report of the Chief Social Work Officer 2022-23**

The meeting had before it a report by the Chief Social Work Officer informing Council of the annual report of the Chief Social Work Officer on the statutory work undertaken on the Council's behalf during the period 1 April 2022 to 31 March 2023.

Councillor Gatt expressed concern about the delay in receiving the report as it had taken 9 months to be reported to Council. The Chief Social Work Officer acknowledged the delay and confirmed that the report will be presented to Council earlier next year.

Following consideration the Council unanimously agreed to note the contents of the report.

## **18. Revenue Budget Monitoring - 30 September 2023**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) advising Council of the revenue budget monitoring position to 30 September 2023 and the current estimated out-turn for 2023/24.

Following consideration the Council agreed to note:

- i) the budget monitoring position of £332,000 over budget for 2023.24 as at 30 September 2023;
- ii) that this budget position consists of an underspend on Devolved School budgets of £613,00, an underspend of £459,000 on Children's Services, an underspend of £505,000 on Environmental Services and an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (IJB) of £1,995,000 and an underspend on other services of £86,000;
- iii) movement of a £2,873,000 increase in General Revenue Grants, as detailed in paragraph 3.5;
- iv) the current estimated out-turn for 2023/24 of an overspend in Council services including Health and Social Care of £1,235,000 after adjusting for the cost sharing agreement with NHS for MIJB, with underspends in load charges of £885,000 and slippage in use/reduction in requirement of provisions of £786,000 resulting in an overall £436,000 underspend and a decrease in the planned use of Council reserves by £463,000 from that budgeted for; and
- v) the emerging budget pressure noted in paragraph 6.2.

## **19. Petitions Procedure - Under 18 Year olds**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) asking the Council to agree the inclusion of an addendum to the Petitions Guidance/Procedure to allow young people up to the age of 18 to make representations to the Council.

Councillor Warren welcomed the report and moved the recommendations in the report.

Councillor Van Der Horn confirmed he was pleased to see the report but sought clarification on Appendix 1 as to what is considered a group.

The Depute Chief Executive (Education, Communities and Organisational Development) confirmed that a group is a collective of people with similar views but confirmed she would be happy to look at alternative wording.

Councillor Mustard raised concern about using the term 'up to the age of 18' as some senior pupils could be 18 before leaving school.

Having heard the concerns raised by a number of Councillors, the Head of Governance, Strategy and Performance suggested deferring the report to the January meeting of Council to allow some further consultation on the process to take place with Councillors Warren, Van Der Horn and Mustard.

Councillor Robertson sought agreement from Council to defer the report and bring back to the January meeting.

Having heard the concerns of other Councillors, Councillor Warren withdrew her motion to agree the recommendations in the report.

There being no one otherwise minded Council agreed to defer the report until the meeting of Moray Council in January 2024.

## **20. Information Reports - if called in**

The Council noted that no Information Reports had been called in.

## **21. Question Time**

In terms of Standing Order 85 the Chair sought agreement to suspend Standing Order 77 to continue the meeting past 12.45pm to conclude this item on the agenda.

Under reference to paragraph 20 of the minute of the meeting of 27 September 2023 Councillor Mustard sought an update on the report that was requested for the Education, Communities and Organisational Development on the Business Administration Support for Early Learning and Childcare and Primary Schools due on 28 November 2023.

In response, the Depute Chief Executive stated that the full review had not yet been completed and that it would be 6 - 12 months before a report could be presented to Committee however was happy to discuss with Councillor Mustard outside the meeting to determine whether an update report could be considered.

## **22. Resumption of Meeting**

### **PRESENT**

Councillor James Allan, Councillor Peter Bloomfield, Councillor Neil Cameron, Councillor Tracy Colyer, Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Juli Harris, Councillor Sandy Keith, Councillor Scott Lawrence, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Paul McBain, Councillor Neil McLennan, Councillor Shona Morrison, Councillor Bridget Mustard, Councillor Kathleen Robertson, Councillor John Stuart, Councillor Draeyk Van Der Horn, Councillor Sonya Warren, Councillor Ben Williams

### **APOLOGIES**

Councillor Derek Ross

### **IN ATTENDANCE**

The Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Governance, Strategy and Performance, Chief Financial Officer, Head of Economic Growth and Development, Head of HR, ICT and Organisational Development, Gary Templeton, Principal Planning Officer, Sport and Culture Manager and the Democratic Services Manager.

## **23. Professional Fees [Para 1]**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) asking Council to consider options

for professional fees with reference to a previous Council decision on solicitors practicing certificate costs.

Following consideration the Council agreed:

- i) note the content of the report; and
- ii) Option 4 (iii).

## **24. Moray Leisure Centre Expansion Proposal Update**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) to update the Committee on progress made in relation to the Moray Leisure Centre (MLC) expansion proposal.

Following consideration the Council unanimously agreed to note:

- i) the progress in regards to the conditional points associated with this proposal; and
- ii) that a further report is provided to the Council within 6 months upon further resolution of the key conditional points.

## **25. Levelling Up Fund Round 3 - Elgin City Centre Masterplan [Para 12]**

The meeting had before it a report informing the Council that on 20 November the UK Government announced that Moray Council has been provisionally awarded up to £18,291,000 for the Elgin City Centre Masterplan - Levelling Up Moray project as part of the third round of the Levelling Up Fund (LUF).

Councillor Robertson moved, in reference to recommendation (iv) that 6 monthly updates be reported to Council. The Head of Economic Growth and Development confirmed that this would be possible.

Following consideration and there being no one otherwise minded the Council unanimously agreed:

- i) to note the provisional award of £18,291,000 funding for Elgin City Centre Masterplan from LUF round 3;
- ii) that authority be delegated to the Head of Economic Growth and Development to work with the UK Government on validation of the bid;
- iii) that upon confirmation of the funding the Head of Economic Growth and Development in consultation with CMT establishes suitable governance and staffing structures to progress the LUF round 3 projects; and
- iv) that 6 monthly progress reports be considered by Council.



**Minute of Special Meeting of the Moray Council**

**Tuesday, 12 December 2023**

**Council Chambers, Council Office, High Street, Elgin, IV30 1BX**

**PRESENT**

Councillor James Allan, Councillor Peter Bloomfield, Councillor Neil Cameron, Councillor Tracy Colyer, Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Juli Harris, Councillor Sandy Keith, Councillor Scott Lawrence, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Paul McBain, Councillor Neil McLennan, Councillor Shona Morrison, Councillor Bridget Mustard, Councillor Kathleen Robertson, Councillor Derek Ross, Councillor John Stuart, Councillor Draeyk Van Der Horn, Councillor Sonya Warren

**APOLOGIES**

Councillor Ben Williams

**IN ATTENDANCE**

Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Governance, Strategy and Performance, Head of Environmental and Commercial Services, Head of HR, ICT and Organisational Development, Early Years' Service Manager, Strategic Services Transport Manager and Democratic Services Manager.

**1. Chair**

The meeting was chaired by Councillor Kathleen Robertson.

**2. Festive Wishes**

As it was the final meeting of the Moray Council of 2023, the Chair wished all members in the Chamber, online, staff and members of the public a merry Christmas and happy new year.

**3. Congratulations**

The Council joined the Chair in congratulating the Human Resources section on work to achieve the Armed Forces Gold Covenant Award on behalf of the Council. The Chair further thanked the reservists who go above and beyond their public service by working for the Council and in their spare time supporting the Armed Forces.

#### **4. Declaration of Group Decisions and Members Interests \***

In terms of Standing Order 21 and 23 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda.

Councillor McLennan, in terms of Item 6 on the agenda declared that he was a Trade Union member and advised that a transparency statement as agreed with the Standards Commission, Monitoring Officer and himself was also sent to the Ethical Standards Commissioner by the Standards Commission. He advised that in terms of Item 6 he has a connection, via his partner's employment, that could be an interest that requires to be declared in any discussion on the particular line of the budget that would directly impact on their post. He did not consider, however, that it would meet the objective test in respect of the budget as a whole. This is because he does not consider that a member of the public, with knowledge of the relevant facts (being that the connection only applied to one line of the budget) would reasonably regard the connection as being so significant, in terms of consideration of the overall budget, that it would be considered as being likely to influence your discussion or decision-making on the overall budget. However if line A20 was to be discussed separately he would leave the Chamber at that point.

There were no other declarations of Member's interests in respect of any item on the agenda.

#### **5. Resolution**

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 17-19 of business on the grounds that it involves the likely disclosure of exempt information of the class.

Para Number of the Minute	Para Number of Schedule 7a
9	Para 6, 8 and 9 Information relating to the financial or business affairs of any particular person(s); and  Information on proposed terms and/or expenditure to be incurred by the Authority.
10	Para 1 Information relation to staffing matters.
11	Para 9 Information relating to information on terms proposed or to be proposed by or to the Authority

Councillor Van Der Horn sought clarification on why Appendix 6 of Item 6 of the agenda was being held in confidence as it is the results of a public consultation.

In response, the Depute Chief Executive (Education, Communities and Organisational Development) confirmed that the report relates to the budget and staffing implications therein. She further added that the results of the public consultation could be published in a different forum subsequent to today's meeting.

On the advice of the Head of Governance, Strategy and Performance, the Chair sought to continue to agree the resolution as there would be means of releasing the outcomes of the public consultation following the meeting.

Councillor Van Der Horn confirmed that he was happy with the approach.

## **6. Recommended Allowances for Kinship and Foster Carers**

The meeting had before it a report by the Chief Officer, Health and Social Care Moray informing the Council of the recommended allowances for kinship and foster carers.

Following consideration the Council agreed:

- i) to endorse the adoption of the proposals regarding the recommended allowances for kinship and foster carers;
- ii) to delegate to the Head of Service for Children and Families and Justice Social Work to take the necessary steps to implement the Scottish Recommended Allowance (SRA), to back date any payments made from 1 April 2023 that have been below the SRA and to ensure that local rates continue to be reviewed as required to ensure all carers continue to receive at least the Scottish Recommended Allowance; and
- iii) that the annual review of payable allowances is transparent and that local rates remain appropriately aligned with the SRA. This will include a review of the current Council structure of allowances payable to eligible kinship and foster carers.

## **7. Charging for Services**

Councillor Allan joined the meeting at the start of the consideration of this item.

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking the Council to approve the revised Charging for Services Policy and agreed the default inflation increase for fees and charges for Council Services for the period 2024/25 to 2026/27.

In introducing the report the Chief Financial Officer advised Members that income generation is a key part of the Council's approved short to medium term financial strategy and the report is brought to the meeting in support of the strategy and also attempts to streamline the process.

Councillor Mustard sought clarification on para 3.6 in relation to the short life review group of officers who will annually look at the charges and whether some Elected Members should be on the group as it appears that Members would not have an oversight of charges for 3 years.

In response, the Chief Financial Officer confirmed that any proposed increase in charges which did not follow the policy would come back to Council for consideration and approval.

Councillor Leadbitter confirmed that he had similar concerns to those of Councillor Mustard however on talking to the Chief Financial Officer was assured that Members

could make alternative suggestions to charges via the budget setting process and budget meetings. He further sought agreement that an information report be added to the agenda yearly, prior to the charges being applied to allow Members to have an oversight of what the charges will be.

Councillor Gordon moved to amend recommendation 2.1 (iii) to read 'agrees that charges increased by the default increase do not require to be brought to Council for further approval unless there is any charge which is of interest to Members or exceptional circumstances.'

In response, the Depute Chief Executive (Economy, Environment and Finance) confirmed that Councillor Leadbitters suggestion of adding an information report with all the information on charges which would be on the same agenda as the exceptions were on would be sensible as it would give members all the baseline information and should Members wish to bring in charges where the policy approach was not supported then it could be done as a motion when considering the report rather than calling in the whole information report. She further added that recommendation 2.1 (iii) could be amended to include 'noting that full details of charges adjusted in line with policy will be provided as an information report on the same agenda'.

Councillor Gordon confirmed that he was happy with the information report proposal and withdrew his amendment.

Councillor Keith expressed concern about setting a policy for 3 years as workers do not tend to get a 3 year pay deal and felt that the charges should continue to be looked at on a yearly basis. He therefore moved to agree recommendations 2.1 (i), (iv) and (v) and amend recommendation 2.1 (ii) that the charges should continue to be looked at on a yearly basis and to delete recommendation (iii). This was seconded by Councillor Ross.

In response, the Chief Financial Officer clarified that it is not the intention to not report charges annually to Members, the report is to agree a default increase for charges for a 3 year period. This would provide Officers a longer term guidance when reviewing charges but an annual review of charges would still need to be carried out and brought to Members in terms of those charges which are not following the default rate and as has been suggested an information report with a complete suite of charges for members to review at the same time.

The Chief Executive further added that the Accounts Commission recommendation is that Councils start to consider medium to long term financial planning.

Councillor Robertson, seconded by Councillor Gatt moved the recommendations as printed with the inclusion of reference to the information report.

On the division there voted:

For the Motion (4)	Councillors Keith, Ross, Divers and McLennan
For the Amendment (21)	Councillors Robertson, Gatt, Allan, Bloomfield, Cameron, Colyer, Coull, Cowe, Dunbar, Fernandes, Gordon, Harris, Lawrence, Leadbitter, Macrae, McBain, Morrison, Mustard, Stuart, Van Der Horn, and Warren
Abstentions (0)	

Accordingly the Amendment became the finding of the meeting and the Council agreed:

- i) the revised Charging Policy, as set out in Appendix 1;
- ii) the default increase for charges for Council services for the period 2024/25 to 2026/27 is the Consumer Price Index including owner occupiers' housing costs (CPIH) plus 1% as measured for October of the year before the increase takes effect;
- iii) that charges increased by the default increase do not require to be brought to Council for further approval noting that full details of charges adjusted in line with policy will be provided as an information report on the same agenda;
- iv) to request that Moray Integration Joint Board (MIJB) recommend charges for services delivered under the aegis of MIJB; and
- v) to note that after charges not complying with the default increase are approved by Council a comprehensive list of all charges for Council services for the coming financial year will be published on the Council's website.

## **8. Vary Order of Business**

With reference to Standing Order 29, the Chair sought agreement to vary the order of the agenda due to Officer availability and Item 8 on the agenda would be taken as the first item in the confidential section.

This was unanimously agreed.

## **9 Buckie Harbour [Para 6, 8 and 9]**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) informing the Council of additional dredging works that are required in Buckie Harbour to ensure that the Council is meeting its obligations.

Following consideration the Council unanimously agreed to approve additional capital budget as set out in para 5(c) in relation to additional dredging costs at Buckie Harbour and agrees Option A as the preferred Option and agrees to Option B, if Option A is not possible.

## **10. Short to Medium Term Financial Planning [Para 1]**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) to consider the revised budget and estimated actual for 2023/24 and consequent revisions to the estimated budget position for 2024/25 and 2025/26.

Councillor McLennan sought clarification on whether line A20 would be considered separately. The Chair confirmed that the budget would be taken as a whole.

Councillor Dunbar sought clarification on whether the No Compulsory Redundancy Policy makes it difficult for the Council to achieve savings.

The Chief Financial Officer confirmed that it makes savings more difficult but does not preclude savings.

Councillor McLennan moved to change recommendation 3.2 (ii) to read 'Defer savings decision in Appendix 3 until full Scottish Government settlement and Council Tax freeze financing is known alongside an updated range of budget savings which shows the options for Councillors to close the gap, once that updated budget gap at that time. That decision to be made either at the Full budget meeting in 2024 or a Special Meeting following COSLA's Special Leader's Meeting of the 21 December 2023.'

In response the Depute Chief Executive (Economy, Environment and Finance) stated that it was highly unlikely that funding would be available to bridge the budget gap so delaying the report would not be advisable.

The Chair asked Councillor McLennan if he had a seconder to his motion. As there was no seconder the motion fell and in terms of Standing Order 67 Councillor McLennan requested that his dissent at the decision be recorded.

Following consideration the Council agreed to note:

- i) the revised budget and estimated actual for 2023/24 and current estimates for 2024/25 and 2025/26;
- ii) that there is still considerable uncertainty around key budget assumptions in 2023/24 which will further alter the budget gap
- iii) the risk factors set out in section 7 of this report; and
- iv) that the structural deficit of £14 million remains and given ongoing uncertainties, the Council still requires to make very significant levels of savings in a short timeframe.

The Council agreed to approve:

- i) the savings summarised in APPENDIX 3 to this report and consultation responses, noting that the public consultation responses (APPENDIX 4) have generally been supportive and any issues raised in the workforce consultation (APPENDIX 5) will be resolved through normal workforce management processes;
- ii) the saving from adopting a stationery catalogue for procurement as set out in paragraph 6.25;
- iii) amend the saving in relation to outdoor learning and HWRCs as set out in paragraphs 6.23-6.24;
- iv) the Income Strategy set out in paragraphs 6.1-6.10 of this report;
- v) reduction in the baseline budget for health and social care services from 2024/25 to reflect the reduction in pension costs as set out in paragraph 5.3; and
- vi) changing council meetings by making 28 February 2024 a Special Full Council in order to set the budget and 6 March 2024 a standard Council meeting as set out in paragraph 6.26.

## **11. Moray Education Early Learning and Childcare - Sustainable Rate Methodologies [Para 9]**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) informing the Council of the ongoing evaluation of the sustainable rate for Early Learning and Childcare (ELC) funded hours and to provide methodology options for setting the sustainable rate for the 2024/25 financial year and onwards.

Following consideration the Council unanimously agreed to:

- i) note the ongoing process to evaluate the sustainable rate for ELC funded hours;
- ii) a standard methodology for setting the sustainable rate for ELC funded hours for the 2024/25 financial year and onwards based on Option 1 – Survey (Costs) with 8% reinvestment included for 2024/25 and 5% reinvestment for subsequent financial years;
- iii) to consider the allocation of budget to meet this cost for the 2024/25 financial year and subsequent years based on the agreed standard methodology; and
- iv) to apply any yearly uplifts based on the standard methodology in April of each year.



**Minute of Special Meeting of the Moray Council**

**Wednesday, 24 January 2024**

**Council Chambers, Council Office, High Street, Elgin, IV30 1BX**

**PRESENT**

Councillor James Allan, Councillor Peter Bloomfield, Councillor Tracy Colyer, Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Juli Harris, Councillor Sandy Keith, Councillor Scott Lawrence, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Paul McBain, Councillor Neil McLennan, Councillor Shona Morrison, Councillor Bridget Mustard, Councillor Kathleen Robertson, Councillor Derek Ross, Councillor John Stuart, Councillor Draeyk Van Der Horn, Councillor Sonya Warren, Councillor Ben Williams

**APOLOGIES**

Councillor Neil Cameron

**IN ATTENDANCE**

The Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Governance, Strategy and Performance, Chief Financial Officer, Head of Economic Growth and Development, Head of Environmental and Commercial Services, Principal Planning Officer, Moray Growth Deal Programme Manager, Senior Project Officer, Housing Mix Delivery and the Democratic Services Manager.

**1. Chair**

The meeting was chaired by Councillor Kathleen Robertson.

**2. Tribute**

On the invitation of the Chair, Councillor Keith led a tribute to Ramsay MacDonald on the 100th anniversary of him becoming Prime Minister and acknowledged the achievement of the 'Lossie Loon'.

**3. Congratulations to Buckie Thistle Football Club**

The Council joined the Chair in congratulating Buckie Thistle Football club on their fantastic achievement in the Scottish Cup holding off Celtic for 25 minutes before the Glasgow team scored their first goal.

**4. Declaration of Group Decisions and Members Interests \***

In terms of Standing Orders 21 and 23 and The Councillors' Code of conduct Councillor Williams declared that due the employment of a member of his family he would leave the meeting prior to the consideration of Item 10 on the agenda.

Councillor Macrae stated that in terms of transparency for item 6 on the agenda he was a member of Moray Leisure Board.

There were no other declarations for Group Leaders or Spokesperson in regard to any prior decisions taken on how members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

## **5. Resolution**

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 17 - 19 of business on the grounds that it involves the likely disclosure of exempt information of the class.

Para number of the minute	Para Number of Schedule 7a
14	<p>Para 6 Information in relation to the financial affairs of any particular person/s.</p> <p>Para 8 and 9 Information on proposed terms and/or expenditure to be incurred by the Authority.</p>

## **6. Moray Integration Joint Board Scrutiny**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) seeking to clarify scrutiny arrangements for Moray Integration Joint Board (MIJB).

As part of his introduction of the report the Head of Governance, Strategy and Performance proposed that report timescales for reports from the MIJB to the Council would replicate the timescales in which they are reported to the MIJB. For example 6 monthly or quarterly reports would be presented for the same period to the Council following presentation to the MIJB.

Councillor Bloomfield moved that the MIJB Budget Monitoring Reports as detailed in para 4.2.1 should be presented to meetings of Moray Council and not Audit and Scrutiny.

In response, the Head of Governance, Strategy and Performance confirmed that he was happy to accept that as a direction from the Council and will take on board going forward. The option had been left in there as the decision may have been agreed prior to the publication of the report as anything additional to Audit and Scrutiny Committee would require an update to the Scheme of Administration .

Councillor Mustard raised a concern that the reports before the MIJB were mostly for noting which did not allow the Board members to scrutinise what was put before them.

In response, the Head of Governance, Strategy and Performance confirmed that work could be undertaken with Board members on their scrutiny role as information is before them in the reports and guidance could be given to them on how they choose to deal with the information before them. He further advised that a training session with Board members is scheduled to take place in early February and he would be happy to add this to the session.

Councillor Morrison sought clarification on whether the quarterly meetings between NHS Grampian Chief Executive and Chief Financial Officer and their Moray Council and MIJB counterparts still took place.

In response the Chief Executive confirmed that they do still take place. He further added that the overall question raised today is of governance and trying to create an understanding of the financial situation of the MIJB and the impact of the service decisions made by the MIJB. He acknowledged that more work needs to be carried out on the timings of the meetings of the MIJB and Moray Council to ensure that a position is reached where governance over the financial position of both organisations and impact on service delivery can be achieved.

Councillor Robertson clarified that in terms of para 4.2.1, there was agreement that MIJB budget monitoring reports would be reported to meetings of Moray Council and that there was some division on 4.2.3 and where the MIJB 6 monthly performance report should be reported, whether it be to Moray Council or Audit and Scrutiny.

Councillor Leadbitter moved that the 6 monthly performance reports from MIJB are presented to Audit and Scrutiny Committee. This was seconded by Councillor Coull.

Councillor McLennan sought agreement from Councillor Leadbitter to amend his motion for the reports to be presented to Audit and Scrutiny and where applicable Education, Children's and Leisure Services Committee.

Councillor Leadbitter confirmed he was happy to amend his motion.

Councillor Macrae seconded by Councillor Gatt proposed that the 6 monthly performance reports should be reported to meetings of Moray Council and then Audit and Scrutiny and Education, Children's and Leisure Services Committee where appropriate. As he felt that all 26 members had a full focus on the MIJB.

On the division there voted

For the Motion (9)	Councillors Leadbitter, Coull, Divers, Keith, Lawrence, McLennan Morrison, Stuart and Williams
For the Amendment (15)	Councillors Macrae, Gatt, Allan, Bloomfield, Colyer, Cowe, Dunbar, Gordon, Harris, McBain, Mustard, Robertson, Ross, Van Der Horn and Warren
Abstention (1)	Councillor Fernandes

Accordingly the amendment became the finding of the meeting and the Council agreed:

- i) the reporting arrangements for Council scrutiny of Moray Integration Joint Board detailed in paragraphs 4.1 and 4.2;
- ii) MIJB budget monitoring reports be reported to meetings of Moray Council; and
- iii) MIJB 6 monthly performance reports are reported to meetings of Moray Council, with referral to Audit and Scrutiny or Education, Children's and Leisure Services Committee when necessary.

## **7. Petitions Procedure - Under 18 Year olds**

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) asking Council to agree the inclusion of an addendum to the Petitions Guidance/Procedure to allow young people up to the age of 18 or still at school to make representations to the Council.

Following consideration the Council unanimously agreed the inclusion of an addendum to the current Petitions Guidance/Procedure that will allow young people up to 18 years of age or still at school to make representation to the Council.

## **8. Charging for Services**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking the Council to approve revised charges for Council services for 2024/25.

Councillor Fernandes sought clarification on burial charges and Moray and non Moray residents. The Chair, suggested that it would be more appropriate for the issue to be dealt with a revision to the policy through the Economic Development and Infrastructure Services Committee.

Councillor Fernandes sought clarification on charge C3a - discounted rate for exercise referrals of £3.75 and the removal of the discount. This charge relates to clients who have been referred by their GP and he sought clarification on the number people who would be affected by this charge.

The Chief Financial Officer confirmed that she did have that level of detail and would ask the Service to clarify the numbers affected.

Councillor Fernandes said that he was minded to move to increase the charge by inflation to £3.96. In response the Chief Financial Officer confirmed that she would need to speak to the service to determine the reason for the removal of the discount and the costs involved in the proposed change.

Councillor Van Der Horn sought to defer the decision on the proposed cruise ship charges until a report has been brought to Committee to look at implications for the area on cruise ships using any of the Council's harbours.

In response, the Head of Environmental and Commercial Services confirmed that it would be remiss of the Council not to put forward a charge based on the interest shown and should any pressures arise, then a report could come back to Economic Development and Infrastructure Services Committee. However, added that the interest and scale of the charge is wholly within the capacity of Buckie harbour.

Councillor Van Der Horn proposed removing the section of the report which refers to a charge for cruise ships until a further report has been received. The Chair asked Councillor Van Der Horn if he had a seconder for his amendment. As no one seconded the amendment, the amendment fell. In terms of Standing Order 67, Councillor Van Der Horn requested that his dissent be recorded.

With reference to Councillor Fernandes' question on the number of clients who would be affected by the GP referral charge increase, the Depute Chief Executive (Education, Communities and Organisational Development) confirmed that the referrals are where the Council works with the NHS, however the service is not funded and the Council need to ensure that as much income is generated as possible in order to sustain the service as it is currently running at a loss. Currently there are 100 referrals sitting in the system.

### **Adjournment of the Meeting**

The Chair proposed a short adjournment to allow for a discussion between Councillors and Officers to try and come to an agreement in regards to Councillor Fernandes' amendment.

### **Resumption of the Meeting**

The Chair confirmed that following discussions during the recess she had spoken with Councillor Fernandes and had reached a compromise in which the charge at C3a will go up from £3.75 to £4.30 if the Council were minded to agree the change.

There being no one otherwise minded the Council unanimously agreed to:

- i) approve the charges for Council services for 2024/25 set out in paragraphs 3.5 to 3.13;
- ii) increase charge C3a to £4.30; and
- iii) note the list of charges including those uplifted by the default of 5.7% and those outwith the control of the Council.

## **9. Short to Medium Term Financial Plan**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking the Council to consider the revised budget and estimated actual for 2023/24, the impact of the draft local government settlement and consequent revisions to the estimated budget position for 2024/25 and 2025/26.

Councillor Macrae sought clarification on the sale of Elgin Community Centre as he understood that the Council had previously agreed that following the closure the building would be sold.

In response, the Depute Chief Executive (Economy, Environment and Finance) confirmed that the approval was for the asset to be sold following the interim use by VIP Childcare and Elgin Town Hall as part of relocation opportunities for Moray Growth Deal.

Councillor Cowe asked what the cost would be to the Council for keeping the Community Centre for an additional 18 months as he was aware that there was interest in the building from potential buyers.

The Depute Chief Executive (Economy, Environment and Finance) re-iterated that the options had been set out in the report to Council last June and while that involved a series of compromises, decisions on where risk lay and the timing at which a capital receipt could be achieved, it was viewed as being the optimal solution given the competing demands that the Council faces across Early Learning and the Growth Deal.

The Head of Governance, Strategy and Performance expressed caution as the Council should be looking at the proposals detailed as a whole and not changing individual projects as this will affect the wider plan and the Council's wider financial position.

The Depute Chief Executive (Education, Communities and Organisational Development) confirmed that support had been given to VIP Childcare in the search for alternative accommodation for that service but to date no solution has been forthcoming. She further added that the places provided for ELC provision are required to assist the Council in meeting its statutory obligation of 1140 hours so a decision to review the future of Elgin Community Centre then time would be needed to consider how the Council would move the current service delivery in its entirety while meeting the needs and requirements of the children who currently attend VIP childcare.

The Chief Executive acknowledged that all views expressed during the discussion are valid and it is one of the paradoxes of local government that the public find confusing when the Council are spending money when it needs to save money. He further added that there is a lot of investment going on in the town centre and what is happening in the Community Centre and Town Hall is to accommodate the inward investment from the UK and Westminster governments as well as the Council's own funding.

He further added that there is interest in the Community Centre site but the interest is not transient, however he was not clear if the interest would accommodate the decanting from the town hall and agreed to go away and look at the issue further. There would be risks if the Council were to inform the Scottish or UK Government that there was a change to the profile of the spend but what the risks would be are unclear.

Councillor Macrae moved that a report be brought back at the earliest opportunity to consider alternative arrangements for the decants of VIP Childcare and Elgin Town Hall to enable the sale of Elgin Community Centre as soon as possible.

The Chief Executive provided assurance that Officers will re-look at trying to find a solution to accommodate all parties and bring a report back for consideration. He also assured the Council that the criteria for the disposal of all empty properties will be considered as part of the budget process

Following further consideration, the Council unanimously agreed to note:

- i) the revised budget and estimated actual for 2023/24 and current estimates for 2024/25 and 2025/26;

- that the structural deficit in 2024/25 is now estimated to be £13.4million and the
- ii) Council still requires to make very significant levels of savings in a short timeframe; and
- that a report will be brought back at the earliest opportunity to consider
- iii) alternative arrangements for the decants of VIP Childcare and Elgin Town Hall to enable the sale of Elgin Community Centre as soon as possible

## **10. Capital Strategy**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking the Council to approve the amended Capital Strategy presented in draft as Appendix 1 to this report.

Following consideration the Council unanimously agreed to approve the amended Capital Strategy as set out in Appendix 1.

## **11. Capital Plan 2024-25**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking the Council to agree the Council's capital budget for 2024/25 and to consider the Council's indicative ten year Capital Plan for 2024 to 2034.

Following consideration the Council unanimously agreed to approve:

- i) capital expenditure of £49,662,000 for 2024/25 as set out in the indicative ten year Capital Plan in Appendix 1; and
- ii) that this will be increased by expenditure on Moray Growth Deal as agreed in the funding agreement with Scottish Government for 2024/25.

The Council also unanimously agreed to note:

- i) the indicative ten year capital plan inclusive of cap set out in Appendix 2; and
- ii) that the plan remains unaffordable without increased external funding.

Councillor Morrison left the meeting during the consideration of this item.

Councillor Williams left the meeting following the consideration of this item.

## **12. Manufacturing Innovation Centre for Moray**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) informing the Council of progress made by the Moray Growth Deal to prepare a full business case for the Manufacturing Innovation Centre for Moray (MICM) project and grant delegated authority to enable final approval of the business case so enabling the project to move into delivery.

Following consideration the Council unanimously agreed to:

- i) approve the Full Business Case summarised in this report and contained in Appendix 1;
- ii) delegate authority to the Depute Chief Executive (Economy, Environment and Finance) to make any final changes as required following completion of Government review process, with a view to agreeing final versions of each FBC to progress to implementation; and
- iii) delegate authority to the Depute Chief Executive (Economy, Environment and Finance) or other such signatory as may be required to accept the Government grants for the projects in line with the terms of the Moray Growth Deal.

Councillor Morrison re-joined the meeting at this juncture.

### **13. Information Reports - if called in**

The Council noted that no Information Reports had been called in.

### **14. Moray Growth Deal Full Business Cases - Business Enterprise Hub and Housing Mix Delivery [Paras 6, 8 and 9]**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) informing the Council of progress made by the Moray Growth Deal (MGD) to prepare full business cases for the Business Enterprise Hub and Housing Mix Delivery Projects and grant delegated authority to enable final approval of the business cases so enabling the projects to move into delivery.

In terms of Standing Order 85 the Chair sought agreement from the Council to suspend standing order 77 to allow the meeting to continue after 12.45pm in order to conclude the agenda.

This was unanimously agreed.

Following consideration the Council unanimously agreed to:

- i) approve the Full Business Cases summarised in this report and contained in Appendices 1 and 2;
- ii) delegate authority to the Depute Chief Executive (Economy, Environment and Finance) to make any final changes as required following completion of the Government review process, with a view to agreeing final versions of the Full Business Cases to progress to implementation; and
- iii) delegate authority to the Depute Chief Executive (Economy, Environment and Finance) or other such signatory as may be required to accept the Government grant for the project in line with the terms of the Moray Growth Deal.




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## NOTICE OF MOTION TO MORAY COUNCIL WEDNESDAY 28 FEBRUARY 2024

### Preliminary Issues

None to consider

### Background

Artificial Intelligence (AI) is rapidly evolving as a consequence of recent advancements in technology and the design of competing artificial intelligences in a wide range of environments.

It is widely reported that the pace of development of AI is highly likely to be the most rapidly evolving technology ever seen by humankind with many potential applications - both positive and negative.

AI is better understood in some industries than others and it is vital that the public sector, including Local Government is embracing and understanding this issue, ensuring we have actions in place to help us both utilise AI and manage its impact on our communities and the services we provide for them.

At the recent AI Safety Summit the introductory paragraph stated:

“We are in the midst of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. Artificial Intelligence (AI) has begun and promises to further transform nearly every aspect of our economy and society, bringing with it huge opportunities but also risks that could threaten global stability and undermine our values.”

This provides a useful summary of what we require to understand in the deliver of our own services.

### Action

- Council requests an officer report providing a high-level assessment of the Council's readiness in respect of the rapidly evolving impact of (AI) across our operations, including but not limited to:
  - the risks and opportunities for the broad range of services provided by the council;
    - N.B. It should be understood that whilst the Council's ICT Service will have a key role to play, the risks and opportunities are much

broader and could impact significantly on the provision and structure of a wide range of services

- skills gaps that the Council may have in relation to AI and how they might be addressed;
- strategies and policies that require to be developed and/or updated in respect of AI;
- estimated timescales over which such strategies and policies should be considered;
- the potential risks of not taking action.

### **Financial implications**

- Any direct costs would relate to further actions, which would be considered in the requested report.
- There is an indirect cost of officer time, however as AI is a major and rapidly emerging technology across our services, and which has the potential to both enhance and disrupt those services in a comparatively short timeframe, it is expected that officers will already be considering potential implications for their services and the Council as a whole, therefore this motion sets in place a clear route for Councillors to consider this urgent emerging issue.

Proposed By: Cllr Graham Leadbitter

Seconded By: Cllr Scott Lawrence

Date Motion Submitted: 20/11/23



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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: APPROVED MINUTES OF MORAY INTEGRATION JOINT BOARD**

**BY: CHIEF OFFICER, HEALTH AND SOCIAL CARE MORAY**

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the latest approved minutes of the meetings of the Moray Integration Joint Board.
- 1.2 This report is submitted under Section II (22) of the Council's Scheme of Administration relating to the Moray Integration Joint Board (MIJB).

**2. RECOMMENDATION**

- 2.1 **The Council is invited to consider and note the content of this report.**

**3. BACKGROUND**

- 3.1 The MIJB was established on 6 February 2016 under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 with full delegation of functions and resources to enable integration of primary and community health and social care services effective from 1 April 2016. The MIJB is a separate legal organisation and acts as principal in its own right.

The principal ambitions of health and social care integration are to:

- Support the improvement of the quality and consistency of services for patients, carers, service-users and their families.
  - Provide seamless, joined-up quality health and social care services in order to care for people in their homes or a homely setting where it is safe to do so.
  - Ensure resources are used effectively and efficiently to deliver services.
- 3.2 The approved minutes from the MIJB meetings held on 28 September 2023 and 30 November 2023, which were accepted as correct records of the meetings on 30 November 2023 and 25 January 2024, respectively, can be found at **Appendix 1** and **Appendix 2**. A few key highlights from the meetings for the Moray Council to note were, the MIJB:

## **28 September 2023**

- Noted a report by the Chief Officer (CO) detailing the CO activities that support the delivery of the MIJB's strategic priorities.
- Noted the financial position of the Board as at 30 June 2023 as showing an overall overspend, noted the progress against the approved savings plan and noted the budget pressures and emerging budget pressure.
- Approved the virements in budgets from Care Services provided by external contractors to the Learning Disability Services, Mental Health Services and Older People and PSD services.
- Noted the revisions to staffing arrangements dealt with under delegated powers and in accordance with financial regulations within the Council and NHS Grampian for the period 1 April to 30 June 2023.
- Approved for issue, the Directions arising from the updated budget position.
- Requested an update report is presented to a future MIJB meeting on prescribing practice.
- Considered and noted an update report by Dr Gray's Hospital General Manager and Integrated Programme Senior Responsible Officer, informing the Board of the programme status and associated requirements of the MRI scanner and Ligature Reduction Integrated Programme.
- Approved progress made on delivery of the actions within the Ministerial Strategic Group (MSG) Improvement Action Plan as at September 2023.
- Noted that the Moray Coast Medical Practice had formally notified the landlord of the Burghead Branch Surgery premises that they are terminating the lease as of 31 December 2023.
- Noted that the Moray Coast Medical Practice had formally notified Health and Social Care Moray (HSCM) that they do not intend to reopen the Hopeman Branch Surgery premises, which they own.
- Noted the mitigating actions that are in place as a result of the closure of the Burghead and Hopeman branch surgery premises are now incorporated into the wider Forres and Lossiemouth Locality Planning procedures.
- Agreed to note the current position regarding the Keith (and East) Locality Project and the further gateways that the project will need to move through.
- Received a report by the Chief Nurse, informing the Board of the current situation regarding the Out of Hours Rapid Response Nursing Service currently hosted by Aberdeenshire IJB and delivered by Marie Curie across Moray and Aberdeenshire. The Board noted that notice had been given by Marie Curie in relation to the cessation of the Rapid Response Out of Hours Nursing Service aspect of the current contract as of 30 September 2023.
- The Board noted the requirement for NHS Grampian to deliver an Out of Hours Nursing Service across Aberdeenshire and Moray in a two phased approach with the first priority being to ensure continuity of service provision beyond the notice period for a 6 month period to allow full review of the service model. The Board will be kept informed of progress.
- Were informed of the linkages with the NHS Grampian Three Year Delivery Plan (2023-2026) and the compatibility with the MIJB's strategic aims and objectives. The Board agreed to continue to support the NHS Grampian Delivery Plan priorities through the local work in Moray of the MIJB.
- Approved HSCM's Three Year Delivery Plan (2023-2026).
- Noted the final version of the Annual Performance Report 2022/23, which is published on the HSCM webpage.
- Noted the Moray Care for People Plan.

- Noted a report by the Chief Social Work Officer and Head of Service which provided a review of spend for Self Directed Support.
- Approved for publication, on the HSCM webpage, the HSCM Annual Complaints Report for 2022/23.
- Approved the draft Public Sector Climate Change submission to Sustainable Scotland Network for the reporting year 2022/23.

3.3 The link to the webcast and reports submitted to the MIJB meeting on 28 September 2023 can be found here:

<https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2007/Committee/18/Default.aspx>

### **30 November 2023**

- Noted a report by the Chief Officer (CO) detailing the CO activities that support the delivery of the MIJB's strategic priorities, agreeing that transforming services to meet the aspirations of the MIJB's Strategic Plan remains a priority.
- Agreed to acknowledge the findings of the Vaccination and Immunisation Annual Report 2023.
- Agreed to note the financial position of the Board as at 30 September 2023 is showing an overspend of £5,068,191 on core services. Noted the provisional forecast position for 2023/24 and noted progress against the approved savings plan.
- Noted the revisions to staffing arrangements dealt with under delegated powers and in accordance with financial regulations with the Council and NHS Grampian for the period 1 July to 30 September 2023.
- Approved for issue the Directions arising from the updated budget position.
- Noted that a financial recovery and transformation plan will be brought to the MIJB at their meeting in January 2024.
- Noted that HSCM, including GMED (the NHS out of hours service) have robust and deliverable plans in place to manage the pressures of surge at any time of the year including the festive period.
- Approved the proposed changes to the MIJB Financial Regulations and noted a review will be carried out annually.
- Noted a report by the Interim Integrated Service Manager, Mental Health and Substance Misuse informing them of progress and expectations for the Adult and Older Adult Mental Health Medical team. The Board agreed that funding is utilised differently and that the partnership employ Speciality Doctors on the Certificate of Eligibility for Specialist Registration program.
- Noted that a Care for People Operational plan has been developed with partners and the plan will be exercised at a Moray and Grampian level. At the request of the MIJB, the operational document will be brought forward to the next meeting of the Board in January 2024.
- Noted the contents of the Chief Social Work Officer Annual Report for 2022/23. The Board requested sight of the report earlier in the year next time.
- Endorsed the schedule of meetings for the Moray Integration Joint Board, the Audit, Performance and Risk Committee and the Clinical and Care Governance Committee for 2024/25 with the amended start time of 1.30pm for the November 2024 and February 2025 Clinical and Care Governance Committee meetings.

- Received a report by the Chief Social Work Officer /Head of Service requesting the Board note the re-alignment of the Education and Social Training Team (Social Work Training Team) (with the exception of 1 full time equivalent (FTE) post which is aligned to Education) from Moray Council to MIJB. Following consideration, and following agreement of Moray Council on 27 September 2023, the MIJB agreed the re-alignment of the Social Work Training Team, with effect from 1 February 2024. Management responsibility will transfer to the Chief Social Work Officer /Head of Service. It was noted the budget will remain with the Council.

- 3.4 The link to the webcast and reports submitted to the MIJB meeting on 30 November 2023 can be found here:  
<https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2008/Committee/18/Default.aspx>
- 3.5 Approved minutes, reports and link to webcast library for all MIJB meetings can be found here:  
[https://moray.cmis.uk.com/moray/CouncilandGovernance/Committees/tabid/62/ctl/ViewCMIS\\_CommitteeDetails/mid/381/id/18/Default.aspx](https://moray.cmis.uk.com/moray/CouncilandGovernance/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/18/Default.aspx)

#### 4. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This report forms part of the governance arrangements of MIJB; good governance arrangements will support the Board to fulfil its objectives.

(b) **Policy and Legal**

There are no policy or legal implications associated with this report.

(c) **Financial implications**

There are no financial implications associated with this report.

(d) **Risk Implications**

There are no risk implications associated with this report.

(e) **Staffing Implications**

There are no staffing implications arising from this report.

(f) **Property**

There are no property implications arising from this report.

(g) **Equalities/Socio Economic Impact**

An Equalities Impact Assessment is not required as there is no change to policy and procedures resulting from this report.

(h) **Climate Change and Biodiversity Impacts**

There are no climate change or biodiversity implications arising from this report.

**(i) Consultations**

Consultation on this report has taken place with Corporate Manager, Health and Social Care Moray who is in agreement with the content in relation to their area of responsibility.

**5. CONCLUSION**

**5.1 This report provides a summary of the business addressed by the MIJB at their meetings on 28 September 2023 and 30 November 2023.**

Author of Report:	Isla Whyte, Interim Support Manager, Health and Social Care Moray
Background Papers:	available online
Ref:	SPMAN-305227695-121





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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: REVENUE BUDGET MONITORING TO 31 DECEMBER 2023**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To advise Committee of the revenue budget monitoring position to 31 December 2023 and the current estimated out-turn for 2023/24.
- 1.2 This report is submitted to Council in terms of Section III B (10) of the Council's Administrative Scheme relating to monitoring current revenue expenditure against approved budget.

**2. RECOMMENDATION**

**2.1 It is recommended that Committee considers and notes:**

- (i) the budget monitoring position of £1,742,000 over budget for 2023/24 as at 31 December 2023;
- (ii) that this position consists of an underspend on Devolved School budgets of £818,000, an underspend of £116,000 on Children's Services, an underspend of £193,000 on General Services Housing and Property, and an overspend £289,000 on Environmental and Commercial Services and £210,000 on Economic Growth and Development. There is also an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £2,313,000 and an overspend on other services of £57,000;
- (iii) movement of a £5,897,000 increase in General Revenue Grants, as detailed in paragraph 3.5;
- (iv) the current estimated out-turn for 2023/24 of an underspend in Council services, including Health and Social Care, of £962,000 after adjusting for the cost sharing agreement with NHS for MIJB. With projected overspends in loans charges of £451,000 and increased use of provisions more than budgeted, this results in an overall projected overspend of £1,497,000 but with additional funding there

**is a decrease in the use of Council reserves by £125,000 than is budgeted.**

### **3. BACKGROUND**

- 3.1. When the revenue budget for 2023/24 was approved by Moray Council on 1 March 2023 (paragraph 5 of the minute refers), General Revenue Grant of £193,416,000 was estimated for the year, based on the latest amount notified to the Council and including estimates for further distributions of grant during the year. Council Tax receipts of £49,574,000 were anticipated. Budgeted expenditure of £260,840,000 was agreed, and this required projected use of £17,850,000 of the Council's Ear Marked Reserves to balance the budget.
- 3.2. In addition to the Council's core budget, monies allocated to schools through the Devolved School Management (DSM) scheme and not spent are brought forward from previous years. The DSM balance brought forward in 2023/24 was £853,000 (2022/23 £1,288,000) and on 13 June 2023 Corporate Committee approved an additional £33,000 to be retained over and above the permitted DSM allowances, for planned spend at two schools which were not completed during the academic year due to circumstances out with their control. This budget has been reallocated from Covid reserves. Unused Pupil Equity Fund of £757,000 received in 2022/23 and £36,000 funding for nursery snacks and fundraising have been carried forward into 2023/24 in accordance with the grant conditions.
- 3.3. On 28 June 2023 Council approved additional expenditure of £2,158,000 to be funded from Ear-marked Reserves for Covid. All of these adjustments were posted to departments during quarter 1 (para 13 of the minute refers).
- 3.4. Additional funding from Covid reserves of £421,000 are reflected in budgets for quarter 2, including Bus Revolution revenue budget of £74,000, a cost of living contribution to Moray Food Plus of £16,000, temporary ASN costs of £299,000 from the additional £1,100,000 approved by Council on 28 June 2023, and the £33,000 DSM adjustment for two schools explained in paragraph 3.2 above. Other adjustments of £639,000 reflected in the budgets are for other service specific earmarked reserves set up at 2022/23 year end closedown for funding received that required carried forward and used in 2023/24.
- 3.5. Variations to General Revenue Grant (GRG) amounting to £5,897,000 have been notified and actioned. This includes confirmed funding of £3,912,000 for pay awards which will reduce the required use of reserves. An additional £50,000 has been allocated to support the resettlement of displaced Ukrainians. Following discussions between the Scottish Government and COSLA it was agreed that funding would be provided to introduce a Scottish Recommended Allowance (SRA) for kinship and foster carers across Scotland, to be backdated to 1 April 2023. Moray's allocation for this is £262,000. The Council currently uses four age ranges to differentiate the payment of allowances, and the SRA use three. When compared to the SRA, the rates in Moray are lower across 2 of the SRA age ranges, but higher for one. At meeting on 12 December 2023, Council endorsed an increase in line with the SRA rates for the rates below the proposed minimum but maintain the

rate which is above the SRA rate. The cost of backdating allowances will have been calculated as £134,000 for the full year.

- 3.6. With these adjustments to use of reserves and GRG, the Council's overall General Services revenue budget currently stands at £269,812,000.
- 3.7. Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 1 March 2023 is shown in **APPENDIX 3** and allocations to departments from the provisions for Inflation and Contingencies, Additional Costs and Savings are listed in **APPENDIX 4**.

#### **4. BUDGET POSITION**

- 4.1 **APPENDIX 1** summarises the current position for each service area, comparing the actual expenditure with the budget to 31 December 2023.
- 4.2 Overall the budget position at 31 December 2023 is expenditure over budget to date of £1,742,000 or 0.9% of budget to date, which includes services delivered on behalf of the Moray Integration Joint Board (MIJB).
- 4.3 The principal areas of overspend and underspend across the Council are summarised below.
- 4.4 In Education, Resources and Communities there is an underspend of £50,000. Sport and Leisure services have over achieved on income by £112,000 to date; this position is after the budget that was reduced by £500,000 during Covid was reinstated in full earlier than expected. Libraries has an overspend on licences of £66,000 and under achievement of income from sales, fees and charges of £17,000. There is a £14,000 underspend on the Learning Estate Review Team in operational budgets.
- 4.5 Children's Services has an underspend of £116,000 to date, this position is after a £245,000 saving was actioned in commissioned services during quarter 3. A contract for residential care for children with disabilities has ended due to the transition to adult services of the person cared for, giving a contract underspend of £128,000. Contracts for pre-school children with disabilities and Stronger Safer Families have £42,000 and £48,000 underspend respectively, while a delay of one month for the new contract for Restorative Practice has left a £21,000 underspend. Placement Services, including adoption and fostering fees/allowances and throughcare/aftercare payments are under budget by £111,000 at quarter 3, and one-off income for adoption placements by other local authorities in Moray is also ahead of budget by £71,000. Within Area Teams, Self Directed Support (SDS)/direct payments and home to school transport are currently £85,000 and £26,000 over budget respectively, with legal fees and compensation a further one-off £220,000 overspend.
- 4.6 Education has a £642,000 underspend to date. Devolved School budgets are underspent by £818,000 at the end of the third quarter; £281,000 in primary schools and £537,000 in secondary schools; non-devolved budgets are also under budget on energy costs by £88,000 and £47,000 respectively. Schools and Curriculum Development is over budget by a total of £218,000 to date; of this, central supply is over by £216,000 due to providing teaching cover for

maternity and sickness absence, and there are other over and under spends. ASN is under budget by £31,000, within areas including home tuition and training. Early Learning and Childcare (ELC) is currently £128,000 over budget. This consists of payments to partner providers overspend of £155,000 and an underspend on snack and fundraising accounts of £34,000.

- 4.6.1 Environmental and Commercial Services are presenting a net £289,000 overspend to date across services. Roads Maintenance is £431,000 over spent to date, with £176,000 coming from an overspend in recharges from Fleet for additional vehicle hire and external contract hire. Materials and supplies and services costs are over budget to date but with recharges to capital and external income from service users currently ahead of budget, the overspends are considered to be timing pressures and are expected to level out in the final quarter. Winter Maintenance is over budget by £60,000 to date for additional vehicle hires. Fleet are currently £2,000 under budget in total but within this are variances that highlight significant price increases within the service. Although Fleet recharges to departments recover all elements of the cost of vehicles and plant, the external costs sit within Fleet and it is through monitoring of this budget that total variances, both over and under spends, can be monitored. Vehicle running costs are £278,000 over budget at quarter 3, with spare parts accounting for £226,000 of this. The costs of spare parts have increased by approximately 30% in recent years. External vehicle hires managed by Fleet services are over budget at this point of the year by £184,000 with mainly Environmental and Commercial Services requiring the vehicles: Lands and Parks, Public Transport Unit and Roads - as referred to above, this is a recurring overspend that is kept within the department. Expenditure of £41,000 has also been incurred for accident damage this year to date.
- 4.7 Waste has a net underspend of £126,000 in total across various budget headings. As was reported in the quarter 2 monitoring report, waste is now being transported to the new Energy from Waste plant in Aberdeen, with costs offset by underspends on Landfill Tax and Leachate costs. During this transitional year the budgets will require ongoing monitoring and review, including the impact of reduced gate fees from electricity generated by the plant. Income within Waste is under target for this point of the year; green waste by £60,000 and trade waste by £63,000 to date. Cleaning and Catering services is £76,000 under budget; the variance in school catering makes up £69,000 of this and is after a £150,000 saving on food costs was actioned following the quarter 2 monitoring report. Lands and Parks are £114,000 over budget to date with variances on burial ground income, vehicle running costs and war memorials.
- 4.8 Traffic and Transportation is showing a £190,000 overspend to date; various variances include overspends on school transport costs of £60,000 and a £31,000 overspend on electric vehicle chargers – there is the possibility to review and recharge for the Council's own electric vehicle use. Other major variances are due to shortfall in income: car parks £33,000, Traffic income for Roads Construction Consent £74,000, and Bus Revolution £30,000. Consultancy is showing an underspend of £233,000 in total, mainly due to the £200,000 grant received in Emergency Planning from the Scottish and

Southern Electricity Networks (SSEN) Resilient Communities Fund. There has been £4,000 of expenditure to date but the bulk is earmarked for spending on creating power generation capacity for information and co-ordination hubs. Any unspent funds at year end will be earmarked for projects agreed with SSEN. Revenue expenditure to date on Flood Prevention and Bridge Works projects are under budget but this is understood to be due to profiling of works.

- 4.9 Economic Growth and Development Services have a £210,000 overspend which is primarily due to a shortfall in income in Building Control of £108,000 and Planning of £128,000. The income from street naming and numbering is above target by £24,000.
- 4.10 In Financial Services, a £49,000 underspend is a result from a number of variances: overspends include £16,000 on postages within Taxation, and software costs £44,000. Underspends in the admin grant income for the Energy Grant Scheme of £20,000, finance software £10,000 and unallocated service development budget £67,000 offset the variance.
- 4.11 Governance, Strategy and Performance is over budget by £5,000 with notable variances. Benefits is £160,000 over budget to date due to overspends including software costs £37,000, Scottish Welfare Fund £68,000 and Housing Benefits £67,000. Customer Services is under budget by £4,000; multi function device contract underspend of £14,000 and an overspend on software for the Contact Centre of £10,000. Underspends in other sections include Legal: income is above target in licences for short term lets of £61,000 and Licensing Board income of £41,000, and underspends in Supplies and Services of £36,000
- 4.12 General Services Housing and Property is under budget by £193,000 in total. Homeless temporary accommodation is currently under budget by £37,000 due to additional income from the revised charges policy approved at Corporate Committee on 31 January 2023 (para 8 of the minute refers); Improvement Grants are under by £30,000 due to a higher capital grant than currently budgeted to date; Industrial Estates income exceeds budget to date by £100,000, partly due to servitude fees but also new rentals and rent increases. Repairs and maintenance continue to have an overspend: £64,000 overspend on schools, which is due to the pattern of spend on school buildings while corporate buildings repairs are £111,000 under to date. There is an income shortfall in Property fees of £63,000 due to less capital project work being carried out than budgeted for in the capital plan.
- 4.13 In Other expenditure budgets, an overspend of £28,000 is due to additional pension costs/strain on the fund overspend of £69,000 and Members Wards budgets are £41,000 underspent to date.
- 4.14 Health and Social Care Services are overspent by £2,313,000 at the end of quarter 3. This overspend relates purely to the Health and Social Care services delivered by Moray Council on behalf of the MIJB. The quarter 3 position for Non-IJB Health and Social Care functions is on budget.
- 4.15 Income from external users across the Council are showing both positive and negative variances and have been noted in the paragraphs above. Sports

and leisure facilities budgets appear be back to pre Covid levels earlier than planned (paragraph 4.4). Income is above budget in Legal Services for short term lets and other licensing income (para 4.10). In General Services Housing (para 4.11), Homeless temporary accommodation has additional income of £37,000 to date and Industrial Estate income is ahead of target by £100,000. Within Environmental and Commercial Services (para 4.7) income above budget includes Harbours £48,000, Roads £191,000, Catering income £55,000. Income is ahead of target in Waste areas including gas extraction, recycling and bulky waste, but there are shortfalls in green waste and trade waste income. Within Lands and Parks there is an income shortfall of £65,000 on sale of lairs and interment fees in Burial Grounds, and £34,000 shortfall on charges for external grounds maintenance and playground inspections. Car Park income is also under budget to date, as is the Bus Revolution planned income. Libraries income has a recurring variance due to loss of income (para 4.4) and there is a significant income shortfall to date in Planning and Building Control income as outlined in paragraph 4.8.

## 5. **BUDGET PRESSURES AND ADDITIONS**

- 5.1 Local Government Pay Awards continue to be a significant risk to the Council's budget. The Scottish Government initially provided confirmed funding of £155m towards the 2023/24 pay deal; of this the Council have been allocated £2.596m. In September 2023 the Scottish Government identified a further £80m to fund an improved offer which sees some redistribution of underspends expected in Pupil Equity Funding and Employability, to be repaid in 2024/25 and future years. The mechanics of these have yet to be confirmed and are not all included in the budget: £720,000 is included as additional budgeted Revenue Grant with a further £600,000 currently estimated for the reprofiled elements. Further funding coming through the General Services capital grant for the pay award has also been indicated but amounts not yet confirmed; an approximated £374,000 is expected. Councils will also contribute an additional £10 million; a £170,000 budget pressure has been added to the Councils budget for this. The full pay offer was backdated to April 2023 with the first element of the pay award paid to staff in November and the additional element will be paid in January 2024. Estimated outturns have the full pay award built in. Any unfunded element will require to be funded from the Council's reserves in 2023/24. The Council have passed on an equivalent share of funding to Health & Social Care for their pay award.
- 5.2 £2.8m of Scottish Government funding has been allocated to Moray for the Teachers Pay Award, with an additional £800,000 included in inflation pot as part of the budget. The total increase in teaching staff budgets was over £4.8m, leaving an unfunded balance of £1.2m to come from Council reserves in 2023/24. The current agreement is up to August 2024 therefore there is a continued risk that pay awards agreed beyond that date will be higher than what is included in the base budget.
- 5.3 Budget pressures recognised when the budget was approved on 1 March 2023 are released when the pressure crystallises to the extent that it can be accurately quantified. Provisions to meet budget pressures and new duties are itemised in **APPENDIX 4**, detailing additional funding confirmed since the last quarter of £1,985,000 (excluding pay award funding) and also reflecting the adjustment for the budget pressures categorised red at quarter 2

monitoring which have been removed or reprofiled in the financial plan if delayed but still required. Budget pressures totalling £2,906,000 have been released in quarter 3.

- 5.4 Provisions still held centrally at the end of quarter 2 total £6,375,000 and are detailed in **APPENDIX 5** and given a RAG assessment for likelihood of requirement.
- 5.5 Fourteen provisions, totalling £3,654,000, are assessed as amber, being not yet taken and uncertain if required, or yet to be taken. Seven have had no draw down of budget this year to date but latest consultations with departments are that they are still likely to be required, with only School real time data uncertain of requirement of the £63,000 budgeted. The Levelling Up Fund balance of £177,000 may be drawn down as it has the potential to spend in full if approval of the application is confirmed. Confirmation is expected at the end of March so this may be required in 2024/25. The remaining seven classed as amber include free school meals with a balance of £127,000 available; and approximately £15,000 is required for holiday provision in the 2023/24 academic year. These along with the remaining budget pressure with balances will be reviewed as part of the 2024/25 budget setting process and it is intended that those with planned or committed spend will be put into earmarked reserves at year end, including those where the funding requirement follows the academic year i.e. Education Investment Fund, Additional Support Needs, Raising Attainment.
- 5.6 All other provisions are expected to be required in full at this juncture.

## **6. SAVINGS**

- 6.1 Savings and increased charges of £4,415,000 were approved when the budget was set on 1 March 2023. These savings comprised one-off savings of £775,000 and other permanent savings of £3,490,000. The increase in charges per the budget paper was £150,000.
- 6.2 In addition to the savings approved when the budget was set, additional savings/income of £1,480,000 were approved at Moray Council on 28 June 2023 (paragraph 13 of the minute refers), including an increase of £400,000 for Council tax receipts.
- 6.3 Savings and increased income posted against departmental budgets in quarter 3 are itemised on **APPENDIX 6**.
- 6.4 Savings approved in the Short to Medium Term Financial Plan report to Council on 25 October 2023 totalling £83,000 have also been actioned.
- 6.5 In addition to the budgeted savings, the following were also identified: increase in Nursery rental income was identified, savings from the mothballing of Crossroads Primary School, and the reinstatement of the leisure income back to pre-covid levels (ref para 4.4). An earlier budgeted amount for match funding is no longer required as funding has since been approved from the UK Governments Shared Prosperity Fund to projects in Moray. Finally, the saving from Corporate Committee's decision on 7 November 2023 to refuse the

application for a renewal of the rent rebate to Keith Golf Club, complete the adjustments in quarter 3.

- 6.6 Of the original approved savings, a balance of £1,182,000 remains in central provisions as at the end of June. These are detailed in **APPENDIX 6** and given a Red Amber Green (RAG) assessment for anticipated achievement. The figures reflect the adjustment for the savings categorised red at quarter 2 monitoring which have been removed or put back in the financial plan if delayed but still achievable.
- 6.7 Approved savings that are now not expected to go ahead, marked in red on the **APPENDIX 6**, total £120,000: income from hiring out Roads machinery and the salary sacrifice scheme for Electric Vehicle and Ultra Low Emission Vehicles, both still prospective savings but unlikely to be this year.
- 6.8 Savings classed as amber total £1,280,000; review of purchasing card £30,000, which will be across services to ensure that VAT receipts are submitted per financial regulations and therefore all input VAT reclaimed; £1,168,000 of a service concession in Education PPP payments; £20,000 saving from the relocation of staff from Auchernack which is reliant on the sale being completed early in 2024, although the majority of the saving is on rates. The remaining savings are tentative: Stream 4 review and expansion of flexible working £44,000; reduction in reinvestment costs in Children's Services of £18,000. Some of these may slip into next financial year.

## **7 ESTIMATED OUT-TURN**

- 7.1 **APPENDIX 2** summarises the estimated out-turn position for each service area, comparing the estimated expenditure with the budget to 31 March 2023.
- 7.2 Overall the estimated out-turn position for 2023/24 is expenditure over budget of £1,284,000 or 0.7% of budget for the year, including services delivered on behalf of the MIJB.
- 7.3 Material recurring pressures exist in operational budgets and these have been included in the projected out-turn position for each service area, and are discussed below. There are a number of high risk areas that could add further expenditure to the forecasts, and these need to be managed to reduce the one-off use of reserves needed to balance this year's budget.
- 7.4 **Moray Integration Joint Board (MIJB)**  
The forecast position for IJB delegated functions at quarter 2, which was reported to [the MIJB on 30 November 2023](#), is an overspend of £10,600,000 on core services. There are a number of overspends in the core services. In Learning Disability service, there are a number of high cost care packages and increasing demands for care, where people are living longer and more complex care needs resulting in a projected overspend of £3,500,000. In addition, the costs for mental health clients have increased by £410,000. The prescribing budget has been under significant pressure for the last few years and is forecasting an overspend of £3,500,000 to the end of this financial year. Older people and PSD services have been under pressure in care purchased by area teams and permanent care due to the ageing population

and increased care needs. The Home care service within the care services provided in-house has recruitment and retention issues and so any underspending in internal services increases the spend in external services. This pressure to the year end is £1,136,000. Out of Area placements for specific individuals for mental health, learning disability and acquired brain injury by the NHS has seen a significant rise in cases this financial year which is forecasting an overspend of £971,000. These pressures are being partially offset by underspends in the strategic funds and an element of reserves not required in 2023/24 giving a forecast deficit of £4,145,000. The partner providers are required to pick up this deficit and there is a cost sharing agreement in place, under which the Council will incur a 37% share of this deficit. The MIJB is currently working on the quarter 3 position, which will be reported to the 28 March 2024 committee, the provisional forecast has been reviewed and is showing an improved position of £3,024,000 overspend. The Council's share of this deficit will be £1,119,000. This is shown in **APPENDIX 2** as a separate adjustment to the projected overspend on social care services provided by the Council which is also reflected in the funding section; the outcome of this MIJB cost adjustment is to reduce the estimated use of covid reserves.

#### **7.5 Staffing and Income**

Staff savings from vacancies and appointments below top of scale across all services were anticipated to exceed the overall budget provision by £238,000 at quarter 2. Since the 2023/24 pay deal was agreed and incorporated into staffing budgets, the vacancy factor has also been increased in line with the pay award, as shown in APPENDIX 6. Income budgets across the Council are showing both positive and negative variances, with a projected net effect of £306,000 under achievement. Section 4 of this report outlined the current position against budgeted income within departments and many of these have forecast variances for the year, including: surplus income from leisure, Industrial Estates, street naming and numbering, licences for short term lets and other licensing fees, and recycling income. There is a shortfall in income for Libraries, car parking and public transport income, green waste and trade waste. Sale of lairs in Burial Grounds, planning and building control fees are also expected to remain below target. Some projected income recognised as savings when the budget was approved has not been achieved and the impact of this is reflected in savings held centrally.

#### **7.6 Education, Resources and Communities**

A forecast underspend of £368,000 due to over achievement of leisure income £137,000 and staff vacancies target £285,000. Offset against these are forecast overspends through loss of income in libraries £17,000, library licences £66,000 and PPP costs £22,000.

#### **7.7 Children's Services**

Children's Services is forecast to underspend by £425,000, due principally to a disabilities residential contract forecasting a variance of £264,000 Further underspends of £104,000 from the review of two contracts going out to tender, fostering fees and allowances underspend £215,000, throughcare/after care grants £34,000, adoption allowances and post-adoption support £41,000, one off income from adoption placement £71,000, vacancy target exceeded by £275,000 and other contract underspends of £21,000. This is reduced by

projected overspends in direct payments of £107,000, home to school transport £40,000 and legal fees and compensation of £484,000.

#### 7.8 **Education**

An underspend of £359,000 is forecast across the service area, due principally to staffing vacancies generating an overachievement of vacancy target by an expected £500,000, and underspends on energy costs £240,000, school sanitary products £27,000, clothing grants £5,000, disturbance mileage £8,000, and a review of the Speech and Language Therapy service £60,000, and training for Additional Support Needs £10,000. Overspends are anticipated on central supply £480,000, payments and insurance excess payments £58,000.

#### 7.9 **General Services Housing and Property Services**

General Services Housing and Property Services are projecting an overspend of £396,000. As mentioned earlier in this report (paragraph 4.11) there is an overspend in repairs and maintenance at school buildings and an income shortfall in Property fees recharges. The latter is due to reduced capital projects that are rechargeable for the service. The full year effect are overspends, including: school repairs and maintenance £150,000, Property fees shortfall £125,000, a staff vacancy target shortfall, and modular unit storage costs. Underspends include Improvement Grants for repairs of £30,000 and backdated Industrial Estate rental income £50,000.

#### 7.10 **Environmental Services**

An overspend of £352,000 is forecast for Environmental and Commercial Services, a reduction in the forecast overspend at last quarter, which is partly due to a revised forecast for staff vacancies. Overspends in Fleet Services are mainly as a result of inflationary cost pressures in transport costs including spare parts and maintenance costs, and the cost of external vehicle hires for user departments. Traffic and Transportation are projecting a £378,000 overspend, due to underachievement of income in car parks £75,000, Traffic Roads Construction Consent income £70,000 and Bus Revolution £110,000. Overspends on costs for upgrading the car park machines for revised prices introduced from 1 January 2024 totalled £20,000, electricity costs for EV charging points £50,000, structural survey for St Giles car park £13,000, home to school transport £50,000 and £20,000 due to additional transport requirements for Forres Academy pupils whilst RAAC remedial works are ongoing. Waste Management has various over and under budget projections totalling a net £35,000 underspend; underspends on recycling income £60,000, advertising £20,000, energy costs £20,000, and royalties (Dallachy) £20,000, gas extraction income £10,000 and landfill tax grant scheme £10, against under achievements on green waste income from green waste permits of £60,000 and trade waste income £65,000. The estimated outturn figures in **APPENDIX 2** include a forecast underspend of £118,000 for Building Cleaning and Catering. Parks and Open Space has a projected overspend of £107,000: £76,000 in Burial Grounds due to sale of lairs income budget unachieved; Open Spaces costs for additional vehicle hires and fuel £90,000, and War Memorial repairs and maintenance £13,000. The overspend would be larger but for the £87,000 underspend on headstone inspections and tree inspections that was approved as a one off funding from reserves budget this year and has not been implemented. Finally, the SEN grant of £200,000 in Consultancy is creating a variance but will be moved to

an earmarked reserve for capital or revenue spend in future years and so is not included in the estimated out-turn for the year.

**7.11 HR, ICT and Organisational Development**

HR, ICT and Organisational Development are forecasting a minimal variance, with an underspend on training offsetting software overspends, and an unachieved vacancy factor of £42,000.

**7.12 Financial Services**

Financial Services has a projected net underspend of £1,629,000. Within this are overspends in postages of £45,000 and software costs £35,000. Projected underspends are a forecast staff vacancy target surplus of £63,000 and Interest on Revenue Balances (IORB) exceeding budget by £1,646,000. This is a substantial increase in the IORB previously forecast due to a review of the average interest rates applied to revenue balances. Whilst this is a positive change within this service, the counterbalance is reflected by an increase in Loans charges, explained below in paragraph 8.16.

**7.13 Governance, Strategy and Performance**

Governance, Strategy and Performance have a net £168,000 underspend projected. Overspends on housing benefits of £100,000 and software costs; Benefits team £32,000 and the Contact Centre £10,000. Underspends include the multi function device contract payments £15,000 arising from the change over onto the new contract, but it is expected that as new devices are rolled out the lease payments will resume at budgeted levels. Other underspends are additional income from Licensing and Short Term Lets £80,000 plus other supplies and services budgets £10,000. Staff vacancy targets are projected over budget by £205,000.

**7.14 Other**

There are other overspends for additional pension and Strain on the Fund costs totalling £83,000.

**7.15 Loans Charges**

Loans charges budgets were increased this year by £2,000,000 as part of the budget setting process. At quarter 2 an underspend of £885,000 was forecast; this has since been revised to an overspend of £451,000 and is primarily coming from an increase in Interest On Revenue Balances (IORB) (ref 8.13), plus a small increase in forecast interest payable and expenses on external Council borrowing, the total of which are allocated in full across the Council's internal loans pool. The 7 day interest rates used in the calculation of the IORB have gradually increased from 4.2% in April 2023 to over 5% since August 2023 and is currently 5.17%. Forecasting with the rate to remain at this level, the average rate applied in the 2023/24 calculation is 4.9%; for comparison, the 2022/23 rate was 2.1%.

**7.16 Central Provisions**

Centrally held provisions have a negative variance to date of £2,773,000 which is expected to decrease to £2,008,000 by year end. The provision for Contingencies and Inflation are over budget due to the drawn down of pay award budgets which have now been applied to salary budgets. The draw down comes from the provision for Inflation whilst funding from the Scottish Government has been applied to the Scottish Government Grant budget. A

total budget of £8,391,000 was approved for Inflation, including contract inflation and pay awards, which allowed for a 3% pay award across Teaching and Non-Teaching staff. The total effect of the 2023/24 pay settlements was an increase to budgets of £10,896,000, excluding Health & Social Care where a proportional contribution of £1,072,000 was made from the grant funding received. Other inflationary increases expected and still to be applied to budgets are external audit fee increase, software indexation and apprenticeship levy. In total, £14,916,000 of inflation requirements are expected for this year. Grant funding to support the 2023/24 pay deal is estimated at £7,090,000, although some allocations are not yet confirmed. Together with the inflation budget, this leaves a small balance of contingency. These are reflected in the anticipated variance in the appendices.

- 7.17 Additional Costs of £271,000, including the remaining budget pressure requirements as discussed in section 5 are estimated to be drawn down by the end of the year. Those unused will be put to earmarked reserves at year end. This includes Whole Family Wellbeing Fund (WFWF) £545,000 where decisions on how the funds are spent are made by the Community Planning Partnership. Similarly, the balance of the one year budget for Education Investment £259,000, the additional ASN funding £1,235,000 (which are both being spent over the academic year) and Ukrainian resettlement funding £381,000 will be required for future use and will go to earmarked reserves at year end.
- 7.18 Savings outstanding were discussed in section 7 and the amber savings expected to be achieved this year have been included in the estimated outturn figure in **APPENDIX 2**. (Review of purchase card £30,000, Service concession £1,168,000 and Reduction in investment in Children's Services £18,000). If these are realised as anticipated there will be an overachievement of the revised budgeted savings of £34,000 in the year.

## 8 **RESERVES**

- 8.1 The balance on free general reserves (excluding DSM and ear-marked reserves) as of 1 April 2023 was £5,000,000. This is the minimum level of reserves that can be held on free general reserves in terms of the Council's reserves policy.
- 8.2 When the budget was set, use of £15,478,000 of Covid ear-marked reserves to balance the budget was approved. The report to Moray Council on 28 June 2023 for the Revenue out-turn variances approved an additional use of covid ear-marked reserves totalling £2,158,000 (paragraph 13 of the minute refers). The variance analysis adjustments also reflected a reduction in the use of reserves of £1,589,000 due to additional savings and income. Temporary and permanent budget pressures in Additional Support Needs (ASN) were reported to that same meeting and £1,800,000 was approved to be funded from this reserve. Further adjustments have also been approved in quarter 2 and taken into account on the appendix; additional funding for the Teacher's and non-teaching pay agreements has been announced, some confirmed while other allocations are expected. The pay award funding for both revenue and capital, streams is also reflected in the figures as these will reduce the requirement for use of reserves. **APPENDIX 7** itemises the movements on reserves approved during the year to date and gives the uncommitted balance

on the reserve of £14,496,000 at 31 December 2023. The quarter 3 position is that £10,782,000 of covid reserves are budgeted to be used in 2023/24 and £11,776,000 is currently estimated at this time. With the MIJB cost adjustment (paragraph 7.4) this would reduce the use of reserves by £1,119,000 to £10,657,000, £125,000 less than budgeted.

- 8.3 Uncommitted balances at 31 December 2023 for other ear-marked reserves are £3,791,000 for Transformation and £5,881,000 for Council priorities. There is also a reserve for the Moray Growth Deal with a free balance of £4,000,000 as at 31 December 2023; the £759,000 approved at budget setting is not required this year due to slippage in projects.

## **9 SUMMARY OF IMPLICATIONS**

- (a) Moray 2026: A Plan for the Future and Moray Corporate Plan**  
Effective budget management is an essential component of delivery of Council priorities on a sustainable basis.
- (b) Policy and Legal**  
No policy or legal implications arise directly from the contents of this report.
- (c) Financial implications**  
The financial implications are addressed throughout the report.
- (d) Risk Implications**  
There are no risk implications arising directly from this report. Budget managers are aware of their responsibilities for managing their budgets in accordance with the Council's Financial Regulations. There is a risk to the Council arising from the agreement that if the Moray Integrated Joint Board overspends the Council will meet 37% of the additional costs incurred and this risk is projected to materialise. Inflation continues to present a risk to the Council's budget.
- (e) Staffing Implications**  
No staffing implications arise directly from this report.
- (f) Property**  
No property implications arise directly from this report.
- (g) Equalities/Socio Economic Impact**  
No equalities implications arise directly from this report.
- (h) Climate Change and Biodiversity Impacts**  
No climate change and biodiversity impacts arise directly from this report.
- (i) Consultations**  
Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

## **10     CONCLUSION**

- 10.1       The financial position of the Council at the end of December 2023 is an overspend against General Services Revenue Budget of £1,742,000, including Health and Social Care services delivered on behalf of the Moray Integration Joint Board.**
- 10.2       Variations in General Revenue Grant totalling £5,897,000 have been notified to the Council.**
- 10.3       The estimated out-turn position is for an over spend of £1,497,000, but with additional funding the estimated use of Council reserves is £125,000 less than budgeted.**
- 10.4       The Council has estimated use of £10,657,000 from Covid ear-marked reserves in 2023/24.**

Author of Report:     Susan Souter, Senior Accountant  
Background Papers:   Held by author  
Ref:                    SPMAN-1293228629-1032

# MORAY COUNCIL - APPENDIX 1

## BUDGET MONITORING REPORT

QUARTER 3 to 31 DECEMBER 2023

Service	Revised Budget 2023/24 £000s	Budget to 30 Dec 2023 £000s	Actual & Committed to 31 Dec 2023 £000s	Year to date variance £000s
Education, Resources & Community	14,783	11,279	11,229	50
Childrens Services	19,663	13,940	13,824	116
Education	102,138	73,244	72,602	642
General Services Housing & Property	5,533	3,424	3,231	193
Environmental & Commercial Services	30,062	20,869	21,158	(289)
Economic Growth & Development Services	4,433	3,875	4,085	(210)
HR, ICT & Organisational Development	6,456	5,387	5,335	52
Financial Services	2,116	2,083	2,034	49
Governance, Strategy & Performance	6,669	5,788	5,793	(5)
Other Services	2,746	2,142	2,170	(28)
<b>SERVICES excl HEALTH &amp; SOCIAL CARE</b>	<b>194,599</b>	<b>142,031</b>	<b>141,461</b>	<b>570</b>
Health & Social Care (IJB)	61,475	42,995	45,308	(2,313)
Health & Social Care (Non IJB)	104	77	76	1
<b>TOTAL SERVICES incl HEALTH &amp; SOCIAL CARE</b>	<b>256,178</b>	<b>185,103</b>	<b>186,845</b>	<b>(1,742)</b>
<b>Loans Charges</b>	<b>16,407</b>	<b>0</b>	<b>0</b>	<b>0</b>
Provision for Contingencies and Inflation	(5,689)	0	0	0
Additional Costs	4,098	0	0	0
Unallocated Savings	(1,182)	0	0	0
<b>TOTAL PROVISIONS</b>	<b>(2,773)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>269,812</b>	<b>185,103</b>	<b>186,845</b>	<b>(1,742)</b>

### Commentary on Quarter 3 Performance

Overall the budget position at 31 December 2023 is expenditure over budget to date of £1.7m, or 0.9%, which includes services delivered on behalf of the Moray Integration Joint Board (MIJB).

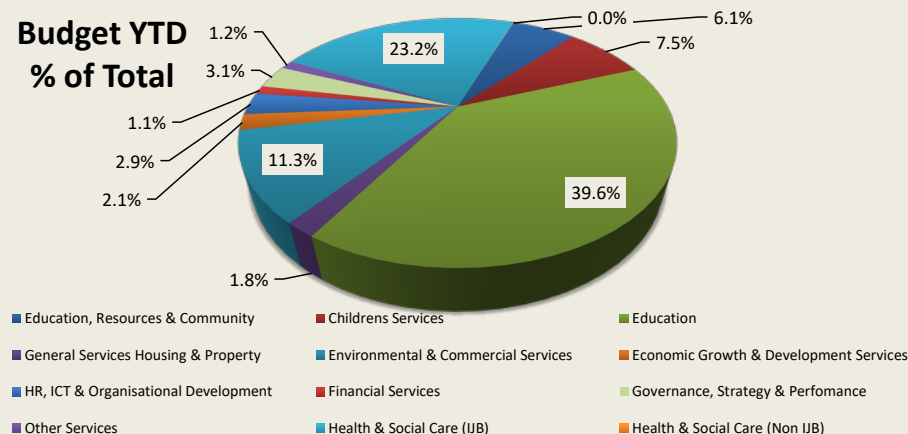
**Childrens Services:** Underspend on a contract for residential care for children with disabilities, out of area placements, and adoption/fostering fees. Within Area Teams, direct payments and home to school transport are over budget.

**Education:** Devolved School budgets are underspent by £818k at the end of the third quarter; £281k in Primary schools and £537k in Secondary schools. Non-devolved budgets are under budget by £88k and £47k respectively.

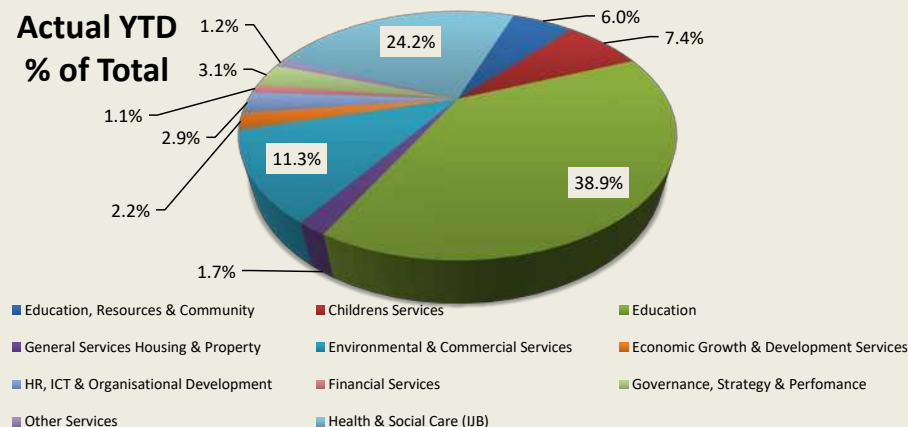
**Environmental & Commercial Services:** There is a net overspend of £289k to date across the services. The main issues include overspends on school transportation, vehicle running costs and winter maintenance, combined with a shortfall in incomes. Underspends in Waste due to the Energy from Waste plant costs offset by underspends on Landfill Tax.

**Economic Growth and Development Services** have a net overspend due to a shortfall in Building Control and Planning fees income.

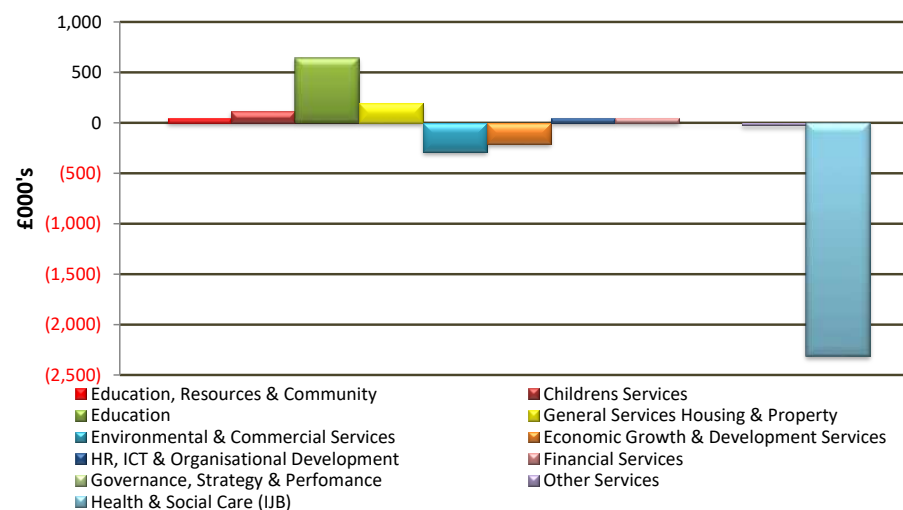
### Budget YTD % of Total



### Actual YTD % of Total



### YTD Actual Variance to Budget (excl Loans & Provisions)





**MORAY COUNCIL - APPENDIX 2**  
**BUDGET MONITORING REPORT**  
**QUARTER 3 to 31 DECEMBER 2023**

Service	Revised Budget 2023/24 £000s	Estimated Outturn 2023 £000s	Anticipated Variance £000s	Variance vs Base Budget %
Education, Resources & Community	14,783	14,415	368	2.5%
Childrens Services	19,663	19,238	425	2.2%
Education	102,138	101,779	359	0.4%
General Services Housing & Property	5,533	5,929	(396)	(7.2)%
Environmental & Commercial Services	30,062	30,201	(139)	(0.5)%
Economic Growth & Development Services	4,433	4,475	(42)	(0.9)%
HR, ICT & Organisational Development	6,456	6,453	3	0.0%
Financial Services	2,116	487	1,629	77.0%
Governance, Strategy & Performance	6,669	6,501	168	2.5%
Other Services	2,746	2,829	(83)	(3.0)%
<b>SERVICES excl HEALTH &amp; SOCIAL CARE</b>	<b>194,599</b>	<b>192,307</b>	<b>2,292</b>	<b>1.2%</b>
Health & Social Care (IJB)	61,475	65,792	(4,317)	(7.0)%
Health & Social Care (Non IJB)	104	102	2	1.9%
Adjustment to reflect cost sharing agreement	0	(3,198)	3,198	-
<b>TOTAL SERVICES incl HEALTH &amp; SOCIAL CARE</b>	<b>256,178</b>	<b>255,003</b>	<b>1,175</b>	<b>0.5%</b>
<b>Loans Charges</b>	<b>16,407</b>	<b>16,858</b>	<b>(451)</b>	<b>(2.7)%</b>
Provision for Contingencies and Inflation	(5,689)	180	(5,869)	103.2%
Additional Costs	4,098	271	3,827	93.4%
Unallocated Savings	(1,182)	(1,216)	34	(2.9)%
<b>TOTAL PROVISIONS</b>	<b>(2,773)</b>	<b>(765)</b>	<b>(2,008)</b>	<b>72%</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>269,812</b>	<b>271,096</b>	<b>(1,284)</b>	<b>-0.5%</b>
<b>Funded By:</b>				
Scottish Government Grant	204,228	204,228	0	0.0%
Pay Award Funding via Capital Grant	0	2381	(2,381)	0.0%
Council Tax	49,974	49,974	0	0.0%
Funded From Reserves:				
DSM c/f	1,646	1,646	0	0.0%
Transformation	1,081	1,081	0	0.0%
General/earmarked	1,342	1,342	0	0.0%
Covid	10,782	11,563	(781)	(7.2)%
MIJB Cost Adjustment	0	(1,119)	1,119	0.0%
MGD Cash Flow	759	0	759	100.0%
<b>TOTAL FUNDING</b>	<b>269,812</b>	<b>271,096</b>	<b>(1,284)</b>	<b>(0.5)%</b>
<b>OVERALL VARIANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	

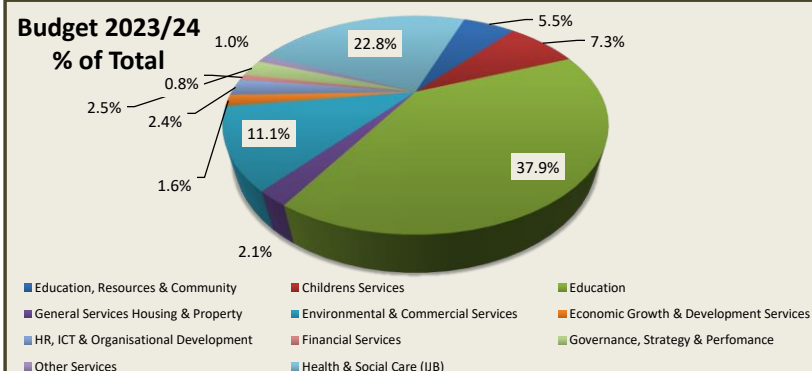
**Commentary on Quarter 3 Performance**

**Childrens Services:** projected underspend from review of contracts going out to tender, the disabilities residential contract, fostering fees and allowances underspend and one off income from adoption placement. Overspends in direct payments and home to school transport.

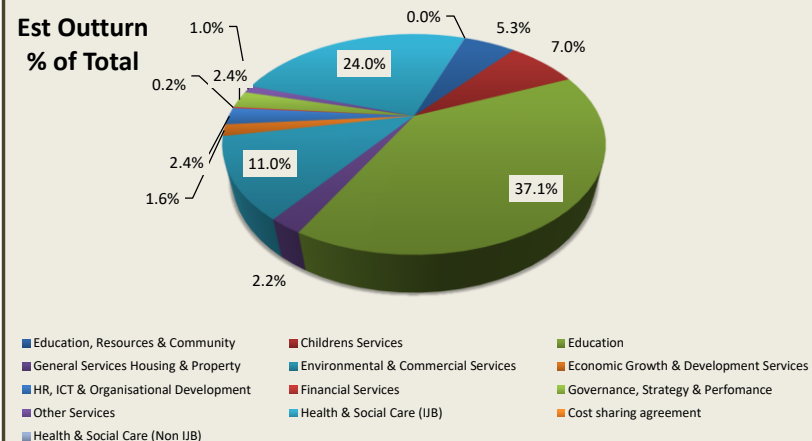
**General Services Housing & Property:** overspend estimated on school repairs and maintenance combined with a property fees recharge shortfall.

**Financial Services:** a projected underspend is forecast. Within this are overspends in postages and software costs. A large underspend on the budgeted Interest on revenue balances due to an increase in average rate applied to balances. This positive variance is counterbalanced by an increase in Loans charges.

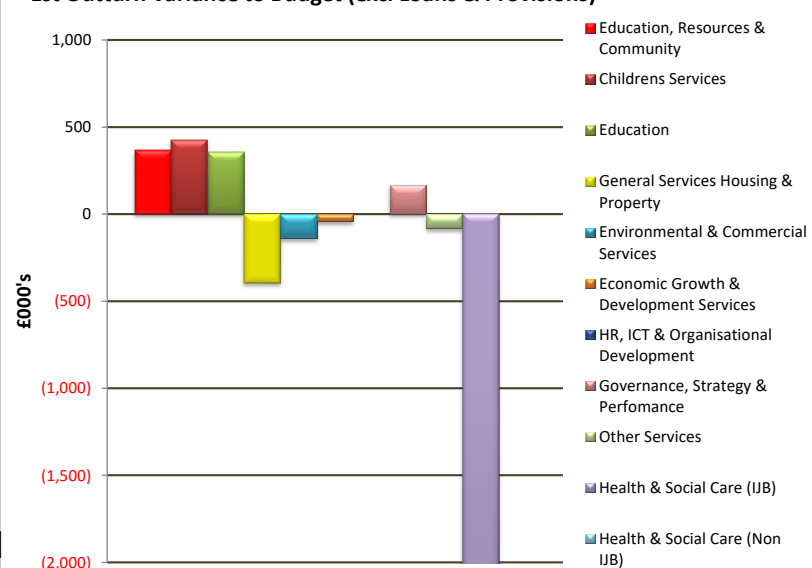
**Budget 2023/24**  
**% of Total**



**Est Outturn**  
**% of Total**



**Est Outturn Variance to Budget (excl Loans & Provisions)**





	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>1 March 2023</b>	231,397	4,182	15,269	(4,415)	246,433	14,407		260,840
School carry forwards	853				853			853
PEF carry forwards	757				757			757
ELC carry forwards	36				36			36
Funded from reserves - approved MC 28/06/23	2,158				2,158			2,158
Funded from Transformation Earmarked Reserve	76				76			76
Funded from Covid Earmarked Reserves	128				128			128
<b>Adjustment 1</b>	6,850	(5,908)	(3,013)	2,071	0			0
<b>Adjustment 2 - move inflation pot</b>	-	5,098	(5,098)		0			0
<b>Corporate Committee 29/8/23</b>	<u>242,255</u>	<u>3,372</u>	<u>7,158</u>	<u>(2,344)</u>	<u>250,441</u>	<u>14,407</u>	<u>0</u>	<u>264,848</u>
Funded from Covid Earmarked Reserves	421				421			421
Funded from Other Earmarked Reserves	639				639			639
Additional GRG	0		2,873		2,873			2,873
<b>Adjustment 3</b>	4,933	(1,470)	(5,928)	465	(2,000)	2,000		0
<b>Moray Council 6/12/23</b>	<u>248,248</u>	<u>1,902</u>	<u>4,103</u>	<u>(1,879)</u>	<u>252,374</u>	<u>16,407</u>	<u>0</u>	<u>268,781</u>
Additional GRG:								
Redeterminations - Pay Awards	3,912				3,912			3,912
Redeterminations - Other	0		1,985		1,985			1,985
Funded from Transformation Earmarked Reserve	(608)				(608)			-608
Funded from Covid Earmarked Reserves	(4,258)				(4,258)			(4,258)
<b>Adjustment 4 - Reduce/remove red Category (MC 6/12/23)</b>	301		(1,060)	759	0			0
<b>Adjustment 5 - Additional costs/savings identified</b>	326		1,976	(2,302)	0			0
<b>Adjustment 6 - Drawn down in the quarter</b>	8,257	(7,591)	(2,906)	2,240	0			0
<b>Moray Council 28/2/24</b>	<u>256,178</u>	<u>(5,689)</u>	<u>4,098</u>	<u>(1,182)</u>	<u>253,405</u>	<u>16,407</u>	<u>0</u>	<u>269,812</u>



## ALLOCATIONS FROM PROVISIONS SINCE 30 SEPTEMBER 2023

Provision for Contingencies and Inflation	Committee reference	£000s	£000s
Balance at 30 September 2023			1,902
Pay Awards - SJC		(7,124)	
Contract Inflation		(29)	
Fostering Allowances		(60)	
Insurance increase		(137)	
Other - Gritting Salt increase		(165)	
Other inflationary increases		(5)	
Education DSM Adjustment		27	
Contingency adjustments		(98)	
		(7,591)	
<b>Balance at 31 December 2023</b>			<b>(5,689)</b>
<b>Additional Costs</b>		<b>£000s</b>	<b>£000s</b>
Balance at 30 September 2023			4,103
<b>Movements in General Revenue Grant</b>			
<b>Additional funding</b>			
Scottish Recommended Allowance - Kinship and Foster Carers		262	
Ukrainian Resettlement (share of £3.2m)		50	
Temporary Accommodation - per t/c 8/23		29	
Educational Psychologists - per t/c 8/23		9	
Teacher Induction Scheme		1,635	
			1,985
<b>Additional Budget Pressures approved since budget set</b>			
Additional Support Needs (ASN)	MC 28/6/23	1,800	
Additional Waste crew - increased routes	MC 6/12/23	136	
HR post - no compulsory redundancies budget pressure	MC 6/12/23	40	
			1,976
<b>Reduce/remove Red Category Budget Pressures</b>	MC 6/12/23	(1,060)	
			(1,060)
<b>Budget pressures drawn down in quarter 3</b>			
Teaching - PT Raising Attainment & Flexible Learning		(41)	
School Roll - increased Transport costs		(50)	
School Roll adjustments		(251)	
Free School Meal expansion		(78)	
DSM class contact time review		(9)	
Schools - Education Investment Fund		(44)	
Additional Support Needs (ASN)		(496)	
Development Plan Scheme - transportation appraisals		(100)	
Additional Waste crew - increased routes		(136)	
HR post		(42)	
			(1,247)
<b>Budget Pressures Funded from Transformation ear marked reserves</b>			
Raising Attainment		(8)	
			(8)
<b>Service Developments</b>			
Youth Work (Buckie & Forres)		(56)	
			(56)
<b>Additional funding allocated</b>			
Scottish Recommended Allowance - Kinship and Foster Carers		(155)	
NQT funding to March 2024		(1,440)	
			(1,595)
<b>Balance at 31 December 2023</b>			<b>4,098</b>
<b>Savings &amp; Charges</b>		<b>£000s</b>	<b>£000s</b>
Balance at 30 September 2023			(1,879)
<b>Additional Savings/income identified since budget set</b>		(2,302)	
			(2,302)
<b>Reduce/remove Red Category Savings</b>	MC 6/12/23	759	
			759
<b>Permanent savings approved when budget set:</b>			
Harbours commercial income		336	
Transportation and Consultancy recharges		142	
Property Services admin		26	
Increase vacancy factor in line with pay awards:		309	
3 weekly recycling collection		136	
<b>Temporary savings approved when budget set:</b>			
Grampian Valuation Joint Board - Refund of 2022/23 surplus		46	
Dallachy spare capacity income		200	
<b>Savings identified after budget set:</b>			
D1-2 School Catering Budget		150	
Catering - Dynamic Pricing		6	
Homelessness - discount for block purchased temp accom	Special MC	10	
Homelessness - Allocate further 5 flats for homeless accom	Special MC	5	
Property - commercial approach to rent reviews	Special MC	50	
Customer Service - printer contract	Special MC	12	
Improvement & Modernisation Proq) Care placements	ECLS 26/01/22	245	
Travel and Subsistence recurring savings (Smarter Working)	MC 28.6.23	50	
Increase in Nursery Rental Income		8	
Crossroads PS - Mothballing		122	
Reverse Covid reduction in Leisure Income		300	
Match funding no longer required Building Financial resilience to shared prosperity fund		82	
Remove rent rebate to Keith Golf Club	Corporate 7/11/23	5	
			2,240
<b>Balance at 31 December 2023</b>			<b>(1,82)</b>



## BUDGET PRESSURES

Description	Approved Amount	Adjusted Amount	Drawn Down	Balance	Status	Qtr 3 reason for balance
RECOGNISED WHEN BUDGET SET	£000	£000	£000	£000		
<b>Social Work</b>						
<b>Education Resources &amp; Communities</b>						
School Transport - Additional ASN Costs	66	66	66	0		
Free schools meals expansion April - August	293	293	166	127		Approx £15k required for holiday provision Feb mid term & exams
Free School Meals holiday provision	80	80	80	0		
DSM / class contact time review	18	9	9	0		Employee finished position early.
Libraries loss of income from Passport checking service no longer available	26	26	26	0		
<b>Education</b>						
Additional Teachers	285	285	285	0		
School roll numbers	700	344	344	0		
ELC specific grant	190	190	190	0		
5% increase in sustainable rate ELC partner providers	395	395	395	0		
* Education Investment Fund - short term funding	500	500	241	259		No further funding required this year but will need April - August next year.
	0	1,800	565	1,235		Should not require any further funding this year but will need April - August next year.
Additional Support Needs (ASN)						

<b>Economic Growth &amp; Development</b>						
MGD revenue contribution STEM	3	3	3	0		
Bus Revolution revenue	20	20	20	0		
Development Plan Scheme - transportation appraisals	100	100	100	0		
Economic Recovery Plan	53	0	0	0		
Renewables Income Fund	5	0	0	0		
<b>Environmental &amp; Commercial</b>						
Leachate - ongoing budget pressure	77	77	77	0		
Mid Term Loadline Survey - Dredger	30	30	30	0		
Fuel Costs - Waste	127	127	127	0		
Brown bin permits	34	34	34	0		
Deposit Return Scheme	30	0	0	0		
* Road Safety matters	50	50	50	0		
Additional Waste Crew	0	136	136	0		
<b>HR, ICT &amp; Organisational Development</b>						
HR post - no compulsory redundancies Budget Pressure	0	40	42	(2)		
<b>Governance etc</b>						
Reduced admin funding from DWP for Housing Benefits	7	7	7	0		
* Amount for each Ward (£15k) to address minor works/concerns	120	120	120	0		
<b>Housing &amp; Property Services</b>						
Homeless - higher costs of providing and maintaining temporary accommodation for increased levels of homeless presentations	220	220	220	0		
<b>Financial Services</b>						
Procurement (additional 0.5FTE Procurement Officer)	28	28	29	(1)		
<b>Other</b>						
* Donation to assist local effort for relief of suffering in Turkey/Syria	5	5	0	5		Budget to be drawn down
* Donation to Moray Foodbank (in addition to 22/23 donation)	20	20	20	0		

<b>Cross Service</b>						
Reinstatement of the Employee Assistance Programme	15	15	15	0		
NDR revaluation	400	400	364	36		Not all NDR accounts settled - there are disabled reliefs to be reapplied. Difficult to estimate requirement until all of that is resolved and bills paid but right now suggest remainder of the budget will be required £36k.
TU Provision	11	0	0	0		Extra TU may now be required for costs charged to HR.
Increase in Loans Charges	2,000	2,000	2,000	0		
Removal of Statutory Mitigation for Flexi/TOIL	0	0	173	(173)		
<u>Funding for MIJB</u>						
H&SC £100M RLW funding	1,882	1,882	1,882	0		
H&SC PNC funding	328	328	328	0		
<b>Total</b>	<b>8,118</b>	<b>9,630</b>	<b>8,144</b>	<b>1,486</b>		
<b>Funded from Transformation Earmarked Reserves</b>						
Revised IMP	1,302	706	714	(8)		Funding will be required for April to August next financial year.
Raising Attainment - TCH						
Raising Attainment - SJC	0	0	90	(90)		as above
<b>Total</b>	<b>1,302</b>	<b>706</b>	<b>804</b>	<b>(98)</b>		

<b>FUNDING FOR NEW DUTIES</b>						
FSM Expansion	1,204	1,204	0	1,204		
Whole Family Wellbeing Fund (WFWF)	545	545	0	545		Unspent will be put to an earmarked reserve at y/e along with last years £546k.
Empty Property Relief	508	508	508	0		
<b>Redeterminations</b>						
Summer Holiday activities funding	68	68	68	0		
Employability Staffing Costs 23-24	264	264	264	0		
Ukrainian Resettlement £30m funding allocation	331	331	0	331		Unspent will be put in earmarked reserve at y/e
Ukrainian Resettlement addl £3.2m funding allocation	50	50	0	50		As above
Kinship & Foster Carers SRA funding	262	262	155	107		
Self Directed Support Transformation funding - per f/c 8/23	6	6	0	6		
Climate Intelligence Service - per f/c 8/23	-6	-6	0	(6)		
Temporary Accommodation - per f/c 8/23	29	29	0	29		
Educational Psychologists	9	9	0	9		
NQT Funding to March 2024	0	1,635	1,440	195		
<b>SERVICE DEVELOPMENTS</b>						
Levelling Up Fund	221	221	44	177		Potential to spend in full if Levelling up Round 3 application is to be submitted
School real time data	63	63	0	63		This will not be spent this year
Youth work (Buckie and Forres)	120	120	120	0		Unspent will be put in earmarked reserve at y/e
Roads patching - one year only	300	300	300	0		
<b>Total</b>	<b>3,974</b>	<b>5,609</b>	<b>2,899</b>	<b>2,710</b>		
<b>Grand Total</b>	<b>13,394</b>	<b>15,945</b>	<b>11,847</b>	<b>4,098</b>		

\* One year funding

## SAVINGS

Description	Approved Amount	Adjusted Amount	Achieved	Balance	Status	Committee reference	Qtr 3 Reason for balance	Savings likely to be achieved? (Y or N)
	£000	£000	£000	£000				
<b>Approved when 2023/24 budget set:</b>								
Salt store (Keith depot)	(35)	0	0	0				
Roads maintenance - hire out machinery	(100)	(100)	0	(100)			Saving moved to 24/25	N
EV / ULE salary sacrifice	(20)	(20)	0	(20)			Saving moved to 24/25	N
<b>Financial Services</b>								
Financial service restructuring	(16)	0	0	0				
Review of purchasing card	(30)	(30)	0	(30)			Cross Service saving	Y
Empty Property Relief	(44)	(44)	(44)	0				
<b>Environmental &amp; Commercial Services</b>								
3 weekly recycling collection	(136)	(136)	(136)	0				
Temp Bus Stop Charges	(2)	0	0	0				
Harbours commercial income	(336)	(336)	(336)	0				
TRO charges	(16)	(16)	(16)	0				
Transportation and Consultancy recharges	(142)	(142)	(142)	0				
<b>Economic Growth and Development</b>								
Statutory fees for planning applications	(110)	(110)	(110)	0				
Local Housing Energy Efficiency Strategy (LHEES)	(50)	(50)	(50)	0				
<b>Housing &amp; Property Services</b>								
Closure of Quarryhill	(28)	(28)	(28)	0				
Cessation contract SACRO	(150)	(150)	(142)	(8)				
Property Services admin	(26)	(26)	(26)	0				
Homelessness service charges	(230)	(230)	(230)	0				
<b>Integrated Children's Services</b>								
Children's Services - adoption, temp HoS	(54)	(54)	(54)	0				

<b>Schools</b>							
Service concession	(1,168)	(1,168)	0	(1,168)			Y
<b>Education Resources and Communities</b>							
Relocate staff from Auchernack plus Forres Community Centre staff restructure	(20)	(20)	0	(20)		Saving moved to 24/25	N
ASN contracts: Home Tuition, Call Scotland, SAL	(60)	(60)	(60)	0			
Area Forums	(4)	(4)	(4)	0			
<b>Corporate/Cross service</b>							
Charges review - See Charges Tab			0				
Increase vacancy factor in line with pay awards	(225)	(225)	(326)	101		Saving exceeded budget	
<b>Governance, Strategy &amp; Performance</b>							
<b>Improvement &amp; Modernisation Programme:</b>							
Stream 2: ICT & Digital - Schools Admin	(56)	0	0	0			
Stream 4: Review & Expansion of Flexible Working	(44)	(44)	0	(44)		To be allocated	Y
Care placements	(245)	(245)	(245)	0			
Reduction in reinvestment costs	(18)	(18)	0	(18)			
LEAN review	(125)	0	0	0			
Customer Services CMP	0	(108)	(108)	0		Corp 25/4/23	
<b>Temporary Savings</b>							
<b>Corporate</b>							
Grampian Valuation Joint Board - Refund	(50)	(50)	(46)	(4)		MC 8/3/23	
<b>Direct Services</b>							
Dallachy spare capacity - income	(725)	(200)	(200)	0		MC 8/3/23	
<b>Income from Charges</b>	(150)	(150)	(136)	(14)		MC 8/3/23	
<b>Income approved since budget set</b>							
Planning fees & Building Warrant income	0	(45)	(45)	0			
Elgin Car Parking Review (wef 1/1/24)	0	(103)	(103)	0		MC 27/9/23	

<b>Savings approved since budget set:</b>							
IORB	0	(715)	(715)	0		MC 28/6/23	
Development Services - Software Licences	0	(11)	(11)	0		MC 28/6/23	
Members Allowances/Expenses	0	(20)	(20)	0		MC 28/6/23	
HR - Professional fees	0	(10)	(10)	0		MC 28/6/23	
Increase in recharges to CapitalHRA	0	(105)	(105)	0		MC 28/6/23	
Income	0	(219)	(219)	0		MC 28/6/23	
Janitorial Restructure	0	0	(2)	2			
Savings on expenses - template F6-8	0	(29)	(29)	0		MC 28/6/23	
CPD Manager per savings template - taken early	0	(5)	(5)	0			
Scottish Water commission uplift 23/24	0	(50)	(50)	0			
Increase in Nursery Rental Income	0	(8)	(8)	0			
Crossroads PS - Mothballing	0	(122)	(122)	0			
Reverse Covid reduction in Leisure Income	0	(300)	(300)	0			
Match funding no longer required Building Financi	0	0	(83)	83			
Remove rent rebate to Keith Golf Club	0	0	(5)	5			
EfW reduced gate fee (Electricity generation)	0	(150)	(150)	0		MC 28/6/23	
D1-2 School Catering Budget	0	(150)	(150)	0			
Catering - Dynamic Pricing	0	(6)	(6)	0			
Homelessness temp accom charges	0	(20)	(20)	0		Hsg & Comm Safety 12/9/23	
Homelessness - discount for block purchased tem	0	(10)	(10)	0			
Homelessness - Allocate further 5 flats for homele	0	(5)	(5)	0			
Property - commercial approach to rent reviews	0	(50)	(50)	0			
Travel and Subsistence recurring savings - Smart	0	(50)	(50)	0			
Customer Service - printer contract	0	(12)	(12)	0			
LHEES saving	0	0	(53)	53		MC 8/3/23	
Total Approved when budget set	(4,380)	(3,656)	(2,331)	(1,325)			
Total Approved since budget set		(2,303)	(2,446)	143			
Balance at Qtr 3				(1,182)			



## APPENDIX 7

<b>General Reserves</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
General Reserves @ 1 April 2023		5,000	
Free balance @ 31 Dec 2023		5,000	
<b>Transformation Ear marked Reserve</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
Balance @ 1 April 2023		5,480	
Funding from reserves approved in 2023/24:			
Poverty	MC 15/09/21	(66)	
Raising Attainment	MC 15/09/21	(1,547)	(796)
Smarter Working	MC 02/02/23	(76)	(76)
		<u>(1,689)</u>	<u>(872)</u>
Free balance @ 31 Dec 2023		<b>3,791</b>	
<b>Covid Ear marked Reserve</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
Balance @ 1 April 2023		22,897	
Less commitments against reserves when budget was set		(15,478)	
<b>Adjustments Qtr 1:</b>			
<u>Increase use of reserve</u>		(4,249)	
<u>Decrease use of reserve</u>		<u>1,852</u>	
		<u>(2,397)</u>	
<b>Adjustments Qtr 2:</b>			
<u>Increase use of reserve</u>		(222)	
<u>Decrease use of reserve</u>		<u>2,337</u>	
		<u>2,115</u>	
<b>Adjustments Qtr 3:</b>			
<u>Increase use of reserve:</u>			
Qtr 2 monitoring adjust for Red category Savings	MC 25/10/23	(822)	
Additional Budget Pressure - HR Post	MC 25/10/23	(40)	
Adj budget pressure for school rolls transport costs		(50)	
<u>Decrease use of reserve:</u>			
Variance Analysis additional savings	MC 28/6/23	1,080	
Increase Savings - Planning income	MC 28/6/23	45	
Additional Savings SMTFP	MC 28/6/23	79	

Energy from Waste reduced gate fee	MC 28/6/23	150
SMTFP Savings	MC 25/10/23	83
Savings Quarter 2 revenue monitoring	MC 6/12/23	635
Homelessness service charges - part year		20
Qtr 2 remove Red BPs	MC 6/12/23	378
Stream 2 - Customer Services CMP saving		108
SNCT pay agreement addl funding		596
SJC pay agreement addl funding - confirmed		3,316
		<hr/> 5,578

Approved use of reserves		<hr/> (10,782)
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### **Other Adjustments**

#### Decrease use of reserve:

Capital element of pay award 22-24		2,381
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Free balance @ 31 Dec 2023		<b>14,496</b>
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<b>Council Priorities ear marked Reserve</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
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Balance @ 1 April 2023		5,881	
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Free balance @ 31 Dec 2023		<b>5,881</b>	
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<b>Moray Growth Deal CF Reserve</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
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Balance @ 1 April 2023		4,000	
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Less commitments against reserves when budget was set:

MGD Cash Flow	MC 01/03/23	-	
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Free balance @ 31 Dec 2023		<b>4,000</b>	
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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: CAPITAL PLAN 2023/24**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT and FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To advise the Committee of capital expenditure to 31 December 2023 and of updated estimates of projected expenditure under the capital plan for 2023/24 profiled into quarters.
- 1.2 This report is submitted to Committee in terms of Section III (B) 9 of the Council's Administrative Scheme relating to monitoring progress of projects in the approved capital plan including any revisions to the price or phasing on a quarterly basis.

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee:**

- (i) **Considers and notes expenditure to 31 December 2023 of £15,841,000, which is £6 million less than estimated in detail at the end of quarter 2;**
- (ii) **Considers and notes the current projected expenditure of £25,178,000 for 2023/24, as set out in APPENDIX 1 in detail and as adjusted at top level in paragraph 7.1 below;**
- (iii) **Considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2; and**
- (iv) **Approves amendments to the 2023/24 and 2024/25 capital plan as detailed in section 6.1 of this report.**

**3. BACKGROUND**

- 3.1 The capital plan for 2023/24 totalling £59,186,000 was approved by Moray Council on 1 March 2023 (paragraph 4 of the Minute refers). Amendments approved by the Council at its meetings on 8 March 2023 (paragraph 7 of the Minute refers), 28 June 2023 (paragraph 8 of the minute refers) and

6 December 2023 (paragraph x of the Minute refers), and at Corporate Committee on 28 August 2023 (paragraph 7 of the minute refers) have been implemented. The budgets for Moray Growth Deal (MGD) projects have been adjusted to reflect change requests approved by Scottish and UK Governments and Full Business Case (FBC) submissions, with a further adjustment to reflect delays in FBC submission as approved by MGD Programme Board. The result of these amendments is a total capital plan for 2023/24 of £40,943,000.

- 3.2 As some sizeable projects span more than one financial year, this report includes a separate **APPENDIX 2**, giving details of expenditure on such projects in order to give a complete financial overview of these major projects.

#### **4 CAPITAL PLAN 2023/24**

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 31 December 2023 of £15,841,000. This is just under 40% of the currently approved Capital Plan. General Capital Grant of £9,555,000 has been received from the Scottish Government. Other grants and contributions of £868,000 have also been received, of which £203,000 is to support Moray Growth Deal. Capital receipts of £826,000 for the sale of land and buildings and vehicles have been generated during 2023/24 to date. The Council previously took advantage of flexibilities allowed by the Scottish Government that allowed the Council to use capital receipts to fund spend on Transformation projects. This flexibility ended in 2022/23 and unused receipts of £4,331,000 were transferred to the Useable Capital Receipts Reserve and will be used in 2023/24 to fund capital expenditure. In addition to this, Developer Contributions of £603,000 have been received in this financial year to date. Developer contributions of £124,000 are planned to be used in 2023/24.
- 4.2 Expenditure on land and buildings to 31 December 2023 totals £5,394,000. The main items of expenditure are £1,281,000 on the schools BB programme, including £368,000 on RAAC remediation at Forres Academy and £1,439,000 on the NESS Energy from Waste plant.
- 4.3 Expenditure on infrastructure assets to 31 December 2023 totals £7,136,000. The main items of expenditure were £3,089,000 on road improvements and £1,295,000 on various harbours projects.
- 4.4 Expenditure on vehicles, plant and equipment to 31 December 2023 totals £2,592,000. The main item of expenditure was £1,987,000 on the Vehicle and Plant Replacement Programme.

#### **5 PROJECTED OUTTURN**

- 5.1 Projects are graded for confidence of achieving projected expenditure with high confidence rated as green, medium confidence as amber and low confidence as red. This RAG rating is used as the basis of a high-level adjustment of the detailed out-turn projections in **APPENDIX 1**. A summary of the ratings is given in the table below.

<b>Risk Status</b>	<b>RAG</b>	<b>No of Projects</b>	<b>Budgeted Expenditure 2023/24 £000</b>
High confidence of spend to estimate	G	104	60,363
Medium confidence of spend to estimate	A	4	5,686
		<b>116</b>	<b>66,049</b>

## 5.2 Red rating

A red status highlights areas where there is low level of confidence in estimated expenditure. At this late stage in the year there are no projects rated as having low confidence in estimated expenditure.

## 5.3 Amber rating

An amber rating of confidence to spend budget highlights areas where there are issues impacting on the ability to project spend – generally indicating factors outwith the budget manager's control. The following have been identified by budget managers as having an amber status:

<b>Project</b>	<b>Para.</b>	<b>Capital Plan 2023/24 £000s</b>	<b>Projected Expenditure 2023/24 £000s</b>
<b>Land and Buildings</b>			
NESS Energy for Waste Plant	5.6	5,304	5,304
ELC - Portgordon	5.7	110	110
<b>Infrastructure</b>			
Bridges (1 projects)	5.7	38	38
<b>Vehicles, Plant and Equipment</b>			
Children's Play Area Equipment	5.8	234	262
<b>TOTAL</b>		<b>5,686</b>	<b>5,714</b>

- 5.6 Spend on the Council's share of the costs of the construction phase of the NESS Energy for Waste Plant is dependent on the contractors achieving agreed milestones which trigger payments and may be subject to change. This is the last year of construction and the plant is now operational. However, under the terms of the agreement the primary supplier is permitted to claim for exceptional costs associated with a delay outwith their control. The Project Board, representing the Local Authorities' interests, is in commercial negotiations as to the value of this claim. Until these negotiations progress to a later stage it is not possible to quantify any liability.
- 5.7 Work required at the Early Learning and Childcare (ELC) facility at Portgordon by the Care Inspectorate were put on hold until the final accounts were received for the ELC facility at Aberlour, to determine affordability. . Final accounts have now been agreed and the Portgordon works will be carried out in 2024/25, at an estimated cost of £50,000. Carry forward will be requested. The final underspend in 2023/24 remains uncertain until Property Services fees for quarters 3 and 4 are charged.

- 5.8 Expenditure on the planned project at Lea Bridge in Forres is dependent on the findings of inspections.
- 5.8 Expenditure on children's play areas is dependent on delivery times for equipment and remains uncertain, with long delivery times experienced.
- 5.9 Details of the projected variances as at December 2023 from the current approved capital programme, summarised in **APPENDIX 1**, are set out below:

Description	Ref	Underspend/ (Overspend) £000s
<b>Land and Buildings</b>		
Early Learning and Childcare (ELC Projects)	5.10	138
Moycroft	5.11	96
Industrial Estates	5.12	69
<b>Infrastructure</b>		
Flood Risk Management	5.13	(180)
Harbours	5.14	35
<b>Vehicles, Plant and Equipment</b>		
Orchard Road Signals	5.15	(45)
Moray Leisure Centre	5.16	103
<b>Moray Growth Deal</b>	5.17	
<b>TOTAL</b>		<b>843</b>

#### **Land and Buildings**

- 5.10 **Early Learning and Childcare (ELC) Projects** – Tenders for various ELC projects have seen both increased prices and lack of supplier engagement. The final account for the ELC project in Aberlour has come in underbudget. Some other projects are forecast to be overspent due to higher tender prices, with an overall underspend of £138,000 forecast, subject to finalising Property Services fees.
- 5.11 **Moycroft** – This project was complete in November 2020. As discussions with the contractor to agree the amount of the final bill were in train in 2022/23, an estimate of the amount was made and accrued. The final bill agreed is less than this estimate, resulting in an underspend of £96,000.
- 5.12 **Industrial Estates** – There has been slippage in the programme of refurbishment of industrial units, due to delays in agreeing works with tenants and in securing contractors. Upgrades to roads in industrial estates has slipped because of delays in finalising the specification of work required. It is recommended that the projected underspend of £69,000 is carried forward into 2024/25.

#### **Infrastructure**

- 5.13 **Flood Risk Management** – Compensation negotiations for the Findhorn Flood Alleviation Scheme are ongoing and officers are working with the District Valuer, landowners and their agents to try and reach agreement. There is an element of uncertainty in how much these compensation payments will be agreed and this has resulted in an overspend this year.

There are still three agreements outstanding on the Findhorn Scheme and it is hoped that these will be settled before the end of 2024. However, one of these agreements is subject to potential legal action, which increases the uncertainty over cost and timing.

- 5.14 **Harbours** – Various Harbour works are forecast to be underspend overall by a total of £35,000.

#### **Vehicles, Plant and Equipment**

- 5.15 **Orchard Road Signals** – As reported at the end of quarter 2, late invoices totalling £45,000 for the installation of signals equipment were received.

- 5.16 **Moray Leisure Centre** – a contingency of £103,000 had been held in the capital budget in case of mechanical or electrical failure. At this late stage in the year expenditure is not considered to be likely within 2023/24. It is recommended that this underspend along with the previously reported projected underspend of £700,000 on Moray Leisure under Land and Buildings is carried forward into 2024/25.

#### **Moray Growth Deal**

- 5.17 Elements of slippage are anticipated across the Growth Deal Projects: £67,000 on the Bus Revolution; £112,000 on Early Years STEM; £225,000 on Housing Mix Delivery; and £272,000 on the Cultural Quarter with an overspend of £52,000 anticipated on the Manufacturing Innovation Centre. All are due to slippage and reprofiling of the spend is recommended.

### **6. AMENDMENTS TO CAPITAL PLAN**

- 6.1 The following amendments to the capital plan are recommended:

<b>Amendments</b>	<b>Para</b>	<b>2023/24 £000s</b>	<b>2024/25 £000s</b>
Industrial Estates	5.12	(69)	69
Moray Leisure Centre	5.16	(803)	803
Moray Growth Deal	5.17	(624)	624
<b>TOTAL</b>		<b>(1,496)</b>	<b>1,496</b>

### **7. ESTIMATED OUT-TURN**

- 7.1 Budget managers project expenditure for the year based on a review of individual projects. However, past experience suggests that at the aggregate level this is not always an accurate estimate of overall levels of expenditure and this has been particularly so during the past few years with many uncertainties in tendering and supply lines making accurate budget forecasting extremely difficult. Consequently the detailed estimated outturn from budget managers has been revised to reflect aggregate levels of slippage based on expenditure to date and on levels of expenditure in the last two financial years (£31 million in 2021/22 and £28 million in 2022/23) .

	£000
Projected Spend notified per departments	40,094

Amend for slippage on Amber projects (50%)	(2,843)
Amend for slippage on Green projects (20%)	(12,073)
<b>Revised Estimated Out-turn</b>	<b>25,178</b>

- 7.2 This compares with an adjusted estimated out-turn reported at the end of quarter 2 of £29,901,000, a reduction of £4,654,000. As noted in paragraph 2.1, spend for quarter 3 is £6 million less than previously estimated. However, improved delivery times for replacement vehicles are now forecast to result in expenditure in quarter 4 of £1,756,000 higher than forecast as at the end of September, so the estimate in paragraph 7.1 is consistent with the previous forecast adjusted for expenditure during quarter 3.

## 8. **RISK**

- 8.1 Budget managers have been asked to identify any specific areas of risk for the projects in the capital plan for which they are responsible.

### **Generic risks**

- 8.2 Projects can be subject to risks which are outwith the direct control of the Council, such as poor weather conditions. Some assets such as harbours are particularly vulnerable to bad weather events but there is potential for weather conditions to impact across all lands and buildings and infrastructure projects.
- 8.3 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact in scheduled works and this is reflected in delays where work planned to be out-sourced is being brought in-house as a result of poor response to tender requests.
- 8.4 There is a risk that time-limited funding is not spent within time-frame and that the Council therefore loses the opportunity to improve or create assets at no or reduced cost to the Council.
- 8.5 There is a risk that contract inflation might increase the eventual cost of projects in future years of the capital plan and a risk that any deferment of projects relating to asset condition might result in element failure, potentially incurring unbudgeted costs. The figures in the 10 year plan are based on current costs and are likely to increase by the time the project is undertaken.
- 8.6 A risk to the capital plan in recent years has been an increase in the cost of materials and scarcity of many materials which are key for the construction industry. This was partly a world-wide reaction to the pandemic, and partly due to Brexit, but global conflicts are increasing having an impact.
- 8.7 The cost to the Council of borrowing is based on current interest rates. Inflation is stabilising and falling, but interest rates appear likely to stay at around the current level for some time, although forecasts have been volatile with a number of factors bearing on the Bank of England

### **Project specific**

- 8.8 The Climate Change Route Map to Net Zero, setting out how the Council plans to achieve its target of net zero carbon by 2030, has not been incorporated into the capital plan. As projects in the plan are developed

carbon factors will be taken into account. The impact will be increased costs for many projects. Where specific actions in the Route Map entail capital expenditure these will be included in the capital plan, subject to a business case being approved for the inclusion of the action.

- 8.9 The main current risk for the vehicle replacement programme arises from pressures due to targets for local authorities to de-carbonise their fleets, which also entails developing the infrastructure to support electric vehicles.
- 8.10 The Council's Learning Estate is generally of a poor condition and this carries the risk of unplanned work being required to avoid unplanned school closures.
- 8.11 No other project risks have been specifically identified by budget managers. There are risks relating to Moray Growth Deal projects which are monitored by the MGD Programme Board – these will be added to the risks reported on the Council's Capital Plan as and when Full Business Cases are approved and projects led by partners go live.

## **9. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective budget management is an essential component of delivery of Council priorities on a sustainable basis.

The capital plan is one of the vehicles through which the Council's priorities can be delivered. The approved capital plan for 2023/24 and the outline ten year plan incorporates measures designed to address the LOIP priorities of building a better future for our children and young people, empowering and connecting communities and developing a diverse, inclusive and sustainable economy.

### **(b) Policy and Legal**

There are no policy or legal implications arising directly from this report.

### **(c) Financial implications**

The financial implications are highlighted within the report and **Appendices 1 and 2** to the report.

### **(d) Risk Implications**

Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Council in line with the financial regulations. Risks specific to items within the capital plan are highlighted in paragraph 7 of this report.

### **(e) Staffing Implications**

There are no staffing implications arising directly from this report

### **(f) Property**

There are no property implications arising directly from this report.

### **(g) Equalities/Socio Economic Impact**

There are no equalities issues arising from this report.

**(h) Climate Change and Biodiversity Impacts**

There are no climate change or biodiversity issues arising directly from this report. Achieving net zero will have significant implications for future planned capital expenditure

**(i) Consultations**

Capital budget managers and all Heads of Service have been consulted and any comments incorporated in the report.

**10. CONCLUSION**

**10.1 Capital expenditure for 2023/24 amounts to £15,841,000 to the end of December 2023.**

**10.2 Capital expenditure for 2023/24 is currently projected to be £25,178,000 but with a high degree of uncertainty due to current construction industry conditions and other external factors.**

**10.3 Amendments to the Capital Plan amounting to a decrease of £1,496,000 in 2023/24 and an increase of £1,496,000 in 2024/25 are recommended.**

Author of Report:	Lorraine Paisey, Chief Financial Officer
Background Papers:	
Ref:	SPMAN-1293228629-1055

# APPENDIX 1

## Moray Council Capital Programme 2023/24 As at 31 December 2023

	Capital Plan 2023/24 £000	Actual £000	Projected Expenditure				Total Projected Expenditure £000
			Q1 £000	Q2 £000	Q3 £000	Q4 £000	
<b>Land and Buildings</b>							
Education, Children's and Leisure Services Committee	8,045	2,609	18	814	2,424	2,754	6,010
Economic Development and Infrastructure Committee	11,963	2,757	71	1,550	2,555	7,622	11,798
Corporate Committee	79	20	1	6	0	72	79
<b>Infrastructure</b>							
Economic Development and Infrastructure Committee	11,777	7,140	736	2,197	5,252	3,555	11,650
<b>Vehicles Plant and Equipment</b>							
Education, Children's and Leisure Services Committee	202	54	14	32	76	80	202
Economic Development and Infrastructure Committee	6,547	2,215	1,263	688	1,146	3,159	6,256
Corporate Committee	723	323	29	211	259	224	723
<b>Moray Growth Deal</b>	26,713	721	257	355	710	1,851	3,376
	<b>66,049</b>	<b>15,841</b>	<b>2,389</b>	<b>5,853</b>	<b>12,422</b>	<b>19,317</b>	<b>40,094</b>
<b>Funding</b>							
Prudential Borrowing	47,448	137					24,217
General Capital Grant (exc PSHG and CYPA)	8,789	9,555					8,789
Moray Growth Deal	9,532	203					1,211
Other Grants & Contributions	0	665					665
Developers Contributions	124	124					124
Useable capital receipts b/f		4,331					4,331
Receipts generated in year	156	826					826
	<b>66,049</b>	<b>15,841</b>					<b>40,163</b>



Major Capital Projects spanning more than 1 financial year (as at 31 December 2023)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2023-24	Actual spend 2023-24	Remaining Budget 2023-24	Project Life Spend to 31/03/24	Projected Future Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
NESS Energy from Waste	27,224	22,092	5,304	1,439	3,865	23,359		27,224	0
<b>Moray Growth Deal</b>									
Bus Revolution	4,000	480	681	222	459	702	2,839	4,000	0
Early Years STEM	4,800	0	200	8	192	8	4,600	4,800	0
Housing Mix Delivery	7,500	77	900	352	548	429	6,523	7,500	0
Cultural Quarter	23,802	42	903	132	771	174	22,857	23,802	0
Digital Health	5,000	2,391	597	407	190	2,798	2,012	5,000	0
Business Enterprise Hub	5,268	0	295		295	0	4,973	5,268	0
Moray Aerospace, Advanced Technology and Innovation Campus	27,035	0	0		0	0	27,035	27,035	0
Manufacturing Innovation Centre	6,832	0	151		151	0	6,681	6,832	0
<b>Total</b>	<b>111,461</b>	<b>25,082</b>	<b>9,031</b>	<b>2,560</b>	<b>6,471</b>	<b>27,470</b>	<b>77,520</b>	<b>111,461</b>	<b>0</b>






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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: CHARGING FOR SERVICES**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To ask Council to approve revised charges for Council services for 2024/25.
- 1.2 This report is submitted to Council in terms of Section III (B) (1) and (48) of the Council's Scheme of Administration relating to financial policy and the setting of charges.

**2. RECOMMENDATION**

- 2.1 **It is recommended that Committee approves the charges for Council services for 2024/25 set out in paragraphs 3.3 to 3.4.**

**3. BACKGROUND**

- 3.1 The current Charging for Services Policy was approved by Council on 12 December 2023 (paragraph 7 of the draft Minute refers). Under the policy, an annual revision of charges is required. In order to preserve the Council's financial position, charges within the control of this council are generally inflated annually and Council at the same meeting agreed that the default increase for 2024/25 would be 5.7%.
- 3.2 When charges for 202/25 were approved by Council on 24 Janaury 2024 (paragraph 8 of the minute refers) it was noted that two charges remained to be considered: Fit Life and burial grounds. Charges for Fit Life are dealt with in paragraph 3.4 of this report, with burial grounds charges anticipated to be reported to Cuncil on 27 March 2024. In addition a new charge for Citizenship Ceremonies is proposed, in paragraph 3.3.
- 3.3 **A: Corporate / Cross Departmental**  
A16 A – Citizenship ceremonies  
Citizenship Ceremonies are held monthly by the Registration Service at no cost to the individuals. Increasingly the Service is being asked to hold individual ceremonies outwith the monthly date. There were 7 individual ceremonies in 2023. This is mainly due to individual travel reasons.

The Senior Registrar surveyed other Local Authorities in Scotland and of those who responded the majority advised that they charge for carrying out individual Citizenship Ceremonies, with the charges ranging from £20 to £185 per ceremony. It is proposed that the Council start charging £75 for each individual ceremony requested, however if it is an individual ceremony for a couple or a family the charge would still be £75.

### 3.4 C: Leisure facilities

- C1 – Fit Life. Discussions have taken place with Moray Leisure Ltd on increase of charges for Fit Life. The charges below are recommended as acceptable to Moray Leisure Ltd, thus allowing the current integrated Fit Life scheme to continue. However, a further review of charges may be recommended as part of the review of Leisure and Libraries services which will be reported to members when concluded.

C1		Current charge	Proposed charge 2024/25
C1a	<b>Membership cards</b> Individual – 12 months	£276	£288
.	Individual – monthly direct debit	£23	£24
C1b	Family (1 adult) – 12 months	£360	£384
.	Family (1 adult) – monthly direct debit	£30	£32
	Family (2 adults) – 12 months	£384	£408
	Family (2 adults) – monthly direct debit	£32	£34

## 4. SUMMARY OF IMPLICATIONS

### (a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The levying of charges for Council services is an essential component of delivering Council priorities on a sustainable basis.

### (b) Policy and Legal

The current policy for charging for Council services was approved by this Council on 25 October 2023. There are no legal implications arising from this report. Some charges are set or limited by legislation.

### (c) Financial implications

Increased income from charges will contribute to the Council's financial sustainability.

### (d) Risk Implications

There are no risk implications arising directly from this report.

**(e) Staffing Implications**

There are no staffing implications arising directly from this report.

**(f) Property**

There are no property implications arising from this report.

**(g) Equalities/Socio Economic Impact**

There are no equalities implications or implications for the socio-economic duty arising from this report. Proposed Fit Life charges are still at a very low level compared to other fitness schemes. A link to the Integrated Impact Assessment is provided: [IIA Fit Life](#)

**(h) Climate Change and Biodiversity Impacts**

There are no implications for climate change or biodiversity arising from this report.

**(i) Consultations**

All services have been consulted as to recommended charges and reasons for any departures from the default increase.

**5. CONCLUSION**

**5.1 Two proposed charges are itemised above.**

Author of Report:	Lorraine Paisey, Chief Financial Officer
Background Papers:	
Ref:	SPMAN-1293228629-1053






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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: TELFORD BRIDGE, CRAIGELLACHIE**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To inform Council of the condition of Telford Bridge and what options are available for its future operation.
- 1.2 This report is submitted to Council in terms of paragraph II (20) of the Scheme of Administration relating to matters which currently do not fall within the terms of reference of any Committee.

**2. RECOMMENDATION**

**2.1 It is recommended that Council:-**

- (i) **notes the ownership, condition and maintenance responsibilities relating to the Telford Bridge as set out in the report;**
- (ii) **agrees that the Council's future responsibilities are as set out in para 7.2 – 7.5; and**
- (iii) **agrees that should there be sufficient interest from an external group that the Council would further explore the options set out in paras 7.6-7.10 subject to its reasonable costs being covered by a third party.**

**3. BACKGROUND**

- 3.1 This report has been prepared in response to the Notice of Motion to the meeting of Moray Council on 27 September 2023, regarding Telford Bridge, Craigellachie – Ownership and Future Development (para 8 of the minute refers). The Notice of Motion is provided in **Appendix A**.
- 3.2 Telford Bridge was constructed in 1812 by Thomas Telford to provide a crossing over the River Spey at Craigellachie. In 1972 this bridge was replaced by the New Craigellachie Bridge, which carries the A941 over the River Spey. Since 1972 Telford Bridge has remained open to pedestrians and cyclists only.

- 3.3 Given the absence of clear ownership, views on what is required to maintain the bridge are complex and it may be helpful to consider in two contexts: a) the bridge as a structure which has an adopted public road passing over it and the council's responsibility as roads authority; and b) the bridge as a historic local landmark and where responsibilities lie in this regard.
- 3.4 The council has a role as roads authority and the majority of the report is written in that context, in terms of the rights and obligations on the council.
- 3.5 The bridge is an iconic and historic local landmark, however, the council has no specific responsibilities for the structure in that regard, as it does not own the structure and does not have a duty to preserve the bridge as a landmark. The latter part of this report tries to recognise the bridge in this context and set out options whereby those with legitimate interests in preserving it as a landmark may be able to take action.
- 3.6 Interest in leasing the bridge under the CAT process, to raise funds and refurbish the bridge was expressed by a local charity, Friends of Craigellachie Bridge. However, this interest was withdrawn in May 2022.

#### **4. CONDITION OF THE STRUCTURE**

- 4.1 A Principal Inspection of the bridge was carried out in 2014. This inspection found that the bridge was not considered dangerous. However, the paint system on the bridge has failed, which will increase the rate of deterioration if refurbishment work is not undertaken.
- 4.2 The Friends of Craigellachie Bridge undertook a drone survey of the bridge in 2022, the conclusion and recommendation of which were that an additional in person survey is required.
- 4.3 A General Inspection was undertaken by the Council in 2023. The findings of this inspection are that maintenance works required are low to medium priority.
- 4.4 To fully assess the current condition of the bridge would require a Principal Inspection and a Structural Assessment to be undertaken. The Structural Assessment would provide details of the bridge condition and any works required. The cost of the Principal Inspection and Structural Assessment would be in the region of £30,000.
- 4.5 Council Officers met with Friends of Craigellachie Bridge and at this meeting the group indicated that they are willing to carry out a survey of the bridge and officers have provided information to enable this to happen.

#### **5. OWNERSHIP**

- 5.1 Ownership of the bridge is not known. At the time of construction half of the funds came from the government and the other half from subscriptions. To establish ownership a full title investigation would need to be undertaken, which would require a significant amount of work from the Council's Legal

Services Section. This section is currently under resourced and it is unlikely it would be able to undertake this work in the foreseeable future. This work could be outsourced but significant input would still be required by Legal Services. There is no budget identified for such costs in the council's revenue budget. It should be noted even a full title investigation may be unable to identify the bridge owner.

## **6. MAINTENANCE RESPONSIBILITIES**

- 6.1 While Telford Bridge is no longer used for road traffic, it is still on the Council's List of Public Roads (LOPR), listed U150H. Although the Council does not own the bridge, it has sufficient powers to enable it to undertake maintenance works to the bridge such as it considers necessary in order to fulfil its duty to maintain the road (i.e. the road carried by the bridge). As such, Moray Council has no need to take ownership of the bridge.
- 6.2 As set out above, whilst there are low to medium priority works identified in the General Inspection in 2023. As this bridge is closed to vehicular traffic and an alternative route is provided by the new Craigellachie Bridge, it does not meet the criteria necessary to be prioritised for maintenance works under the council's Bridge Maintenance Prioritisation Policy. Consequently, there are currently no maintenance works allowed for this bridge in the Council's Revenue or Capital budgets.

## **7. FUTURE OPTIONS**

- 7.1 Potential options for the future ownership / leasing of the bridge are provided below.
- 7.2 Status Quo – this option recognises the existing rights and obligations of the Council, whereby the Council retains responsibility for all future maintenance of the road carried by the bridge, in line with its current statutory duty, and relies upon its statutory powers in terms of any future maintenance requirement for the bridge structure itself.
- 7.3 As this bridge does not meet the criteria necessary to be prioritised for maintenance works under the council's Bridge Maintenance Prioritisation Policy it would not be put forward for significant maintenance and refurbishment works. This will result in a managed decline of the bridge with eventual closure and possible demolition (and associated stopping up of the right of passage for pedestrians and cyclists). The Council has a duty under the Buildings (Scotland) Act 2003 to ensure public safety and as the owners of the bridge cannot be identified, it may be required to undertake demolition of the bridge at its own cost. This is no different to other buildings or structures in the Moray area, for which the council may need to assume responsibility if ownership cannot be established and the structure is no longer safe.
- 7.4 As stated in paragraph 4.1, the paint system on the bridge has failed which will increase the rate at which the bridge condition will deteriorate. If works are not undertaken to address the condition of the bridge it is likely it will need to be closed to all users at some point in the future and eventually demolished. The cost of demolition will depend on environmental constraints

and market conditions when the works are required, however, it is likely to be in excess of £1,000,000.

- 7.5 Whilst a de-listing or stopping up order could be pursued to remove maintenance obligations, given the absence of clear ownership and the current deteriorating condition of the bridge, the legal advice given to officers is that this may not relieve the council of all obligations, not least any duties under the Buildings (Scotland) Act 2003 mentioned above.
- 7.6 The following options are identified to recognise the interests in preserving the bridge as a historic landmark.
- 7.7 **Community Asset Transfer** – the Community Empowerment Act gives community groups a right to ask to take over control of Council assets. They can ask to buy or lease an asset or for the transfer of other rights, such as might be included in a management agreement or other similar arrangement. However, before the Council could agree to any form of asset transfer arrangement, it would first need to acquire the necessary property rights. Property rights could be acquired under Compulsory Purchase Legislation (CPO). The cost of progressing a CPO would depend on the amount of work required but a similar process was undertaken in 2022 at a cost of approximately £23,000, including VAT. This cost is for an external solicitor only and does not allow for officer time required to manage the contract or gather and collate the information required. This indicative cost would not cover the costs of any detailed title investigation. The costs could also be higher if any parties objected to any proposed CPO. It is recommended that if this option is pursued, that it is clear that the costs to the Council of undertaking a CPO (and any associated activity) are required to be third party funded, and that any additional liabilities to the council are understood and agreed prior to any decision to CPO.
- 7.8 **Purchase / Lease from owner** – theoretically, a group interested in refurbishing the bridge could approach the owner of the bridge and negotiate the purchase or lease that would allow them to undertake this work. The owner of the bridge is currently unknown and would need to be identified if this option was to be progressed. Whilst it is recognised that this could be a complex undertaking, the actions and costs associated with direct purchase / lease would be for any interested group to consider.
- 7.9 **Other funding routes** - It may be possible, under certain circumstances, for an interested party to provide funding to the council for works to the bridge. Whether this could be done within the current position around ownership, or whether the council would need to have established ownership through CPO would need further exploration. If this was a route to be pursued then further advice would be taken.
- 7.10 If a group were to take ownership, management or control of the bridge, consideration would need to be given by the Council as to whether it remained appropriate for the right of passage for pedestrians and cyclists to be maintained as adopted road with a continuing duty for maintenance of that road or if the road should be either de-listed or otherwise stopped up.

## **8. FRIENDS OF CRAIGELLACHIE BRIDGE**

- 8.1 The Friends of Craigellachie Bridge was established as a SCIO (Scottish Charitable Incorporated Organisation) in April 2016 with the object of promoting, preserving and conserving Craigellachie Bridge. Initially, the charity approached the Council with a view to leasing the bridge through the CAT Scheme. However, following advice from the Community Ownership Support Service (COSS), they withdrew that interest. Nevertheless, they are interested in options that may enable them to take an active role in preserving the bridge for the future. Council officers will continue to engage with them, or other groups with similar interests.

## **9. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Building a better future for our children and young people in Moray.

### **(b) Policy and Legal**

The Council does not own the bridge but it has statutory powers to enable it to undertake maintenance works to the bridge such as it considers necessary in order to fulfil its duty to maintain the road (i.e. the road carried by the bridge).

### **(c) Financial implications**

The costs associated with Principal Inspection, Structural Assessment and maintenance are not currently included in the council's revenue or capital budget. If the council decides to fund any of these works this would result in unplanned expenditure.

At the time of writing this report, it was proposed at its meeting on 28 February 2024 that the Council would balance its budget by using reserves and one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make savings in the order of £13.5 million in the next two years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the committee should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section.

### **(d) Risk Implications**

The Council does not own the bridge but it has statutory powers to enable it to undertake maintenance works to the bridge such as it considers necessary in order to fulfil its duty to maintain the road (i.e. the road carried by the bridge).

### **(e) Staffing Implications**

If Members decide to facilitate a CAT or other transfer to a local group to enable them to refurbish the bridge it would first have to acquire the necessary property rights. The bulk of the legal work required to acquire these rights would be outsourced to the Council's framework solicitors,

however, legal services would be required to gather and collate all relevant information and manage the contract with the framework solicitors.

**(f) Property**

The Council does not own the bridge but it has statutory powers to enable it to undertake maintenance works to the bridge such as it considers necessary in order to fulfil its duty to maintain the road (i.e. the road carried by the bridge).

**(g) Equalities/Socio Economic Impact**

There are no equalities implications related to the recommendations in this report because they do not affect groups of people in different ways.

**(h) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services, the Legal Services Manager, Asset Management Coordinator, Chief Financial Officer, Committee Services Officer (T Sutherland) and the Equal Opportunities Officer have been consulted and comments have been taken into account.

## **10. CONCLUSION**

**10.1 Telford Bridge is considered an iconic structure and a significant tourist attraction for Moray.**

**10.2 The current condition of the bridge is very poor. The bridge is closed to vehicular traffic but open to cyclists and pedestrians. The bridge does not meet the criteria necessary to be prioritised for maintenance works under the Council's Bridge Maintenance Prioritisation Policy. As such, there are currently no maintenance works allowed for this bridge in the Council's Revenue or Capital budgets.**

**10.3 The Council does not own the bridge but it has statutory powers to enable it to undertake maintenance works to the bridge such as it considers necessary in order to fulfil its duty to maintain the road (i.e. the road carried by the bridge).**

**10.4 If Moray Council decides to facilitate a CAT or management agreement, to enable an outside organisation to take on the refurbishment of the bridge, it will first have to acquire the necessary property rights, but that would bring with it a clearer duty on the part of the Council to maintain the bridge structure.**

Author of Report: Debbie Halliday, Consultancy Manager  
Ref: SPMAN-524642768-1044




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## **NOTICE OF MOTION TO MORAY COUNCIL ON WEDNESDAY 27 SEPTEMBER 2023**

### **Telford Bridge, Craigellachie - Ownership and Future Development**

#### **Background**

The Telford Bridge in Craigellachie is a world-renowned engineering structure conceived and designed by Thomas Telford and constructed between 1812 and 1814 following a large public fundraising exercise.

The bridge has been recognised as a landmark of importance by both the American Society of Civil Engineers and the Institution of Civil Engineers.

The bridge is currently used as a footbridge over the Spey and is a popular landmark for visitors and locals alike in Speyside. Many visitors come to Moray Speyside specifically to see this historic structure.

The local community, including the Friends of Craigellachie Bridge, have expressed concern over the condition of the bridge and how future maintenance of this historic site can be assured.

Friends of Craigellachie Bridge commissioned an inspection report in 2022, which identified structural repairs that required to be carried out over the coming years. The Friends of Craigellachie Bridge have been established for ten years and have been involved in fundraising, awareness raising, and seeking to establish ownership of the bridge in order to identify a means of maintaining and preserving the bridge for current and future generations to enjoy. There is a pressing need to have a full condition assessment carried out on the bridge.

As a historic monument, future ownership and management of the bridge by charitable organisations, such as a Community Development Trust, a Community Benefit Company or an organisation such as Historic Scotland could provide a possible alternative route to funding major preservation and interpretation works relating to the bridge.

#### **Actions**

Council notes the historical significance of the Telford Bridge, Craigellachie and the aspirations of the community with regard to its future preservation.

Council instructs officers to bring forward a report to Council covering the following matters:

- The known condition of the bridge

- What further inspection work may be required to ascertain fully the maintenance requirements and associated costs
- Current ownership and maintenance responsibilities for the bridge including whether a CPO may be required to define clear ownership
- Other future ownership/leasing options that could be considered

**Financial Implications**

A report would require officer time but could also generate options that would reduce future council involvement whilst securing the long-term future of the bridge as a major historical asset to Moray Speyside.

**Proposer: Councillor Juli Harris**

**Seconder: Councillor Derek Ross**

**Date Motion Submitted: 13 September 2023**



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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: MORAY GROWTH DEAL ANNUAL REPORT**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To provide a draft copy of the Moray Growth Deal's 2023 annual report for consideration by Councillors.
- 1.2 This report is submitted to Council in terms of Section (II) (20) of the Council's Scheme of Administration relating to a new policy matter which does not fall within the terms of reference of any Committee.

**2. RECOMMENDATION**

**2.1 It is recommended that the Council:**

- (i) consider and note the draft annual report; and
- (ii) delegate authority to the Depute Chief Executive (Economy, Environment and Finance) to approve a final iteration of the report, following engagement with key stakeholders and the Scottish and UK Governments. This will then be submitted to a future Moray Council meeting for noting.

**3. BACKGROUND**

- 3.1 A condition associated with Growth Deal funding is that a report is produced annually providing an overview of work undertaken in the past 12 months, with a forward look at the year ahead.
- 3.2 In March (paragraph 13 of the minute) and May 2023 (paragraph 17) reports were submitted to Council related to the report that covered 21 December 2021 (when the Deal was signed) to 31 December 2022. This paper introduces a draft annual report for the 2023 calendar year.

#### **4. STEPS ASSOCIATED WITH DEVELOPING A FINAL DRAFT OF THE ANNUAL REPORT**

- 4.1 During January 2023 the Moray Growth Deal Programme Management Office (PMO) prepared a first draft of the annual report using information provided from Project Senior Responsible Officers (SROs) and Project Managers (PMs). This draft was presented to the Moray Growth Deal Board on 25 January 2024, with Board Members invited to provide comments. The version accompanying this report (**Appendix 1**) incorporates comments received.
- 4.2 The annual report forms the basis of the Deal's Annual Conversation, which is scheduled to take place on 14 March 2024. This is an opportunity for Senior Officers from the Council and both Governments to discuss the status of the Deal.
- 4.3 The report will also be shared with the Moray Economic Partnership and the Growth Deal Business Assembly, with a final version due to be submitted to the Moray Growth Deal Board in April for approval before submission to Council for noting.

#### **5. OVERVIEW OF THE ANNUAL REPORT (v0.3)**

- 5.1 **Appendix 1** contains a draft copy of the Moray Growth Deal's 2023 annual report.
- 5.2 The Growth Deal started 2023 with one of the eight projects in delivery, Digital Health. Bus Revolution received clearance to commence in March 2023, with a further 3 projects gaining approval from the Moray Growth Deal Programme Board for their full business cases in the second half of the year (with these expected to receive final clearances to enter delivery during late Q4 23/24 following approval by the Moray Council on 24 January 2024): Business Enterprise Hub (subject to confirmation of philanthropic contribution), Housing Mix Delivery and Manufacturing Innovation Centre for Moray (MICM)
- 5.3 Alongside the progression of full business cases, a number of key milestones were achieved during 2023.

Q4 22/23	<ul style="list-style-type: none"><li>▪ Bus Revolution project receives Council and Government clearance to enter delivery.</li></ul>
Q1 23/24	<ul style="list-style-type: none"><li>▪ Digital Health's Demonstration, Simulation and Environment (DSE) Space opens in UHI-Moray, providing a location for residents, digital developers and health care professionals to collaborate on healthcare digital applications.</li><li>▪ Fraser Livingstone Architects appointed to design phase 1 of the Dallas Dhu (Forres) housing masterplan</li><li>▪ Enhanced on demand bus services take to the road, rebranded as m.connect.</li></ul>
Q2 23/24	<ul style="list-style-type: none"><li>▪ Moray Growth Deal Board approves full business cases for the Business Enterprise Hub, Housing Mix Delivery and MICM projects, enabling them to move to the next stage of scrutiny by Government Policy Advisors and the Moray Council.</li><li>▪ Bus Revolution project receives a Ministerial Launch in Aberlour.</li></ul>

Q3 23/24	<ul style="list-style-type: none"> <li>▪ LDN architects appointed as lead design partner for the redevelopment of Elgin Town Hall as part of the Cultural Quarter project.</li> <li>▪ Drop in event held regarding regeneration plans for South Street in Elgin, which involves the Business Enterprise Hub and Housing Mix Delivery projects.</li> </ul>
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5.4 Looking ahead to 2024, the pace of activity will continue to increase, with the investment and associated services becoming more visible to residents and businesses of the region.

Q4 23/24	<ul style="list-style-type: none"> <li>▪ 5 of the Deal's 8 projects to have entered delivery.</li> <li>▪ Planning application for the Business Enterprise Hub on South Street to be submitted.</li> <li>▪ Planning applications for Housing Mix Delivery South Street and Dallas Dhu developments to be submitted.</li> <li>▪ Design team for Grant Lodge to be appointed.</li> </ul>
Q1 24/25	<ul style="list-style-type: none"> <li>▪ Expansion of Bus Revolution to include a pilot of weekend services.</li> <li>▪ Early Years STEM and Cultural Quarter projects to have submitted their full business cases to the Growth Deal Board, with the aim that they enter delivery during Q2 24/25.</li> </ul>
Q2 24/25	<ul style="list-style-type: none"> <li>▪ Launch of EY STEM outreach offer</li> <li>▪ Following a delay procuring consultancy support to assist with drafting of the Deal's Benefit Realisation and Monitoring Plan, this work is expected to conclude by Q2 24/25.</li> </ul>
Q3 24/25	<ul style="list-style-type: none"> <li>▪ Phase 1 of the Manufacturing Innovation Centre for Moray (MICM) will open in autumn 2024 at the Forres Enterprise Park.</li> <li>▪ (In the assumption planning permission is secured) Construction of the Business Enterprise Hub facility to commence.</li> </ul>

5.5 Whilst positive progress continues to be made, the Deal is currently managing a number of risks and issues. The most significant strategic entries are noted below.

- **Changes to capital and revenue costs:** As project FBCs are developed, Project Managers are adapting to a range of circumstances such as cost inflation from OBC profiles and changing financial conditions within the partners who are both delivering projects and contributing funding. A range of measures will be considered including value engineering construction plans to reduce cost, whilst working to prevent any change in the benefits to be realised and identifying alternative sources of funding.
- **Staff resources available to deliver Bus Revolution:** With increased resources required for key roles, including bus drivers and vehicle technicians, there is a risk that recruitment does not keep up with the numbers needed. This has the potential to slow down the pace of expansion and/or affect the operational model of the project. Efforts are being made to make recruitment an ongoing rather than cyclical activity and analysis of the constraints is to be carried out with a view to determining what is within the Council's control to achieve improved outcomes.

- **Workload of key stakeholders:** With a significant number of Growth Deal projects due to scale up during 2024, this has the potential to create demands on a finite number of key stakeholders, some of whom will have interests in multiple projects. Stakeholder identification and mapping will be carried out, with co-ordinated communications and engagement plans to be developed across the programme and projects to ensure any peaks of activity for particular groups are effectively managed.

5.6 Alongside risks and issues, Moray is faced with a positive opportunity that the Growth Deal and wider Economic Development Team are working to exploit. During the second half of 2023 the Council received further economic investment in the form of £18.3m from the Levelling Up Fund and £20m from the Long Term Plan for Towns Fund. Work will be delivered during Q4 23/24 to understand the milestones, linkages and resourcing requirements across the three funding programmes and these will then be managed through appropriate governance structures with a view to maximising the benefits to be realised for Moray.

## 6. **SUMMARY OF IMPLICATIONS**

### (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Moray Growth Deal projects contribute to the Corporate Plan priority of promoting economic development and growth, whilst meeting the LOIP vision of raising aspirations, reducing inequalities in educational attainment, providing access to employment, expanding choices for residents, and improving livelihood and well-being.

### (b) **Policy and Legal**

Each MGD project has been developed to meet local, regional and national policy agendas in line with legal requirements where relevant.

### (c) **Financial implications**

The production of the 2023 Moray Growth Deal annual report in itself does not present any financial implications, but it does contain a section relating to the finances of the programme.

With an increasing number of projects either in delivery or in the advanced stages of developing their full business cases, it is expected that during the first half of 24/25 there will be more certainty around the financial profile for the remaining 7 years of the Deal. This in turn will allow Finance to understand cash flow requirements that the Council have committed to cover about the Government funding profile. Specifically, it will determine application of the £4m currently held in reserves.

The Council's Head of Financial Services sits on the monthly Moray Growth Deal Programme Board at which a report is submitted for review setting out spend against budget allocation and takes an overview of the financial implications of the Deal for the Council as s95 Officer.

**(d) Risk Implications**

The production of the 2023 Moray Growth Deal annual report in itself does not present any risk implications, but it does reference risks being managed by the Moray Growth Deal SRO and PMO that have the potential to affect successful delivery.

Risk is a standing item at monthly Moray Growth Deal Programme Boards and is covered in meetings that the PMO has with each Project Manager.

**(e) Staffing Implications**

None.

**(f) Property**

None.

**(g) Equalities/Socio Economic Impact**

Equalities and socio impact assessments for each project will be updated as part of full business case development and any subsequent, significant change control activity.

**(h) Climate Change and Biodiversity Impacts**

As part of their review process with the Governments, Growth Deal projects need to take account of carbon and environmental considerations in full business cases, with net zero aspirations being integrated into design briefs for new properties.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), Head of Economic Growth and Development, the Legal Services Manager, the Equal Opportunities Officer the Chief Financial Officer and Democratic Services Manager have been consulted and comments received have been incorporated into the report.

In parallel with the above, a final version of the annual report will be prepared following extensive consultation and review with:

- Moray Growth Deal Programme Board
- Moray Economic Partnership (MEP)
- Moray Growth Deal Business Assembly
- The Scottish and UK Governments

A final version of the annual report will be provided to Council for noting at its meeting on 22 May 2024.

**7. CONCLUSION**

**7.1 This paper provides a draft copy of the Moray Growth Deal's 2023 annual report for the Council to review and comment upon.**

- 7.2 The Council is asked to delegate authority for the Depute Chief Executive (Economy, Environment and Finance) to approve a final iteration of the report.**
- 7.3 A final draft of the annual report will be provided to the Council for noting once engagement with Key stakeholders including the Scottish and UK Governments has concluded.**

Author of Report: Michael Kelly, Moray Growth Deal Programme Manager  
Background Papers:

- <sup>1</sup> [Full Deal documentation \(December 2021\)](#)
- <sup>2</sup> [Approval of procurement requirements prior to the Housing Mix Delivery FBC being approved](#)
- <sup>3</sup> [Acquisition of property relating to South Street redevelopment activity \(relating to both the Housing Mix Delivery and Business Enterprise Hub projects\)](#)
- <sup>4</sup> Moray Growth Deal 21/22 annual report  
[8 March 2023](#) and [24 May 2023](#)
- <sup>5</sup> [Approval of MICM FBC](#)
- <sup>6</sup> [Approval of Business Enterprise Hub and Housing Mix Delivery FBCs](#)

Ref: SPMAN-813460984-481



**Annual Report (covering the 2023 calendar year)**

*Version 0.3 (February 2024)*

Document control

Version	Date	Individuals / groups consulted
v0.1	17.01.24	Initial draft circulated for review: <ul style="list-style-type: none"><li>- Rhona Gunn (Depute Chief Executive Economy, Environment and Finance)</li><li>- Jim Grant (Head of Economic Growth and Development)</li><li>- Lynne Owen (MGD Programme Officer)</li></ul>
v0.2	22/01/2024	Draft circulated to members of the Moray Growth Deal Board for comment
v0.3	14/02/2024	Revised draft prepared following feedback from the MGD Board

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1. Headline achievements

Q4 22/23	<ul style="list-style-type: none"> <li>▪ Bus Revolution project receives Council and Government clearance to enter delivery.</li> </ul>
Q1 23/24	<ul style="list-style-type: none"> <li>▪ Digital Health's Demonstration, Simulation and Environment (DSE) Space opens in UHI-Moray, providing a location for residents, digital developers and health care professionals to collaborate on healthcare digital applications.</li> <li>▪ Fraser Livingstone Architects appointed to design phase 1 of the Dallas Dhu (Forres) housing masterplan.</li> <li>▪ Enhanced on demand bus services take to the road, rebranded as m.connect.</li> </ul>
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Q3 23/24	<ul style="list-style-type: none"> <li>▪ LDN architects appointed as lead design partner for the redevelopment of Elgin Town Hall as part of the Cultural Quarter project.</li> <li>▪ Drop-in event held regarding regeneration plans for South Street in Elgin, which involves the Business Enterprise Hub and Housing Mix Delivery projects.</li> </ul>

## 2. Statement from Moray Council's Growth Deal Lea

Throughout 2023 I've seen first hand the significant amount of work being delivered by Council Officers and partner organisations to progress the Growth Deal. In briefing sessions with fellow Members, MGD Board meetings and in conversations with key officers, I'm excited to see plans start to crystalise for the facilities and services we're working hard to put in place.

The Growth Deal is focusing on key improvements we need to see in Moray, including generating high value skills, growing businesses, driving innovation and making Moray a better place to work, live and visit.

The launch in May 2023 of the enhanced, rebranded m.connect Bus Revolution on demand public transport service presented the first opportunity for many to see how the Deal will help residents and businesses. We're humbled by the response seen so far as passenger numbers currently exceed our targets. This project is critical if we are to achieve our objective of reducing transport barriers to work, education and leisure.

Our 'on the ground' activity will grow significantly during 2024 and I look forward to the opening of the Manufacturing Innovation Centre for Moray (MICM) Hub at the Forres Enterprise Park next autumn in what will be our first direct intervention for businesses.

The target is that at least seven of the eight projects will enter delivery during 2024. This presents a solid foundation to start tracking the benefits Growth Deal activity will deliver for Moray. It will also be important that the team considers how activity interacts with other funding programmes we've been successful in securing during 2023 (£18.3m from the Levelling Up Fund and £20m from the Long Term Plan for Towns Fund), with a view to minimising risks and maximising opportunities to enhance benefits wherever possible.



Cllr Marc Macrae

### 3. Progress made throughout 2023

#### 3.1 *Programme overview*

##### 3.1.1 **Summary of what the Deal is working to achieve**

Throughout 2023 the Growth Deal Programme Management Office (PMO) worked with each of the eight Project Managers to ensure activity aligns with the four main interventions the programme aims to deliver:

- Retaining and attracting young people / families (16-29 yrs) to live and work in the area
- Addressing occupational segregation and gender inequality in employment, including the significant gender pay gap and under-employment issues for women
- The creation of new high quality jobs in existing sectors and diversify the region's economy into new high value areas
- The creation of opportunities across Moray which help secure the future prosperity of its many communities

A later section of this report will focus on work being progressed to deliver a Benefits Realisation and Monitoring Plan, with the following outcomes expected to be delivered for the region:

Direct and indirect creation of over 3,500 jobs	450 of the 3,500 jobs will result directly from Growth Deal projects	50,000 more tourists will be attracted to Moray
Over 300 new affordable homes will be constructed	450 businesses will be supported to scale, increasing Moray's economic productivity by £82m	Creation of new and improved educational, cultural and business innovation facilities

A very distilled view of the Deal is that the eight main projects are working to make interventions against three main areas of focus:

Generate high value skills	Create high value employment	Make Moray a better place to live and work
MAATIC		Bus Revolution
	MICM	Cultural Quarter
	Business Enterprise Hub	Housing Mix Delivery
EY STEM		Digital Health

##### 3.1.2 **Status of Deal activity**

With the Scottish and UK Governments each providing funding of £32.5m over a 10 year period, Deal activity will be delivered in a phased approach up to December 2031. That said, the PMO is working with project teams to create clarity on what each project will deliver for Moray during 2024 , with a view to:

- Defining what the Deal is going to deliver when, where and how.
- Maximise time over the 10 year funding period to make sure work runs as efficiently as possible to limit expenditure peaks over and above Government funding, which the Council committed to when the full deal was agreed in December 2021.

A high level summary of the status of each project is outlined below:

High level phases of the lifecycle of projects:								
<i>SOC</i>		<i>OBC</i>		<i>FBC</i>		<i>Delivery</i>		<i>Closure</i>
Strategic outline case	→	Outline business case	→	Full business case	→	Project in delivery	→	Project complete and being closed

Project	Lifecycle stage				
	SOC	OBC	FBC	Delivery	Closure
Bus Revolution	Complete	Complete	Complete	In delivery	
Business Enterprise (BE) Hub	Complete	Complete	Awaiting approval		
Cultural Quarter	Complete	Complete	Approval expected Q2 24/25		
Digital Health	Complete	Complete	Complete	In delivery	
Early Years (EY) STEM	Complete	Complete	Approval expected Q2 24/25		
Housing Mix Delivery	Complete	Complete	Approval expected Q4 23/24		
MAATIC	Complete	Complete	In development		
MICM	Complete	Complete	Approval expected Q4 23/24		

### 3.1.3 Anticipated geographical spread of benefits

As each project works to either draft their full business case or advances delivery activity, a clearer picture is emerging on the geographical spread of Deal activity throughout Moray. The completion of project monitoring plans and a Benefits Realisation Plan during 2024 will provide finer detail but activity has been grouped into one of two main categories:

<i>Infrastructure (physical or virtual) with a Moray-wide footprint</i>	<ul style="list-style-type: none"> <li>Virtual healthcare applications are being developed through the Digital Health project that aim to enable conditions to be managed at home, reducing time spent in clinical settings.</li> <li>On demand m.connect services will be expanded throughout Moray on a phased basis, breaking down barriers to accessing employment education or leisure.</li> <li>Through a combination of physical hubs, a mobile solution and outreach activity, STEM learning targeting early years children will be available Moray wide.</li> <li>Comprising of two phases that will run up to 2031, Housing Mix Delivery will enable the construction of affordable and private homes throughout Moray, making it easier to access homes to help people stay in the region.</li> </ul>
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*Moray-wide service offerings to be established, operated from a centralised facility*

- Support to drive growth and innovation in the manufacturing sector through the MICM project that will create a hub at the Forres Enterprise Park.
- The construction of a Business Enterprise Hub on South Street in Elgin will help micro and small businesses to grow as well as offering a variety of education and professional learning opportunities.
- An aerospace and advanced technology campus will be developed to support learning as well as R&D opportunities not just for residents of Moray, but wider afield.

#### **3.1.4 Synergies between the Growth Deal and other economic development activity being progressed within Moray**

The Growth Deal Team is conscious that to create the right environment for success, alongside managing interactions between projects, activity being progressed by other economic development programmes needs to be considered. This is not only to ensure they have no negative impact on Growth Deal objectives and benefits to be realised, but that any positive opportunities to drive efficiency or to create stronger benefits are maximised wherever possible.

At a strategic level, the Moray Growth Deal Programme Board includes representatives from the Scottish and UK Governments, along with the Council's Economic Development Team and Highlands and Islands Enterprise. Collaboration will be essential in understanding the funding landscape and to manage any potential interactions other activity has with Growth Deal activity.

Operationally, the Growth Deal PMO is working to generate clarity on how funding secured for Moray during 2023 (£18.3m from the Levelling Up Fund and £20m from the Long Term Plan for Towns Fund) interacts with planned activity, including the impact on council staff resources, the organisations / companies needed to support the work and the nature of communications planned with key stakeholders including businesses and residents.

## 3.2 Project updates

### 3.2.1 Bus Revolution

### 3.2.1 Bus Revolution

<b>Value</b>	£4.32m (£4m capital, £322k revenue)
<b>Lead Body</b>	The Moray Council
<b>Current status</b>	Entered delivery in March 2023, with the first rebranded m.connect on demand services starting in May 2023.
<b>Project vision</b>	Increase the number of people using public transport to get to and from rural areas for work, education and leisure.



#### Project summary

Bus Revolution is an innovative project that aims to increase the number of people using public transport to get to and from rural areas to places of work, education and leisure, providing a step change in availability of public transport right across rural Moray.

The project will provide a flexible demand responsive service, operating when and where needed in an easy-to-use way, utilising app-based technology that will allow journeys to be booked up to one hour before they're needed.

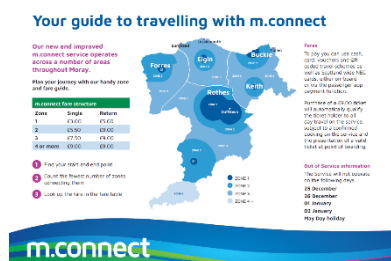
Bus Revolution will receive £4.3m in funding from the Scottish Government. This will be used to cover the capital investment required to:

- Set-up operational systems
- Provide branding and marketing.
- Purchase electric vehicles
- Provide associated charging infrastructure to deliver an efficient and robust transport network.

#### Headline achievements

Since the approval of the Full Business Case in March 2023, the main focus of activity during 2023 has been delivering phase one of the project plan starting in Q1 23/24. Activity completed to date has included the:

- Implementation of a real time booking and management system (Op Porta, Driver app)
- Introducing new operating zone & fares models
- Upgrading electronic ticketing machines (ETM)
- Re-branding vehicles
- Creating a service website
- Production of key policy documents supporting the service
- Development and execution of a marketing and communications campaign



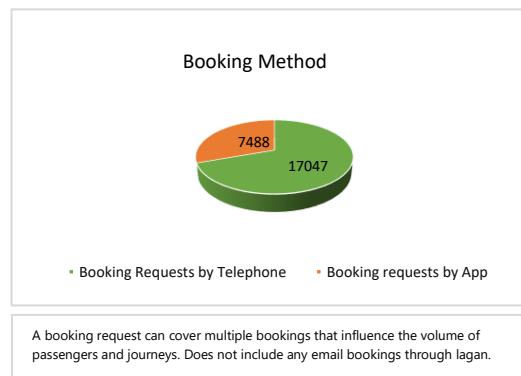
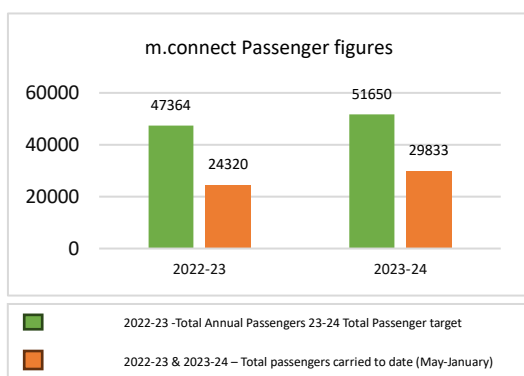
The first phase of m.connect service enhancements introduced the following additional service provision:

- Timetabled service (309) linking Cullen-Buckie-Keith to the rail network (0515-2030hrs Mon-Fri)

- Enhanced timetable for service 366, linking Aberlour-Archiestown-Elgin (0900-030hrs Mon-Fri)
- m.connect on-demand extended operating hours in Buckie, Keith and Speyside (0630-2030hrs Mon-Fri)



To date, m.connect has shown strong growth, gaining more than 5,000 additional passengers from the same period in 2022. There has also been a shift in how the service is booked, with almost one third of bookings now being made via the m.connect passenger app. To date over 2,000 downloads of the app have been registered through both Google Play and the Apple App Store.



On 28 August 2023, The Scottish Government's Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Neil Gray MSP, officially launched the m.connect service at Speyside High School. A month later, m.connect was nominated for Scottish Council for Development & Industry (SCDI, now rebranded to 'Prosper') Highlands & Islands Business Excellence Award for Innovation, where the service was awarded second place.

#### Key milestones

Milestone	Due Date
Vehicle & Charge Unit Procurement	Q1 24/25
m.connect pilot of weekend services	Q1 24/25

**Risks, issues and opportunities that require management by the project team during 2024**

	<b>Impact</b>	<b>Mitigation</b>
<i>Risk:</i> Actual performance varies negatively from assumptions built into the full business case (passenger numbers, fare income etc).	If performance is not as hoped, the Council's revenue commitment may need to increase to support the service and capital return on investment calculation may become less favourable.	Early performance has been strong and the project is being proactive in monitoring performance data. Project in-life reviews will take a detailed look at data, providing an opportunity to review the service model or future vision to ensure it remains aligned with capital and revenue budget allocations.
<i>Risk:</i> Recruitment of staff (drivers and vehicle technicians) could prevent or limit service expansion plans.	Potential for capacity issues to run services, if drivers are not recruited in sufficient numbers, and maintain vehicles or the cost increases as the work needs to be carried out externally.	Continuous advertising of positions, analysing data from different stages of the process to better understand and mitigate challenges faced. The Team will also work to minimise staff turnover.

**Focus on...efficiency through analysis**

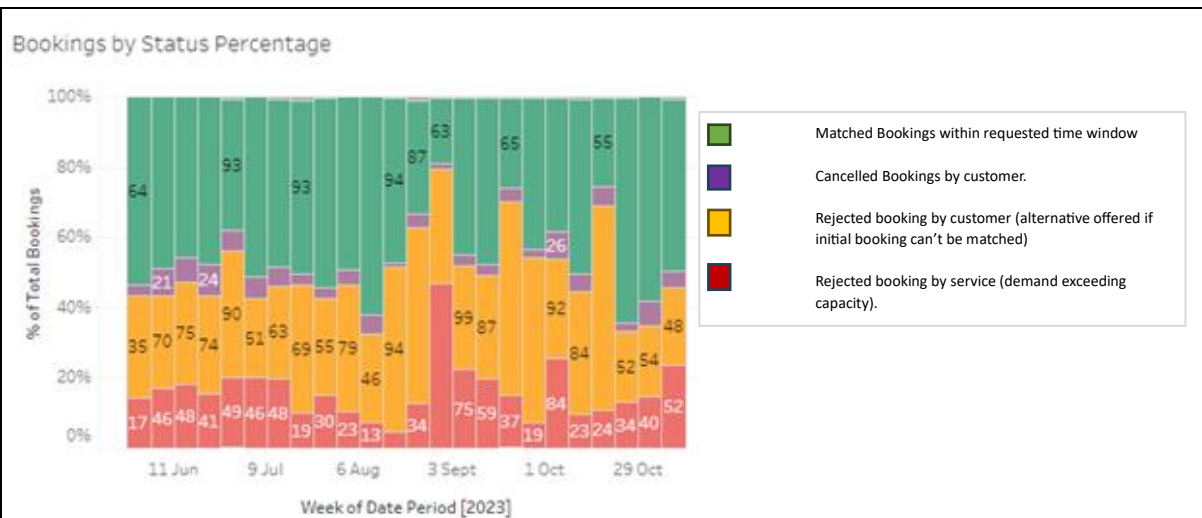
One of the major benefits of the new booking and management system supporting m.connect, is access to a range of reporting tools that inform service optimisation recommendations. The recommendations aim to improve service efficiency by monitoring:

1. Who travels and when (known as ridership).
2. The current demand profile by hour of the day (The balance of supply and demand), Inc passenger per vehicle hour metrics (PpVH).
3. Ride sharing and vehicle utilisation.
4. Trip requests by location, success rates and area specific influencers affecting booking success, such as service zone restrictions, vehicle allocation within area and service / driver break periods.

Optimisation sessions are then conducted with the operations team to discuss improvements in service delivery, but also highlight potential deteriorations in other service metrics. These sessions occur every 3 months, allowing suitable monitoring of changes to evidence their impact on the operation. To date, these sessions have improved ride sharing on the service from 42% to 65%, generating an additional 23% seating capacity to accommodate more journeys.

By way of insight, data from Forres exhibits high demand and has shown considerable unmet demand. In order to meet this demand, recommendations included:


1. Modification of vehicle availability, i.e. extending Vehicle 2's operating hours to match/be similar to Vehicle 1. Unaccepted rides are mainly falling in the period with only 1 vehicle operating.
2. Adding an additional vehicle would be beneficial in Forres, improving access to the service.



Using the evidence that is being gathered, the team are looking to enhance the service offering further, with key areas of focus including:

1. Private service functions: The ability to add a bespoke route within the operation to accommodate specific needs including education, health & social care, sports groups, after school clubs.
2. Group booking function: Enabling social groups to request services that involve one request for a trip to a common destination but with multiple collections and drop offs.
3. Integrated ticketing: Fares validated on both on-demand and timetable services.

### 3.2.2 Business Enterprise (BE) Hub

<b>Value</b>	£6.3m (£4.3m capital, £2m revenue)	
<b>Lead Body</b>	University of Highlands and Islands, Moray College	
<b>Current status</b>	The full business case has been developed and final clearances to enter delivery will be sought once the recently identified revenue shortfall has been addressed	
<b>Project vision</b>	Provision of education, research, and business support functions to support new business start-ups, whilst helping to upscale existing micro businesses.	

#### Project summary

A key characteristic of Moray is that it has over 3,000 small and medium sized enterprises. This represents a considerable growth potential if these businesses can be helped to scale-up. Supporting the upskilling and growth of these businesses, the Business Enterprise Hub (BE Hub) will be a flexible space for business innovation that is accessible to businesses and students alike, providing an inspirational environment that encourages entrepreneurial thinking. Funding for the facility will be provided by the Scottish Government (£3.3m) and Highlands and Islands Enterprise (£1m), with the Scottish Government also provided £2m in revenue to support service delivery.

It will be a productive environment where learning spaces and real work environments coincide, where flexibility of usage allows students, lecturers, researchers, and practitioners to share the same space, and where business support functions can be located with teaching and research skills to develop and support Moray's future entrepreneurs and their workforce.

There are synergies between the BE Hub and other Growth Deal projects including Moray Aerospace, Advanced Technology, and Innovation Campus (MAATIC) and the Manufacturing Innovation Centre for Moray (MICM). Collaboration is ongoing to understand the target audience for each facility and any potential for overlap to ensure they're effectively managed.

#### Headline achievements

- RIBA stage 2 continued through Spring 2023, technical design elements of RIBA stage 3 were included such as electricity and Wi-Fi cabling, plumbing etc. RIBA stage 3 officially launched in November and is ongoing into January/ February 2024.
- MAATIC, MICM and the BE Hub have developed a clear synergies document that will be shared in the appendices of each FBC.
- The Full Business Case (FBC) was developed throughout the year and has been approved by the MGD Programme Board and the Moray Council. Final clearances from the Governments and the UHI Board will be progressed once the recently identified revenue shortfall has been resolved.
- Briefing and consultation sessions have been held with Moray Councillors, UHI Moray staff, Moray Business Assembly, all positively received with clear demand.
- The BE hub forms part of the South Street regeneration project, designs have been exhibited at a public engagement session on 16 December 23 which attracted over 600 visitors.
- Memorandum of Understanding signed with Moray Council in December.

#### Key milestones

To progress the aims of the project, the following key milestones are identified for 2024. These include milestones for the construction of the facility as well as the Hub's service offering.

Milestone	Due Date
Full Business Case approved	Q4 23/24 / Q1 24/25
Initial site survey/ exploration	Q4 23/24

RIBA Stage 3+ Design Complete	Q4 23/24
RIBA Stage 3 Design Cost Plan	Q4 23/24
Planning Application	Q4 23/24
RIBA Stage 3 + Tendered Cost	Q4 23/24
BE hub brand development to start	Q4 23/24
RIBA Stage 4 Design Commences	Q4 23/24
Accredited course proposals/research and innovation programme further developed	Throughout 2024, but concluding in Q3 24/25
Planning Approval	Q1 24/25
RIBA Stage 4 Design Complete	Q1 24/25
RIBA Stage 4 Costs	Q2 24/25
Construction commences	Q3 24/25

In the expectation that FBC and planning permission approval stages proceed as planned, construction will start in October 2024 and last for approximately 18 months. The Hub “working” model is under development to enable a smooth transition upon building opening/launch with plans in 2024 to develop the BE hub brand. In the background regular project board and stakeholder meetings are ongoing to support the development of the Hub function.

#### ***Risks and issues that require management by the project team during 2024***

	<b>Effects</b>	<b>Mitigation</b>
<i>Risk:</i> Escalation of build costs	Work to rescope the facility has already taken place to ensure it is delivered within the budget allocation.  A fixed price contract is in place to prevent cost over runs.	Cost mitigation through design specification and realisation of efficiencies due to co-location with a Housing Mix Delivery site.
<i>Issue:</i> Revenue shortfall identified	Further work required before the FBC can continue it's assurance journey.	The revenue funding model is being reviewed with a view to lowering the amount required without impacting the service or quality. Alternative revenue solutions are also being explored.
<i>Risk:</i> Potential site issues e.g., ground works and protection / integration of existing heritage (as yet unknown)	Could result in delays to construction activity or the need to revise the vision for the site, both of which could affect time, quality, and cost project parameters.	Detailed site survey work to be progressed as soon as possible.  Contingency integrated into the budget to offset any potential issues identified.

#### ***Area of focus....emerging RIBA stage 2 design vision for the facility***

RIBA Stage 2 was the focus for the first part of the year, feeding into the development of the FBC. Monthly meetings working through design versions were held between UHI Moray, Oberlanders (architects), Robertsons, and Moray Council (design images included below).

The size of building from the original plan has been reduced by one-third to fit the present value of the fixed capital funding allocated, design was critical to ensure the maximisation of space available. Reducing the size does not disadvantage the project, with the change accommodated by adjusting the need from full co-location of public agencies to the hybrid working model now represented in the project. Through developing

the designs for RIBA stage 2 costs estimates were prepared to demonstrate the financial sustainability of the BE hub project.


The location of the BE hub will be on South Street in Elgin and will form part of the South Street regeneration project. Over three floors, the hub will be where the Junners Toy Shop previously was. Having a conservationist architect within the team has ensured the building will incorporate some of the original features, such as the scalloped top, as shown in the image below of the front exterior. The glass frontage is important to ensure the building becomes a hub in it's true sense, welcoming and apparent from the exterior.

The hub will have a high profile in the town centre as it's sited near the main UHI Moray campus and the city centre with an aim to make engagement accessible. The hub will provide an inspirational environment, externally and internally and one that really encourages entrepreneurial thinking.



The BE hub will form part of a multi-building site shared with the MGD Housing Mix project. The image above reflects the proposed back exterior to the BE hub including the public realm space, shared with the Housing Mix project, and developed by Moray Council. The back exterior of the hub, also depicting a glass frontage, with the aim again to make engagement activity clearly visible and encouraging.

### 3.2.3 Cultural Quarter

<b>Value</b>	£32.3m (£31.6m capital, £700k revenue)	
<b>Lead Body</b>	The Moray Council	
<b>Current status</b>	Working to submit project Full Business Case to the MGD Board in late Q4 23/24 with a view to entering delivery by Q2 24/25	
<b>Project vision</b>	Investment in key local assets, including the refurbishment of Grant Lodge, the Town Hall, and investment in the region's tourism infrastructure designed to leverage in private sector investment in a new hotel.	

#### Project summary

The Cultural Quarter project is working to advance the development of inspirational, accessible, public facing cultural attractions in the centre of Elgin. Significant investment is in place from four partners:

- Scottish Government £12.7m
- UK Government £3.5m (towards Grant Lodge)
- Moray Council £3.9m
- Highlands and Islands Enterprise £2m

Funding will be used to redevelop two important B listed historic buildings in Elgin: Elgin Town Hall (Phase One) and Grant Lodge (Phase Two). Combined, these phases of activity will provide an enhanced cultural offering which increases city centre activities day and night, and highlights the region as an inspirational destination of choice.

Each element will be linked together by improved public spaces and physical connections, creating a vibrant space in the heart of Elgin which supports inclusive economic growth and cultural expansion within the city and wider region. Collectively they'll help to attract and retain talent whilst increasing tourism region wide. Working with key stakeholders throughout Moray, these vibrant new spaces will act as a springboard for cultural place-based regeneration, providing opportunities for local people and visitors alike whilst supporting the creative, heritage and tourism sectors in Moray to collaborate, thrive and grow.

The creation of modern fit for purpose venues and a visible, aspirational cultural centre in Elgin will encourage private sector investment in a new hotel at a complementary site (Phase Three), meeting a longstanding requirement for additional, quality, hotel accommodation in Moray.

#### Headline achievements


- Cultural Quarter development workshops and Moray culture & heritage mapping study complete (working with 60+ regional and sectoral partners).
- Specialist economic and cultural consultants EKOS and Creative Services Scotland appointed to update Business Plans for Elgin Town Hall and Grant Lodge, review options for a CQ governance model / operating organisation and update the project impact assessment.
- Cultural Quarter phasing and delivery plan RIBA stage 2 report complete. This presented proposals for how external sites and spaces can be improved and connected to lay the foundations for a successful Cultural Quarter with clear links to the High Street.
- Full fabric condition survey completed for Grant Lodge, including recommendations for conservation standard safeguarding/enabling works and costs.
- LDN Architects appointed as lead consultant in multi-disciplinary design team to progress the plans for a transformed Elgin Town Hall.

Key milestones		
Milestone	Due Date	
Updated business plans, operational models, and Impact assessment for CQ venues	Q4 23/24	
Capital and transitional programme for Elgin Town Hall confirmed	Q4 23/24	
Full Business Case submitted to MGD Programme Board	Q4 23/24	
Grant Lodge design team and cost consultants appointed.	Q4 23/24	
Elgin Town Hall RIBA stage 2 complete	Q4 23/24	
Elgin Town Hall works tendered, with updated annex prepared for governance that adds to detail contained within the FBC	Q3 24/25	
Elgin Town Hall Works start on site	Q2 25/26	
Grant Lodge works tendered, with updated annex prepared for governance that adds to detail contained within the FBC	Q3 25/26	
Elgin Town Hall works complete	Q4 26/27	
Grant Lodge works complete	TBC - 2027	
Risks and issues that require management by the project team during 2024		
	Effects	Mitigation
<i>Risk:</i> Inflation in construction costs means buildings exceed budget allocation.	Impact on deliverability of the project which could in turn affect outcomes and benefits.	<ul style="list-style-type: none"><li>- Careful planning to ensure designs deliver objectives</li><li>- Pursue all additional funding routes</li><li>- Appoint client-side cost consultant and construction support through HUB North</li><li>- Engage with contractors early, regular review</li></ul>
<i>Risk:</i> The project does not have sufficient resources to manage both the complex capital redevelopment programme and associated business and relationship development required.	Lack of resources leads to project delays with operational/business impacts, inability to appoint the correct professional services leads to capital programme delays and cost increases which may affect ability to deliver full vision.	<ul style="list-style-type: none"><li>- Planning to ensure experienced input for each project strand understood</li><li>- Early and continual engagement with key relevant sectors</li><li>- Attractive and well-developed briefs which highlight profile and benefits of the CQ</li><li>- Engagement with Hub North</li><li>- Continual re-assessment of programme risk and interdependencies across internal and external teams</li><li>- Share info and learn from other MGD projects.</li></ul>
<i>Risk:</i> The project is working to ensure Elgin Town Hall for the Community has options that enable it to operate whilst redevelopment work takes place, but any delays could impact their community and contractual relationships.	Any impact to the sustainability of the charity could negatively affect the project's ability to deliver full project outcome and benefits.	<ul style="list-style-type: none"><li>- Sub-group of the Cultural Quarter Project Board established to oversee transitional arrangements</li><li>- Capital programme to be appraised against Elgin Town Hall programme to limit the loss of significant income generation opportunities</li><li>- Transition management costs integrated into Cultural Quarter project budgets</li><li>-</li></ul>
Focus on....LDN Architects appointed to lead transformation of Elgin Town Hall		
During 2023 the project team worked closely with Elgin Town Hall for the Community and a wide range of other key stakeholders, from Elgin Community Council to the National Theatre of Scotland, to develop a detailed brief which outlined current building issues and future aspirations clearly.		

Following a two-stage public procurement process, which generated 23 notes of interest, LDN impressed the panel with their clear, thoughtful approach, and creative concept designs to come out top from a selection of prestigious practices from across the UK. LDN Architects and a number of consultants within their design team have bases in the north of Scotland including employing new local members of staff specifically to work on this project, assisting the Cultural Quarter in delivering our commitment to Community Wealth Building.

Work is now underway to progress RIBA Stage 2 concept designs in line with the first phased submission of the Cultural Quarter Full Business Case which is due late Q4 23/24 / early Q1 24/25. The proposed redevelopment will overcome limitations of the current building to create a welcoming 21<sup>st</sup> century performance and community space which builds on the success of the existing venue. Redesign of the building will improve circulation, acoustic separation, environmental performance and add a new multi-use studio space to enhance and widen programming. Updating the already popular Elgin Town Hall will enable the venue and Elgin to take its rightful place as the third major cultural centre in a row of important northern capitals.

### 3.2.4 Digital Health

<b>Value</b>	£5m capital	
<b>Lead Body</b>	Rural Centre of Excellence (RCE) for Digital Health and Care Innovation	
<b>Current status</b>	Achieved approval for the project Full Business Case in Q3 21/22 and is now in delivery	
<b>Project vision</b>	Creation of an anchored demonstration and simulation environment (DSE) and Living Lab testbeds for the Moray region.	

#### Project summary

The Rural Centre for Excellence (RCE) is a complex programme of Research & Development based assets (DSE and R&D infrastructure) in Moray. It links to developing a portfolio of five Living Labs as a vehicle for exploring novel concepts, iterating solutions and evaluating innovations to complex health and care challenges. Since the programme started in late 2021, a number of important key achievements have been realised - particularly over the last 18 months where the RCE innovation team have been mobilised.

At the end of 2023 the project submitted a change request that was approved by the MGD Board seeking to extend the project by a year to May 2026. This is in light of the Rural Centre for Excellence securing a longer term funding agreement from the Scottish Government. The additional time will be used to create a more holistic, connected set of healthcare applications.

The £5m of capital needed for this project is being provided by the UK Government.

One key lesson learned by RCE is that the Moray region and partners were not fully primed to support innovation and digital from the outset. Intensive work is now ongoing with Health and Social Care Moray (H&SCM) and the wider community to support them in developing capacity and aligning with their strategic priorities. There is a notable commitment from H&SCM, who has recently included the Living Lab themes in their long-term strategic planning. In common with social care capacity across the UK, pressures in this sector does constrain ability to engage and deliver at pace. The digital health initiative funded by the Moray Growth Deal is an opportune investment to support R&D and sector-wide innovation (which is likely to increase productivity).

#### Strategic Landscape

The health and care sector continues to face challenges as increasing demand for services exceeds the ability of services to accommodate this. That said, the innovation landscape in the UK is experiencing significant momentum with various initiatives underway to harness technology, data and collaborative efforts to enhance healthcare delivery. The main trends to note are:

1. Increasing technology integration to bring digital health solutions into healthcare systems and provide more personalised care.
2. Data utilisation efforts to leverage vast amounts of data to explore ways to identify trends, predict changes, personalise care and optimise resource allocation via data-driven approaches.
3. Focus on prevention and well-being: There is a growing shift toward preventative care and holistic well-being. Initiatives aimed at promoting healthy lifestyles, mental health support, and early intervention to prevent chronic conditions are gaining traction.

The landscape in the health and care sector is ever evolving. Advancements in technology, changes in policy, and societal needs continue to shape the direction of innovation in the UK, against an uncertain funding backdrop.

#### Headline achievements

##### Living labs

- During 2024, Living Lab 1 (Supported Self-Management) will progress through its development phase and into testing.
- Living Lab 3 (Care in Place) has progressed significantly over the last year, with two key assets (both fundamental to the full RCE infrastructure) developed, and the user testing phase nearing completion. The first asset to emerge for this living lab is the Community Connections @Moray platform and is the spotlight focus in this year's report. The second asset is the creation of a Personal Data Store (PDS). The scope of the work is around integrated care, and looking at equipping citizens with a Personal Data Store that allows them to keep a copy of their data online and take it with them as they move between different health, care, third sector and independent organisations. It will also potentially contain information from health professionals, making it easier for them to understand the healthcare journey of patients.
- Living Lab 2 (Long Term Condition Co-Management) NHS pathway was activated in 2023, as definition and initiation workshops highlighted a need to find digital solutions to support access deprivation and the sustainability of a clinical service to support those with a type 2 diabetes diagnosis.
- Living Lab 2 (Long Term Condition Co-Management) community pathway was also activated and workshops took place with the Occupational Therapy (OT) service to develop a call to industry to develop digital solutions to improve access to the service and reduce waiting times.
- Significant re-scoping for Living Lab 4 (Smart Housing/Smart Communities) and Living Lab 5 (Mental Wellbeing) with realignment of the site from Dallas Dhu to Leancoil Trust in partnership with the Housing Mix project.
- Developing key enabling R&D digital infrastructure to allow the work to take place.
- Progressing information governance and EQIA assessments.

#### **Skills**

- A skills grant was awarded to UHI Moray to develop an online learning module "Digital Essentials for Carers" comprising four short units – learners receive a digital 'badge' on completion of each unit and a digital certificate to confirm completion of the overall module, which can support the Continuous Professional Development (CPD) of paid staff.
- SkillsFest event took place at UHI Moray in November 2023 - the key focus of this R&D skills-related gathering was to share the RCE skills work and outline how innovation assets and strengthening the skills and education pathway can enable the region to become more attractive, increasing the skills across the system.
- Curating skills and activities that support capability and capacity building for the ecosystem that will need to understand how to innovate and use digital tools (e.g., Micro credentials and upskilling outreach activities).

#### **Procurement**

- Dynamic Purchasing System (DPS) was activated as the innovative procurement vehicle for RCE calls to industry.

#### **Comms and Engagement**

- The Demonstration and Simulation Environment (DSE) was set up and launched early in 2023. A launch event was held in April to mark the occasion, with a closed session in the morning with invited delegates and an open session in the afternoon for the general public to experience the DSE.
- Procurement of a collaboration platform to support the Digital Innovation Hub and Citizen Panel activities for the RCE project.
- Developing a network of stakeholders and a strong project board including sub working groups aligned to thematic areas (e.g. skills, sustainability).
- Developing international opportunities and hosting international visitors at the DSE in Moray.
- Reaching over 300 participants locally, over 60 registered for the RCE citizen panel.

#### **Evaluation**

- Strategic Evaluation Partner contract was successfully appointed to University of Highlands and Islands with the draft evaluation framework being developed.

#### **Sustainability and inward investment**

- RCE Sustainability working group was set up and an outline sustainability plan has been developed by the Commercial Innovation Lead.
- Supported bid-development in the region including a successful community research network funded through UKRI and further digital inclusion funding from SCVO.

#### **Strategic**

- Internal audit completed in December 2023 with positive feedback received.

#### **Key milestones**

Milestone	Due Date
Living Lab 1 and 3 to move to real world evidence stage	Q1 24/25
Development activity for living lab 2 to commence for community supported diabetes pathway	Q1 24/25
Invitation to tender launched via the DPS for Occupational Therapy Service support (living lab 2)	Q1 24/25
Living labs 4 and 5 to commence	Q1 24/25

#### **Risks and issues that require management by the project team during 2023**

Risk / issue	Effects	Mitigation
<i>Risk:</i> Ability for key local and regional stakeholders to support project innovation activity.	Has the potential to cause slower uptake in support for the project which may cause delays in reaching milestones.	- Change request approved during Q4 23/24 that extends project into 2026. Provides more time for the project to develop effective relationships with all partners to secure the necessary support to complete deliverables.

#### **Focus on....Community Connections app development under living lab 3 (Care in Place)**

Throughout the RCE project and broader DHI engagement, it has been repeatedly highlighted by citizens and professionals that there is a need for better access to information and services with a reduced need for the user to re-tell their story. The Care in Place project team with broad stakeholder representation, have iteratively codesigned the 'Community Connections @Moray' (CCM) platform to offer this in a one stop shop.

With an initial focus on unpaid carer need, the CCM platform provides information for both the cared for, and the unpaid carer, through a holistic, verified and filterable directory of community, third sector, health and care services and resources. The primary aim is to support self-management and enable access to the right information at the right time, with sign posting and soft referral where appropriate. By registering with a name and email address, users will also have access to an 'about me' section where they can record their own journey and personally significant information for automated re-use in referral to a selection of community services.

This platform has been developed throughout 2023 and will be tested in the Forres and Lossiemouth areas in 2024, along with the Personal Data Store. As a core infrastructure asset for the RCE, this platform will continue to grow and develop along with other living lab activity.

## Supporting you and connecting you to what matters.

[Create your Story](#)

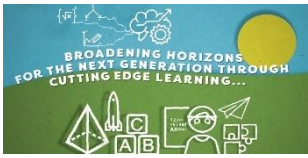
[▶ Watch the Film](#)



### How can we help?

Early Access connects older people and those caring for them with services that matter to them and a smoother, easier route to accessing those services.

### 3.2.5 Early Years Science, Technology, Engineering and Mathematics (STEM)

<b>Value</b>	£6.4m (£4.8m capital, £1.575m revenue)	
<b>Lead Body</b>	The Moray Council	
<b>Current status</b>	Working to submit project Full Business Case to the MGD Board Q4 23/24 FY, with a view to securing clearance to enter delivery by June 2024.	
<b>Project vision</b>	To raise the aspirations of children age 3-8 in Science, Technology, Engineering and Maths (STEM)	

#### **Project summary**

The Early Years STEM project will see investment of £4.8 million of capital funding from both the Scottish Government and Moray Council. The Scottish Government will commit up to £3.5m and Moray Council £1.3m. Moray Council will meet revenue requirements (£1.575m) that includes operational costs and dedicated staffing provision for the duration of the project.

The nature of work is changing, and where Moray has historically relied upon traditional manufacturing and retail business, in the future there will be more high level, technology based occupations. Creating more appeal for STEM related jobs is important to facilitate the evolution of skills required by the future jobs market, and to ensure Moray is resilient in the future.

Early Years STEM aims to encourage young people to enter into a STEM related career when they leave education and focuses on STEM engagement with children in their early stages of learning (age 3-8). The project develops a STEM learning ecosystem in the Moray area, through the creation of specialist learning environments and experiences, access to training and resources, and the creation of a STEM learning network involving key delivery partners, upskilled staff, volunteers from industry and the wider community.

This innovative development will build on existing educational practices and initiatives, and will create the necessary infrastructure to support a STEM skills pathway from early years through to broad general education and beyond.

The project will invest in state of the art facilities in community settings throughout Moray, each offering a unique experience that can be delivered flexibly across the region, including mobile and outreach offerings. These Hubs will aim to inspire and enhance the STEM learning experience of children and staff through age appropriate, curriculum aligned and industry related STEM experiences, and will offer accessibility to parents, employers and the wider community, thereby allowing inter-generational learning to take place.

The aspiration of this strategy is to close the equity gaps in participation and attainment in STEM, ultimately leading to more young people choosing STEM occupations at a later stage in their lives.

#### **Headline achievements**

Significant progress has been made during 2023 with the development of infrastructure, operational plans and partnership arrangements.

Sites have been identified for all four STEM centres, with particular focus on planning for the first of these located within Elgin Library. A multi-disciplinary design team led by Moray Council has been appointed and early architectural proposals developed for the Elgin facility. Planning will continue into 2024 as proposals are developed for the satellites sites in Forres and Buckie, as well as a unique outdoor environmental education centre in a central location.

These facilities will be complemented by a robust outreach provision that includes a mobile offer and STEM Lending Resource, delivered in collaboration with UHI Moray's STEM Outreach team and with support from key STEM providers across Moray. UHI Moray's Lend a Lab initiative is now being offered to Moray schools and 2024 will see partners adopt an iterative and collaborative approach to further develop this model and extend the reach of STEM engagements from early years through to primary education.

Proposals are being finalised for inclusion into the Early Years STEM Full Business Case which is on track for submission to the Moray Growth Deal Programme Board early in 2024. Approval of the Full Business Case will secure funding to commence a capital development programme and official launch of the first STEM centre location in August 2025.

### Key milestones

As we head towards completion of the Full Business Case, 2024 will see significant progress on a number of elements:

Milestone	Due Date
<b>Phase 1</b>	
Design phase RIBA 3-4 incorporating exhibition and interpretation	Q2 24/25
Full Business Case submission	Q1 24/25
Staff recruitment and curriculum development	Q1 24/25
Official launch of STEM outreach offer	Q2 24/25
Construction contractor appointed	Q3 24/25
Vehicle and equipment purchase	Q4 24/25
Construction and fit out works complete	Q1 25/26
Official launch of Elgin STEM Centre and mobile offer	Q2 25/26
<b>Phase 2</b>	
Development of proposals and partner agreements	Q1 24/25
Creation of development plans, budgets and architectural drawings.	Q4 24/25
Public consultation	Q4 24/25
Site acquisition, legal processes and planning permissions	Q2 25/26
Delivery phase of building works, infrastructure development	Up to Q1 28/29
Official launch of Outdoor Environmental Education Centre	Q2 26/27
Official Launch of Forres STEM Centre	Q2 27/28
Official Launch of Buckie STEM Centre	Q2 28/29

### Risks and issues that require management by the project team during 2024

	Effects	Mitigation
<i>Risk:</i> Rising construction costs and scope change.	Potential to affect the scale and ambition of the project that could affect outcomes and benefits.	<ul style="list-style-type: none"> <li>- Re-develop existing space to reduce costs.</li> <li>- Experienced architectural team to provide budgets and sound project management.</li> <li>- A phased approach to implementation of facilities that will identify rising costs, capture lessons learned and make early interventions.</li> <li>- Close liaison between teams.</li> <li>- Adopt value engineering approach.</li> </ul>
<i>Risk:</i> Insufficient operation planning and budgets.	Inability to realise outreach activities.	<ul style="list-style-type: none"> <li>- Delivery model revised during 2023 to fit the capital and revenue budget available.</li> <li>- Build in elements to the project that will attract future funding opportunities to support core staffing and continued refreshment of the project.</li> <li>- Grow partnerships with other STEM providers.</li> <li>- Develop a delivery network of volunteers and industry ambassadors to ensure the longevity of the project.</li> </ul>
<i>Risk:</i> No change in community attitudes or regular repeat visitations to STEM centre infrastructure.	Improvements in STEM attainment levels not realised.	<ul style="list-style-type: none"> <li>- Consultations with education staff, young people and the community throughout the design process to understand need.</li> </ul>

		<ul style="list-style-type: none"> <li>- Engagement with other STEM providers, partnering and providing a web of joined up inspiring and age appropriate experiences</li> <li>- Identify barriers to participation and seek to remove where possible.</li> <li>- Flexible and dynamic approach to curriculum development and project delivery.</li> <li>- Implement CPD training to benefit all schools through the Associated School Group (ASG) network</li> </ul>
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#### ***Focus on....the project's first hub in Elgin Library***


The first phase of the MGD Early Years STEM Project will see development of an Early Years STEM Discovery Centre and Community Learning Hub, hosted within Elgin Library at Cooper Park. The space will serve as a focal point for early years STEM education, delivering interactive learning experiences to Early Learning and Childcare settings, primary schools, and home educators across the region.

The partnership with Elgin Library delivers mutual learning objectives while sharing resources, through co-location, provision of specialist equipment and support from staff.

2023 has seen significant progress planning for this facility. Moray Council's Architect led Design Team have developed proposals to RIBA stage 2 which sees the former drill hall area transformed into an early years interactive learning resource. An exhibition and interpretation design partner is being appointed in January 2024 to fit out the space incorporating bespoke learning equipment and educational programmes. Stakeholder consultation is being planned for 2024 where users of the space will contribute to design plans and support the creation of a state-of-the-art facility that will transform STEM learning in Moray.



### 3.2.6 Housing Mix Delivery

<b>Value</b>	£7.5m capital	
<b>Lead Body</b>	The Moray Council	
<b>Current status</b>	The full business case is expected to be approved late Q4 23/24 enabling the project to enter delivery	
<b>Project vision</b>	Stimulating housing development in town centres, unlock constrained sites and promote the integration of pilot exemplar sustainable design and construction techniques.	

#### Project summary

The Housing Mix Delivery is a £7.5m project with a commitment of £5m from the Scottish Government and £2.5m from Moray Council. The project supports the delivery of up to 360 affordable houses and plots; 150 short-term construction jobs annually; stimulates the private housebuilding sector to deliver up to 500 market houses; supports town centre regeneration of brownfield sites; and provision of housing in rural towns and villages.

#### Headline achievements

- *Strategic progress:* Full Business Case approved by Moray Growth Deal Programme Board on 29 September 2023.
- *South Street, Elgin:* Legal agreements signed between partners, site acquisition commenced in November 2023. Design completed to RIBA Stage 2, and RIBA Stage 3 work started in November 2023.
- *Dallas Dhu, Forres:* Design team was appointed in March 2023. Proposal of Application Notice (PAN) submitted on 16 June 2023 and revised PAN was submitted on 21 November 2023 to include student accommodation.
- *Hillside Farm, Dufftown:* Design team appointed in June 2023. Community Engagement Events held on 9 August 2023 and 6 December 2023.
- *Speyview, Aberlour:* Funding package agreed by the Scottish Government More Homes Division to provide additional funding given the Growth Deal investment.

#### Key milestones

Milestone	Due Date
Clearance for the project to enter delivery (from the Moray Council and the Scottish and UK Governments)	Q4 23/24
South Street, Elgin: Submission for planning consent	Q4 23/24
Dallas Dhu, Forres: Submission for planning consent	Q4 23/24
Hillside Farm, Dufftown: Draft Masterplan to be approved by Council's Planning and Regulatory Services Committee	Q4 23/24
Speyview, Aberlour: Funding Agreement to be signed and Growth Deal investment of £700,000 to be spent	Q1 24/25
Hillside Farm, Dufftown: Final Masterplan to be approved by Council's Planning and Regulatory Services Committee	August 2024

#### Risks, issues and opportunities that require management by the project team during 2023

	Impact	Mitigation
<i>Risk:</i> Inflation and construction costs continue to rise.	<p>The project is able to invest in fewer sites throughout Moray as the budget was fixed in 2021 and will not be adjusted for inflation.</p> <p>Whilst this is a risk the project is managing, it is still projected that</p>	<p>A cost consultant has been engaged to control the investment costs for each site.</p> <p>Funding from additional sources will be sought.</p>

	the expected benefits will be realised.	
<i>Risk:</i> Inability to attract external sources of funding to support the delivery of the project.	Project scope may need to be changed or the delivery timescales elongated.	The Council is actively exploring external funding options, such as UK Shared Prosperity Fund, Just Transition and UK Government Long Term Plan for Towns.
<i>Risk:</i> Activity being progressed by other Growth Deal projects or economic development activity in Moray has a negative impact on HMD.	Potential for other activity to impact the ability for HMD to create the right environment for success with stakeholders and realise all of the benefits sought.	Good working relationships have been established between Growth Deal Project Managers. This is evidenced through constructive collaboration with the Business Enterprise Hub on South Street redevelopment.

#### **Focus on....South Street (Elgin) regeneration project**

This is a partnership project between Moray Council, Moray College UHI and Robertson Property Ltd; and forms part of two Moray Growth Deal projects: Housing Mix Delivery and Business Enterprise Hub. The overall site comprises five separate ownerships:

- M&Co, 51 South Street (long vacant)
- Elgin Furniture & Carpet Store, 53-55 South Street (operating business)
- Junners, 57-61 South Street (long vacant)
- Jailhouse, 130 High Street (derelict)
- Newmarket Bar, 130 High Street (derelict)

This regeneration project will deliver the Business Enterprise Hub, 38 one and two bed flats and opportunities for 2-3 small retail units.

During 2023 design was progressed to RIBA stage 2 and in November 2023 entered into RIBA Stage 3. Legal agreements were signed by all parties and development agreements have been drafted late 2023. Site assembly started in late 2023 and public engagement event was held on 16 December 2023. A detailed planning application is anticipated to be submitted to the Council during Q4 23/24.





### 3.2.7 Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC)

<b>Value</b>	£24.4m capital	
<b>Lead Body</b>	UHI (University of Highlands and Islands)	
<b>Current status</b>	Project under review in light of funding challenges.	
<b>Project vision</b>	A cutting edge commercial and academically supported training and research centre for excellence that will provide advanced skills for the region's industries.	

#### **Project summary**

This project aims to deliver a once-in-a-generation combination of the Moray Growth Deal, strategic aerospace developments and a partnership with Boeing to provide a genuinely transformational opportunity for the region and its people. Funding for the facility will be provided by the UK Government (£21m) and Highlands and Islands Enterprise (£3m).

Having received an updated and detailed proposal from Boeing in summer 2023, regarding how they will support the MAATIC facility, the project team is working to develop a Full Business Case that focuses on five streams of activity:

- 1) Boeing /Civil Aviation Authority(CAA) / Air Services Training (AST - Existing skills and training vehicle of UHI Perth) condensed part 66 and type approved training (aerospace and aviation)
- 2) Immersive training centre for safety critical systems (immersive technologies and synthetic training)
- 3) Delivery of a suite of integrated programmes of education covering aerospace, aviation, immersive technologies, advanced manufacturing and innovation
- 4) Centre for research in aerospace and sustainable fuels (aviation, aerospace and innovation)
- 5) Innovation and development space

The MAATIC building itself will house commercial and academic leading-edge research on these emerging technologies, will be a training facility to support the skills required to underpin and deliver these technologies. It will have a communal space for the promotion of STEM developments and opportunities to the community and to the next generation of technologists.

Whilst the Business Enterprise Hub, MICM and MAATIC FBCs aim to solve different challenges regarding business growth and skills, there are significant synergies and work has taken place to ensure clarity on the scope of each, areas for potential overlap and how these can be successfully managed.

#### **Headline achievements**

During 2023 the project developed a revised vision for the project that saw a move to focusing on leading edge digital skills for the aerospace industry that is supported by Boeing, the application of digital learning to other safety critical environments and R&D opportunities. With no need for the facility to be located near to a runway, other sites in Moray have been appraised.


A key project USP is a progressive, mutually beneficial relationship with Boeing. Following work to refine the vision for the facility and how Boeing could support this, both parties advanced the development of a formal partnership agreement.

From a resourcing perspective, the pace of progress during 2023 has been affected by staff changes and availability. Steps were taken at the end of 2023 to mitigate this in the future with responsibility for the project moving from UHI-Moray to UHI-Executive Office

Key milestones		
Milestone	Due Date	
UHI to conclude internal review of the project FBC.	Q4 23/24	
Subject to the above,the following steps will be taken to advance the project: - UHI and Boeing to sign a partnership agreement - Resubmission of MAATIC FBC to the MGD Board, with a view to commencing the process to secure Government and Moray Council approval. - Government clearance and Council approval to be secured, enabling the project to enter delivery - MAATIC project to enter delivery	Q4 23/24 Q4 23/24 Q2 24/25 Q2 24/25	
Risks and issues that require management by the project team during 2024		
	Effects	Mitigation
Issue: The FBC in it's current form cannot be progressed.	Potential for delay and rework.	Close collaboration with key stakeholders.
Risk: Gaps between actual and projected targets around student numbers, research and innovation.	Alters the financial model and potentially the viability of the project as a whole.	Robust planning during the implementation phase and regular reviews of data so the project and Business As Usual teams can take action as needed to realise targets set.
Risk: Delay in site acquisition.	Affects the delivery timescales for the project.	Close collaboration with key stakeholders.
Risk: Increase in capital costs render original plan unaffordable.	Threatens planned redevelopment of site and FBC plans.	Should the revised costs push beyond the budget explore refinements to reduce costs that mean project objectives can still be achieved.
Focus on....creating a digital learning environment for aerospace skills		
Throughout 2023 the project worked closely to redefine the vision for the facility in light of the industry moving towards hybrid (virtual and physical) training for aerospace skills. UHI sought to ensure that a multi-dimensional operating and financial model was in place that would mean the continued viability of the campus.		
Central to the new vision is the use of augmented, immersive teaching environments for condensed part 66 training. The project will work with Boeing and the Civil Aviation Authority in light of changing regulations to integrate virtual ways of working into teaching.		
In creating these teaching environments, the project will look to the academic and R&D opportunities within the facility to include both digital skills and apply the learning environments to other safety critical environments.		

### 3.2.8 Manufacturing Innovation Centre for Moray (MICM)

<b>Value</b>	£7m (£5.6m capital, £1.36m revenue)	
<b>Lead Body</b>	Highlands and Islands Enterprise	

<b>Current status</b>	The full business case is expected to be approved late Q4 23/24 enabling the project to enter delivery	
<b>Project vision</b>	A focal point for businesses to learn best practice and collaborate, stimulating the creation of new and growth of existing micro businesses throughout Moray.	

### **Project summary**

The key driver for this project is to achieve a grassroots cultural shift in how Moray businesses gain insight into the latest process and production efficiencies that are available, and how they can use them for product and process innovation.

The Manufacturing Innovation Centre for Moray (MICM) will act as a local focal point for business to access best practice and identify how they can collaborate with universities and other research institutes. They'll be quickly supported to access the relevant support from organisations such as Highlands and Islands Enterprise (HIE), National Manufacturing Institute Scotland (NMIS), Scottish Manufacturing Advisory Service (SMAS), Interface (the knowledge connection for business), Business Gateway and other service providers to meet their needs.

The project will receive both capital (£610k from the Scottish Government, £2.4m from the UK Government and £2.5m from Highland and Islands Enterprise) and revenue funding (£1.25m from Highlands and Islands Enterprise).

MICM will provide services that are customised to the needs of rural manufacturing business, it will also act as a vital access point for local businesses to engage with the National Manufacturing Institute for Scotland and other national innovation support services.

The development of the FBC during 2023 has supported our view that, while much has changed since the Moray Growth Deal was developed, the core need to support a vital sector to improve and innovate has not and MICM's mission is more relevant than it was in 2019.

### **Headline achievements**

Our focus during 2023 has been to develop the Full Business Case and to gain approval for the project to progress.

Key achievements include:

- Development and approval of change request covering the project's location, no longer co-locating with the MAATIC project, but refurbishing existing buildings with some new build construction on the Forres Enterprise Park.
- Whilst the MICM, MAATIC and Business Enterprise Hub projects all tackle different audiences regarding skills and business development, work developed the potential for overlap and synergies with each.
- Development of the project's Full Business Case that was approved by the MGD Board in September 2023.
- Engagement with the Government to enhance the FBC following comments from Policy Advisors.
- Approval of the FBC by HIE Board.

### **Key milestones**

Milestone	Due Date
Complete design	February 2024

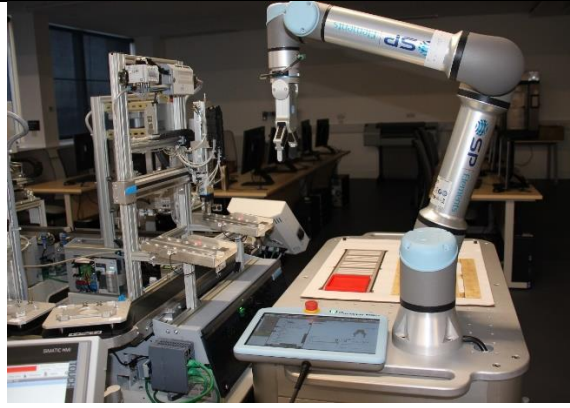
Planning approval	March 2024
Commence construction	May 2024
Key staff recruited	Autumn 2024
Complete construction	Autumn 2024
Operational stand-up	Autumn 2024

<b><i>Risks and issues that require management by the project team during 2024</i></b>		
MICM Is currently managing the following major risks:		
<b>Risk</b>	<b>Effects</b>	<b>Mitigation</b>
Cost inflation affects project affordability.	Compromises what MICM can deliver.	Monitor. Contingency is built into cost model. Construction starts in 2024.
Lack of productive engagement with the business community.	Vision for MICM diverges from what the business community would like to see.	Consultation events with the Moray Growth Deal, Business Assembly and Chamber of Commerce, as well as a broader business survey. Ensure involvement with Project Board.
Revenue assumptions are overoptimistic.	Revenue shortfall	Sensitivity analysis in FBC. Develop alternative revenue sources.

<b><i>Focus on....how the project will support businesses to grow and innovate</i></b>
<p>The ambition for MICM is to create a grassroots cultural shift in efficiency and innovation for Moray's manufacturing businesses. HIE work with manufacturing businesses across our region to support their development and we see a clear and growing need for local support to access the best practice required to make the leap to the next level.</p> <p>Some recent examples include:</p> <ul style="list-style-type: none"> <li>- A manufacturer developing lighter components using composites is looking for support in development of validation and testing of components from NMIS and the national Lightweight Manufacturing Centre. This will require at least two week's travel to the central belt for key personnel who are currently in the middle of a demanding scale-up project. The company is currently weighing the benefits of continuing with the project. With MICM in place they could access a local venue for both equipment and project support reducing costs and disruption and bringing the test equipment closer to their processes.</li> <li>- A Caithness based engineering company has been affected by a shortage of skilled labour. Having analysed their manufacturing processes, they believe that automation of their production line might help. With support from HIE, the company attended a demonstration event held in Thurso by the North Lanarkshire SmartHub to explore the use of cobots (collaborative robots) to improve their welding processes. During the event the company met with an equipment vendor and have gone on to develop a project to install and evaluate a small cobot at their Caithness site. The potential prize for the company is an expansion of working hours, reduced order fulfilment times and securing further orders. This is a great example of the type of project that we want MICM to work for Moray businesses – using a centralised hub to provide links and opportunities for SMEs to access best practice in manufacturing and supporting them to evaluate how it could benefit their business.</li> </ul>



*Cobot demonstration at SmartHub*

#### 4. Forward look at activity planned for 2024

##### 4.1 Work to get all Growth Deal projects into delivery

The Moray Growth Deal entered 2023 with one project in delivery, Digital Health. This was quickly joined by Bus Revolution that received clearance to enter delivery in March 2023.

Building on this, in the second half of 2023, three project FBCs were developed and submitted for formal review by the Scottish and UK Governments:

- Business Enterprise Hub
- Housing Mix Delivery
- MICM

These documents have been the subject of extensive consultation and received approval from a number of different governance steps.

Project	Pre-submission workshop with the Governments	Project Board approval	MGD Programme Board approval		Other approvals	Moray Economic Partnership
			First approval to trigger Government review	Second review following Government feedback		
<i>BE Hub</i>	21 Jun 2023	27 Jul 2023	11 Aug 23	12 Dec 23	26 Jul 23: Moray College Board	14 Dec 23
<i>Housing Mix Delivery</i>	3 Aug 2023	20 Sep 2023	29 Sep 23	12 Dec 23		14 Dec 23
<i>MICM</i>	3 Aug 2023	8 Sep 2023	25 Aug 23	12 Dec 23	31 Oct 23: HIE Board	14 Dec 23

By the end of Q4 23/24, four of the eight Growth Deal projects are expected to be in delivery (Housing Mix Delivery and MICM joining Digital Health and Bus Revolution), with the Business Enterprise Hub due to be the fifth once the revenue shortfall has been resolved. Of the three remaining projects:

- The Cultural Quarter and EY STEM projects are expected to submit their FBCs to the MGD Board during Q4 23/24.
- An FBC has been drafted for MAATIC that is currently being reviewed.

##### 4.2 PMO Milestones to be achieved

During the course of 2024, the Moray Growth Deal PMO is working to achieve a number of key milestones:

Milestones	Target date
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Work to understand planning implications (resources, risks, opportunities) associated between the Growth Deal, Levelling Up Fund and the Long Term Plan for Towns fund.	Q4 23/24
Deal annual conversation involving senior officers from Moray Council and the Scottish and UK Governments.	Q4 23/24
Housing Mix Delivery and MICM full business cases to be approved and clearance secured for the projects to enter delivery.	Q4 23/24
Business Enterprise to enter delivery once revenue budget confirmed.	Q4 23/24 or Q1 24/25
2024/25 grant offer letter to be agreed with the Scottish Government, confirming the level of funding to be provided during the financial year.	Q1 24/25
Publication of the Deal's 2023 annual report.	Q1 24/25
Cultural Quarter and EY STEM project full business cases to be approved and clearance secured to enter delivery.	Q2 24/25
Second tranche of in-life reviews to be scheduled.	Q2s and 3 24/25

### 4.3 Factors needing action or future activity could be impacted

There are a number of 'uncertainties' that could have a positive or negative impact on Growth Deal activity that are being managed at both a programme and project level. Key uncertainties include:

- Consideration needs to be given to how Growth Deal activity interacts with projects funded through Levelling Up and the Long Term Plan for Towns Fund to ensure that they complement each other, that there is no overlap and that there are no inadvertent risks created as the work is commissioned.
- With the potential for construction projects associated with the Business Enterprise Hub, Cultural Quarter and Housing Mix Delivery occurring at the same time in Elgin, planning will need to take place with key stakeholders to ensure any potential disruption for the public and businesses is minimised.
- Cost inflation and the affordability of projects remains a potential risk. During 2023 significant work was undertaken by Project Managers to rework aspects of construction plans and operational models to ensure they meet capital and revenue projections. Looking into 2024, the greatest budgetary challenges will be faced by Cultural Quarter's two significant building refurbishments; MAATIC design activity for their campus; and the continued affordability of work by Housing Mix Delivery to increase affordable and private house building rates in Moray.
- At a time when Moray Council and other public organisations are facing significant budgetary challenges, it's important to manage when and how communications related to Growth deal activity are released. This ensures messages about changes to the Council or partner budgets are separate from news about Growth Deal investment.

### 4.4 Monitoring the benefits to be realised by the Deal

Significant progress has been made to ensure a firm baseline is in place on what benefits and their associated targets will be delivered at both a programme and project level, with a completed Benefits Realisation and Monitoring Plan due to be finalised in Q1 24/25. This is a quarter behind original projections, primarily due to procurement delays experienced. Key activity that needs to be completed includes:

- A procurement call for consultancy support to gather evidence for programme level indicators took place during Q3 23/24, however, this was unsuccessful which has delayed the plan. During Q4 23/24 into Q1 24/25 the PMO will work to secure consultancy support to complete this work.

- Work has taken place with projects on the monitoring plans needed as full business cases are developed.
- During Q1 24/25, the PMO will submit a paper to the MGD Programme Board that draws together all of the information above into a Benefits Realisation and Monitoring Plan. This will include a stock check to make sure the Deal is on track to deliver the outcomes set out when at Full Deal signing in December 2021.

## 5. Financial summary

### 5.1 Funding sources for Deal activity

During 2023 the funding landscape for the Moray Growth Deal remained static, with no changes to the funding agreement in place between the Moray Council and the Scottish and UK Government.

The same capital and revenue profile as reported in the 21/22 annual report remains valid, however, there is the potential for a reduction in the capital cost associated with the MICM project. The profile contained within the financial model of the approved business case, sees capital costs reduce from £6.87m to £5.6m. During 2024 consideration will be given to how this underspend can be reallocated to other Growth Deal activity.

As highlighted in section 4, there is potential that projects such as Cultural Quarter may have difficulties funding the current aspiration and scope within the existing funding , however, work will take place to adjust construction plans and seek other sources of funding.

Project	Scottish Government investment (£'000)	UK Government investment (£'000)	Local partner investment (£'000)	Total investment (£'000)
<b>Capital</b>				
Bus Revolution	4,000	-	-	4,000
BE Hub	3,300	-	1,000	4,300
Cultural Quarter	12,700	3,500	15,400	31,600
Digital Health	-	5,000	-	5,000
Early Years STEM	3,500	-	1,300	4,800
Housing Mix Delivery	5,000	-	2,500	7,500
MAATIC*	-	21,000	3,390	24,390
MICM	750 (610 in project FBC)	3,000 (2,442 in project FBC)	3,140 (2,557 in project FBC)	6,890 (5,609 in project FBC)
<b>TOTAL</b>	<b>29,250 (reducing to 29,110 due to MICM FBC)</b>	<b>32,500 (reducing to 31,942 due to MICM FBC)</b>	<b>26,730 (reducing to 26,147 due to MICM FBC)</b>	<b>88,480 (reducing to 87,199 due to MICM FBC)</b>
<b>Revenue</b>				
Bus Revolution	-	-	322	322
BE Hub	2,000	-	-	2,000
Cultural Quarter	-	-	700	700
Early Years STEM	-	-	1,575	1,575
MAATIC*	-	-	-	-
MICM	1,250	-	110	1,360
<b>TOTAL</b>	<b>3,250</b>	<b>-</b>	<b>2,707</b>	<b>5,957</b>

\* Level of funding expected to be higher due to private benefit in kind contribution and HIE revenue support

### 5.2 Funding drawn down from Scottish and UK Governments - Q4 22/23 to Q3 23/24

In line with the conditions associated with Scottish and UK Government funding, projects can only draw down funding once their full business cases have been approved by the MGD Board, both Governments and the Moray Council. During 2023, two projects had reached this stage:

Project	Government investment (£'000)	Draw down (all figures £'000)		
		Previous draw down up to Q2 22/23 inclusive)	Period covered by this annual report (Q4 22/23 to Q3 23/24)	Total draw down to date
Bus Revolution	4,000	0	738	738
Digital Health	5,000	1,505	1,293	2,798
<b>TOTAL</b>	<b>9,000</b>	<b>1,505</b>	<b>2,031</b>	<b>3,536</b>

## 6. 2023 communications activity

May 2023 saw the publication of the 2021/22 Moray Growth Deal Annual Report, alongside a round up of the status of each project. As more projects progressed through their planning and business case stages, activity increased during 2023. This included media releases, social media posts and stories with live streaming from events alongside in-person engagement activity and events, specifically:

### **Bus Revolution project, m.connect on demand public transport services**

The comms and marketing campaign for m.connect started with a driver recruitment campaign in *February 2023* and the commencement of services in May. This progressed to full phase one service delivery marketing and official Ministerial launch by *August 2023*.

The launch involved the unveiling of the first name of one of the electric buses, which was open to all residents in Moray to suggest as part of the engagement campaign, which attracted over 200 entries. Promotion of the services and new developments to the offering, including group bookings, continued throughout the year.

### **Business Enterprise (BE) Hub**

The details of the Business Enterprise Hub were further highlighted in *November 2023* as part of the wider promotion of regeneration activity planned for South Street in Elgin. Building on this, a drop-in exhibition was held in *December 2023* to explain the vision to local residents attracting over 600 visitors. Planning applications and full business case approval will enable further communications and engagement opportunities to take place in early 2024.

### **Cultural Quarter**

The Cultural Quarter has picked up momentum this year as details were released on the plans for Grant Lodge and investigative works, with updates given online and in person at local events such as Doors Open Day tours in *September 2023*. A further significant milestone was marked when LDN were appointed as the design team for Elgin Town Hall in *November 2023*.

### **Digital Health**

Digital Health Innovation launched its Demonstration and Simulation Environment (DSE) Space in *April 2023*, which propelled the communications and engagement activity into the delivery phase. After the initial launch comms, further in-person engagement was undertaken to encourage residents to join the citizens panel and to highlight work being delivered by the project.

### **EY STEM**

Early Years STEM engagement took place at a number of Local Development Plan events held across Moray *during 2023*, which included introducing the project to local residents.

### **Housing Mix Delivery**

Updates were provided on the appointment of the design team for the Dallas Dhu phase of the Housing Mix Delivery in *April 2023*, following community engagement. The progress of activity in Dufftown was shared at drop-in exhibitions and the South Street development was shared as part of drop in session promoting the wider regeneration of this part of Elgin in *December 2023*.

**MAATIC**

Due to the nature of negotiations with partners involved and changes being made to the project vision, limited public engagement took place during 2023. This is, however, expected to change as we enter 2024 and the project works to secure approval of its full business case and conclude discussions on their preferred site location.

**MICM**

Communications activity has been limited as the project worked to develop their full business case and move away from co-locating with MAATIC to a stand alone facility on the Forres Enterprise Park. The project entered delivery in early 2024 and communications are planned as the service hub offering is established in time for its opening by autumn 2024.

## 7. Programme structure and governance structure

### 7.1 Structure of Moray Growth Deal activity and Officers involved

Following the recruitment of programme and project teams during in the first half of 2022, there has been continuity and stability in the majority of roles during 2023. This has helped maintain the pace of activity and is a contributing factor to the progress that has been made.

The roles that have changed during 2023 include:

- Lynne Owen has joined the Programme Management Office as a Programme Officer
- Allane Hay stepped down as Project Manager of the Business Enterprise Hub following completion of the full business case. Samantha Scott, who had been working with Allane, has now taken up this role.
- The lead body for MAATIC is now the UHI-Executive Office, with a new SRO (Max Brown, Director of Transformation) and PM (Steven Gregg).

<i>Executive oversight of the Moray Growth Deal</i>	
<ul style="list-style-type: none"> <li>• Rhona Gunn, Depute Chief Executive and Moray Growth Deal Senior Responsible Officer (SRO) (Moray Council)</li> <li>• Jim Grant, Head of Development Services (Moray Council) – day to day oversight</li> </ul>	
<i>Programme Management Office</i>	
<ul style="list-style-type: none"> <li>• Michael Kelly, Programme Manager (Moray Council)</li> <li>• Lynne Owen, Programme Officer (Moray Council)</li> </ul>	
<i>Project Delivery</i>	
Teams in place within different organisations working to deliver the eight projects that make up the Moray Growth Deal.	
<b>Bus Revolution (led by Moray Council)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Stevie Robertson, Senior Project Manager</li> <li>• <i>SRO:</i> Nicola Moss, Head of Environmental and Commercial Services</li> </ul>	<b>Business Enterprise Hub (led by UHI-Moray)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Samantha Scott, BE Hub Project Manager and Deputy Head of Academic Partnerships at UHI-Moray</li> <li>• <i>SRO:</i> David Patterson, UHI-Moray Principal</li> </ul>
<b>Cultural Quarter (led by Moray Council)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Claire English, Senior Project Manager</li> <li>• <i>SRO:</i> Jim Grant, Head of Growth and Development</li> </ul>	<b>Digital Health (led by the Digital Health Institute)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Marie Simpson, Programme Manager</li> <li>• <i>SRO:</i> Janette Hughes, Director of Planning and Performance</li> </ul>
<b>Early Years STEM (led by Moray Council)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Sarah Barnes, Senior Project Manager</li> <li>• <i>SRO:</i> Hazel Sly, Early Years Service Manager</li> </ul>	<b>Housing Mix Delivery (led by Moray Council)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Hilda Puskas, Senior Project Manager</li> <li>• <i>SRO:</i> Gary Templeton, Principal Planning Officer</li> </ul>
<b>MAATIC (led by UHI-Executive Office)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> Steven Gregg, Project Manager at UHI Executive Office</li> <li>• <i>SRO:</i> Max Brown, Director of Transformation at UHI Executive Office</li> </ul>	<b>MICM (led by HIE)</b> <ul style="list-style-type: none"> <li>• <i>PM:</i> David Howie, Head of Strategic Projects</li> <li>• <i>SRO:</i> David Reid, Area Manager (Moray)</li> </ul>

## 7.2 Summary of assurance activity progressed during 2023

The Deal has a series of assurance 'gates' in place that, when triggered, require submissions to be made to the MGD Board for approval to progress.

Gate					
A	B	C	D	E	F
Approval of Strategic Outline Case (SOC)	Approval of Outline Business Case (OBC)	Approval of Full Business Case (FBC)	Closure of a project	Change request to previously agreed baseline	In-life review

Gates A-E are project led requests, whereas Gate F is a schedule of in-life reviews initiated by the PMO that allows the MGD Board to take a more in-depth look at projects that are in delivery. During 2023 the MGD Board considered the following assurance activity:

Date	Project	Assurance gate	Description	Status
Jan 2023	DHI	E: Change	A new financial profile for the project was presented in light of a financial underspend in financial year 2022/23.	Decision delayed, more information required
Feb 2023	MICM	E: Change	Due to a lack of certainty on the preferred site for MAATIC and both parties planning to co-locate, request for MICM FBC submission date to be delayed until May 2023.	Approved
Mar 2023	DHI	E: Change	Updated change request submitted following advancement of Q4 spend and the project being able to determine a more accurate profile for 2022/23 spend.	Approved
Mar 2023	BE Hub	E: Change	Request to change the FBC submission date to the MGD Board to June 2023.	Approved
Apr 2023	EY STEM	E: Change	Revised preferred delivery model presented that is affordable within existing capital and revenue budget allocations.	Approved
Apr 2023	HMD	E: Change	To enable evidence form the Housing Demand and Need Assessment, proposal to adjust the FBC submission date to September 2023.	Approved
May 2023	MICM	E: Change	Request to decouple the project from MAATIC regarding site location, with a view to progressing a preferred location of Forres Enterprise Park. Project also requested an additional 3 months to finalise the FBC.	Approved
Jun 2023	Bus Revolution	E: Change	Proposal to make a small amendment to the financial model, moving £19,3500 that was underspent in financial year 2022/23 into 2023/24.	Approved
Aug 2023	MAATIC	C: FBC approval	Full Business Case (FBC) submitted for approval.	Decision delayed, revised version required following Board comments.
Aug 2023	BE Hub	C: FBC approval	Full Business Case (FBC) submitted for approval.	Approved
Aug 2023	MICM	C: FBC approval	Full Business Case (FBC) submitted for approval.	Approved

Aug 2023	EY STEM	E: Change	Request to change the FBC submission date from October 2023 to January 2024 to align with the delivery of outputs from professional advisors.	Approved
Sept 2023	CQ	E: Change	Following dialogue with the Governments, proposal presented to take a phased approach to the FBC due to the different construction horizons for Elgin Town Hall and Grant Lodge. FBC submission date changed to March 2024.	Approved
Sept 2023	MAATIC	C: FBC approval	Full Business Case (FBC) submitted for approval.	Approved, but with revisions to be made to the document
Sept 2023	HMD	C: FBC approval	Full Business Case (FBC) submitted for approval.	Approved
Oct 2023	DHI	F: In-life review	In depth review of the project, with a focus on the status of the different living labs.	Approved
Nov 2023	Bus Revolution	F: In-life review	In depth review of the status of the project, with a focus on data from the first six months of m.connect services.	Approved
Dec 2023	DHI	E: Change	In light of the Rural Centre for Excellence securing a longer term funding package from the Scottish Government, request to change the delivery window of the project by one year (to 2026) to realise opportunities associated with the creation of a more integrated digital solutions.	Approved

### 7.3 Audit activity undertaken during 2023

Building on the scrutiny provided by the MGD Board and establishment of an in-life review process for projects that are in delivery, it's expected that activity will be the subject of periodic audits.

During the term of this report, the following internal audit activity has been progressed:

- Closure of the 2022 Moray Council Internal Audit: Following a 2022 internal audit by Moray Council that rated the project's control of the audit scope as substantial, the Deal was asked to implement five recommendations. Subsequently, a report<sup>1</sup> was presented to the Council's Audit and Scrutiny Committee on 22 November 2023 informing members that all of the recommendations have been successfully closed.
- Digital Health Internal Audit: Scheduled to mark the second anniversary of the project being in delivery, the University of Strathclyde Internal Audit Service undertook an audit of the Digital Health project. The scope focused on internal project controls.

<sup>1</sup> [Closure report on the 2022 MGD Internal Audit](#) that is available on the Council's website




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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2024**

**SUBJECT: UK GOVERNMENT “OUR LONG-TERM PLAN FOR TOWNS”**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 This report asks Council to nominate elected members to sit on the Elgin Town Board and to note progress to establish the Board following the announcement on 1 October 2023 that Elgin is one of 55 towns in the UK to receive £20 million funding from the UK Government.
- 1.2 This report is submitted to Committee in terms of Section III(A)(2) of the Council’s Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 The Council is asked to:**

- (i) **Note the progress in establishing an Elgin Town Board before the deadline of 1 April 2024;**
- (ii) **Note the guidance in Appendix 1 as to representation on the Board;**
- (iii) **Note the appointment of the chair of the Elgin Town Board will be done in consultation with our MP from those independent members to be invited to join the board as outlined in Para 4.4 ;**
- (iv) **Note the proposed initial members of the Board;**
- (v) **Note the proposed steps and timeline to prepare the 10 year vision and 3 year Investment Plan; and**
- (vi) **Agree the nomination of elected members and nominated substitutes to represent the Council on the Town Board**

### **3. BACKGROUND**

- 3.1 The Long –Term Plan for Towns (LTTP) was published on 1 October 2023 and seeks to invest £1.1billion into 55 towns across the UK, including Elgin as one of seven towns in Scotland to each be awarded £20M.
- 3.2 The Plan recognises that through the governments existing programmes and lessons learned from other countries, the need for longer term funding certainty, building local partnerships, having a clear plan for delivery, joint working between central and local government and involving people and communities from the outset are key to success and have been embedded in the Plan.
- 3.3 A report to Council on 25 October 2023 (para 7 of minute refers) agreed that the Head of Economic Growth and Development liaises with the UK and Scottish Governments to progress governance arrangements to establish a Town Board.
- 3.4 Guidance was published on 18 December 2023, extracts relating to investment themes, Town Board governance and policy interventions are included in **Appendix 1**.

### **4. PROGRESS**

- 4.1 An initial informal Steering Group has met to help inform representation on the Board. The second meeting of the Group will agree representation in line with the Guidance and Council is asked to agree which elected members will sit on the Board. It is suggested that in order to maintain political balance on the group Members may wish to consider the Council Leader and Leader of the opposition, Members may consider having more than 2 Members on the board but this should be proportional to the size of the Board. At a recent webinar, it was suggested that between 2-4 elected members is proportional to a Board of around 15 members. The Board must be established by 1 April 2024 and will be able to consider Board representation through agreed Terms of Reference.
- 4.2 The Town Board is required to prepare a 10 year vision and a 3 year Investment Plan by 1 August 2024 and a timeline to draft, engage and finalise the Plan is set out in para 4.9. Members should note that the Plan is to be community driven, however where there is a staffing or other cost implication it is important that this is taken account of.
- 4.3 The Town Board is responsible for developing the Long-Term Plan, supported by the local authority. Town Boards should be chaired by an independent Chair, invited by the local authority and MP. It is proposed that the Chair will be chosen in consultation with our MP from the independent Members to be invited as outlined in para 4.4.

4.4 Board members must include the local MP, a senior Police representative and a maximum of two elected members. The Board can include a local MSP. It is proposed that the following organisations/ individuals are represented on the Board's first meeting and they then decide further representation from community and business, with sub-groups set up to ensure an inclusive approach is embedded;

- Angela Norrie, Elgin BID
- Jackie Andrews, Elgin Town Hall for the Community
- Alastair Kennedy, Elgin Community Council
- Police Scotland
- David Patterson, Moray College UHI
- Richard Lochhead MSP
- Douglas Ross MP
- NHS Grampian – representative TBC

It is proposed that in addition to the Head of Economic Growth and Development, the Transportation Manager, the Sport and Culture Services Manager and the Strategic Planning and Development Manager attend the Board. All officers will be advisers to the Board with no voting rights.

4.5 The Long-Term Plan to be developed will set out a 10 year vision and the 3 year Investment Plan will set out how the funding will be allocated and spent over the next 3 years. There are three investment themes: safety and security, high streets, heritage and regeneration and transport and connectivity. Interventions under these themes have already been assessed as having a strong case for investment, value for money and benefit to cost ratio and can be included in the Investment Plan. Any "off menu" interventions will require an outline business case to be provided. The UK Government will assess plans as they come in, and release 2024 to 2025 capital and revenue funding once plans are approved.

4.6 As well as being a member of the Town Board, the Guidance advises that MPs should be individually involved in reviewing the Long-Term Plan prior to submission. Each Long-Term Plan must list the MPs involved in the Town Board and whether each are supportive of the final Long-Term Plan submitted. Town Boards in Scotland and Wales may also wish to share their Long-Term Plan with the local MSP, although there is no requirement to do so.

4.7 While one or more MPs not supporting the Long-Term Plan will not prevent the UK Government considering it, the government is keen to see broad local consensus for the interventions put forward. In the absence of such agreement, Ministers reserve the right to defer sign off until broad consensus is secured.

- 4.8 The recruitment process for Levelling Up Fund project staff has started, subject to confirmation of funding, with the aim of establishing a core team for 3 years to be funded through the Levelling Up Fund and the LTTP capacity funding, working closely with services and other project managers to maximise outputs and evaluate outcomes.
- 4.9 The proposed timeline to develop the 10 year Vision and 3 year Investment Plan to meet the deadline is;
- Appointment of project staff - March 2024
  - Town Board established - before 1st April 2024
  - First Board meeting to agree Terms of Reference, project assessment criteria, governance and procedures - early April 2024
  - Board meeting to consider projects - late April 2024
  - Public engagement on projects - May 2024
  - Draft Investment Plan considered by Board - June 2024
  - Report draft Investment Plan to Council - June 2024
  - Finalise Investment Plan and 10 year vision and submit to UK Government - July 2024
- 4.10 Officers are liaising with other local authorities in Scotland on detailed governance arrangements.

## **5 SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Town Centre regeneration is a key element of economic development which is a priority in the Corporate Plan. The funding could support employment, training and skills opportunities with regeneration of the town centre supporting and enhancing the regional role of Elgin as a place to live, work and invest.

Projects to support safety and security and transportation projects all support the Corporate Plan objectives for safer, connected communities.

A Community Wealth Building Plan will be developed to support the programme of projects seeking to maximise economic benefit.

### **(b) Policy and Legal**

The funding could support delivery of the statutory Moray Local Development Plan 2020 and the Elgin Transport Strategy and Active Travel Strategy.

Legal support will be required for any partnership projects, statutory processes and subsidy control advice may be required as the programme progresses.

### **(c) Financial implications**

The £20 million funding is 25% revenue and 75% capital. £50k capacity funding has already been received from the UK Government with a further £200k to be released on 1<sup>st</sup> April 2024. The £50k already

received will be used towards staffing costs set out in (e) to support the Board until the Investment Plan is submitted to the UK Government. It will be up to the Board how the £200k capacity funding is to be used.

Funding will be released over a 7 year period, and local authorities have the flexibility to spend it over 10 years. The local authority remains the accountable body for funding and executing plans.

Projects included within the Investment Plan may result in increased maintenance costs for the Council as previously reported and it is important that projects are designed from the outset to minimise ongoing costs to the Council and that the Council considers these costs.

**(d) Risk Implications**

There are a number of risks and opportunities including;

- A risk that the benefits of the £20M are not fully realised or evaluated- a detailed Monitoring and Evaluation Framework will be developed for the LTTP and for the much wider programme of activity including LUF projects and Moray Growth Deal projects.
- A risk that projects are not shovel ready- a project mandate will be prepared for all potential projects to be included in the Investment Plan and these will be scrutinised by the Board to ensure deliverable projects are included.
- A risk regarding inflation and construction costs, which will continue to be reflected in updated cost for projects including high optimism bias levels.
- A risk that the public are not engaged in the project- this will be managed through a strong and active Communications and Engagement Plan with dedicated 0.5 FTE staff resource funded through LUF and Moray Economic Partnership media budget. The local press have been very supportive and active on town centre regeneration projects and a partnership approach to communications and engagement will be key to keeping everyone informed and engaged as projects progress.
- An opportunity through the Moray Growth Deal, LUF and LTTP to develop and deliver a transformative programme of projects in Elgin. A joint approach to benefits realisation, monitoring and evaluation, Community Wealth Building and net zero will be promoted across the programme.

**(e) Staffing Implications**

Project management staff are being recruited to support and deliver the LUF projects and initial support for LTTP. This consists of a grade 11 Senior Project Manager and a 0.5FTE Project Officer, both 2 year contracts. In addition to this a 0.5 FTE Communications Officer post will be created to cover strategic economic growth projects, funded through Moray Economic Partnership media budget and LUF, also for 2 years.

Existing staff within Strategic Planning and Development, Community Support Unit, Transportation and Consultancy will continue to progress and deliver projects as part of their duties in delivering the Moray Local Development Plan 2020, Locality Plans, the ECCMP, Active Travel Strategy, Elgin Transportation Strategy, Surface Water Management Plan and their input and expertise will be required to develop details of projects. Sub groups are likely to be set up to develop and consider projects within the investment themes and Council officers time will be required to support this.

It is proposed that the Head of Economic Growth and Development will attend the Board, supported by the Transportation Manager, Sport and Culture Service Manager and Strategic Planning and Development Manager. All officers will attend in an advisory capacity with no voting rights.

The Investment Plan will have implications for Council services in administering the Funds, such as legal, finance and procurement and costs should be reimbursed through the capacity and revenue element of the funding.

**(f) Property**

None at this stage, however, Council owned property within the Town may be included within the Investment Plan.

**(g) Equalities/Socio Economic Impact**

The funding aims to support town centre regeneration and address economic disadvantage and in doing so, provide safer, more inclusive and accessible places.

An Equalities/ Socio Economic Impact Assessment will be undertaken on the Investment Plan.

**(h) Climate Change and Biodiversity Impacts**

Climate Change officers will be consulted on relevant projects within the Investment Plan and will also have the opportunity to propose projects for consideration by the Board. Projects within the themes are likely to offer significant opportunities to reduce carbon and enhance biodiversity.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), Head of Economic Growth and Development, Head of Governance, Strategy and Performance, Chief Financial Officer, Democratic Services Manager, Principal Climate Change Officer, Consultancy Manager, Sport and Culture Services Manager, Transportation Manager, Senior Engineer (Transportation), Senior Communications Officer and the Equalities Officer have been consulted and comments received have been incorporated into the report.

## **6. CONCLUSION**

- 6.1 The UK Government published “Our Long- Term Plan for Towns” which includes Elgin as one of 55 towns in the UK to receive £20M funding towards issues that matter most to local people, including high streets, heritage and regeneration, public safety and security and transportation.**
- 6.2 The Plan requires the Council to set up a Town Board by 1 April 2024 and prepare a 3 year Investment Plan by 1 August 2024.**
- 6.3 Work has progressed to establish the Board and this report asks Council to agree 2 elected members to represent the Council on the Board.**

Author of Report: Gary Templeton, Strategic Planning and Development Manager

Background Papers:

Ref: SPMAN-813460984-479 / SPMAN-813460984-480



## **Appendix 1- Investment themes, Town Board governance and policy interventions- Extracts from UK Government Guidance**

### **The 3 investment themes**

Towns across the UK will identify the measures that matter most to local people. By including a policy toolkit, a list of interventions and providing the opportunity for Town Boards to take bespoke, 'off-menu' approaches where such an approach can be justified, we are providing significant flexibility to tailor the Long-Term Plan across the 3 broad investment themes. There is no requirement as to how towns utilise the funding across the 3 themes. But we would expect to see at least one intervention per theme covered in the Long-Term Plan, unless towns justify an alternate approach.

### **Safety and security**

Tackling crime and anti-social behaviour is a priority for turning around local areas and ensuring business can thrive. It is impossible to level up a town if people do not feel safe to go into the town centre. Towns that feel unsafe:

- drive away shoppers
- deter investors
- undermine the norms and behaviour that underpin a thriving society

The increase in shop vacancy rate and decrease in footfall has resulted in high streets becoming prime locations for anti-social behaviour, diminishing pride in place. The [Anti-Social Behaviour \(ASB\) Action Plan](#) launched this year in England and Wales, to make our streets safer and treat anti-social behaviour with the urgency it deserves. To support this, towns can use the funding provided through the Long-Term Plan for Towns to help reduce crime and improve safety in the local area.

Interventions and the use of powers could include:

- new and improved security infrastructure, such as CCTV and streetlights
- additional hotspot policing
- local authority wardens

Recognising the scope for potential overlap between the role of the Town Board and a Community Safety Partnership (CSP), in England and Wales, who in some instances may already be carrying out interventions such as this, we encourage Town Boards to proactively engage with the relevant CSP in their town to ensure a consistent approach and avoid duplication. See the [Home Office's guidance on CSPs for more information](#).

## **High streets, heritage and regeneration**

As research from [More in Common](#) and [Power to Change](#) has found, ‘for many people, nothing epitomises local neglect more than the state of their local high street’. Since the 1960s, our high streets have centred around retail, however, increasing overhead costs, an oversupply of retail space, the growth of out-of-town shopping centres and online shopping have created a challenging local retail environment.

A hollowing out of high streets and town centres can affect the liveability of a place. This makes it less attractive for, and harder to retain, skilled workers, often resulting in towns having an older population and creating an economic environment that exacerbates these demographic challenges.

To ensure they remain the beating heart of our towns and can offer opportunities to local people, traditional high streets need help to adapt and diversify their offer. Towns can use this funding to enhance their town centres, making them and their buildings more attractive and accessible to residents, businesses, and visitors. Interventions and the use of powers could include:

- preserving and improving heritage sites in the town
- creating and maintaining parks and green spaces
- establishing Business Improvement Districts
- running high street rental auctions.

## **Transport and connectivity**

The ease with which residents can access high streets, jobs and local shopping centres is critical if towns are to thrive into the future. This means offering transport options, such as:

- linking different parts of the town with new infrastructure
- providing safe ways for people can walk or cycle into the centre
- ensuring public transport options are viable and accessible.

While improving transport connectivity is a critical component of levelling up, it alone will not turn around the economic fortunes of a place. Investment will need to be used alongside other themes, particularly safety and security, to ensure that transport options are seen as attractive and safe. Used well, this funding could make towns more connected and easier to find good quality and affordable parking - increasing footfall and viability – to high streets and local shopping centres, and accessibility to local employment opportunities.

Interventions and the use of powers could include:

- new infrastructure schemes
- road improvements, such as fixing potholes or improving congested junctions

- new programmes to encourage cycling
- making the town centre more walkable and accessible

## **Annex A: Town Board governance requirements**

### **1. Transparency**

In line with the principles of public life, the operations of the Town Board must be transparent.

The Town Board should publish membership and governance arrangements (including minutes of meetings and decision logs) on the lead council's website.

We expect Town Boards to meet quarterly and to publish:

- a documented decision-making process outlining the voting rights of the board
- profiles of board members
- all board papers in advance of the meeting within 5 working days
- draft minutes of meetings following the meeting within 10 working days
- final minutes, once approved by the board within 10 working days
- any conflicts of interest reported, within the published minutes

Town Boards should follow lead council governance and finance arrangements when considering private reports, with the default position being that all papers are open to the public.

### **2. Code of conduct**

All Town Board members should sign up to a code of conduct based on the Seven Principles of Public Life (the Nolan Principles).

There should be clear processes for managing conflicts of interests (both commercial, actual, and potential) in decision making, which apply to all involved with the work of the Town Board.

### **3. Declaration of interests**

The lead council should provide guidance on:

- the financial and non-financial interests individuals must declare
- the process Town Board members must follow for declaring interests
- the process for requesting an exemption

Town Board members must then complete a declaration of interests, which the lead council will then hold. This can be in a format the lead council already uses.

Town Board members are responsible for declaring their interests before the Town Board considers any decisions. The lead council must record:

- actions taken in response to any declared interest
- any gifts or hospitality given to the Town Board or individual members

## **Annex C: List of policy interventions**

We encourage Town Boards to engage communities and review the interventions below. They should submit the most appropriate interventions as part of their Long-Term Plan, following the above guidance. The case for support for the interventions has already been agreed, simplifying the Long-Term Plan process.

The interventions are flexible so places can focus on what best meets their local needs. Town Boards should consider how they can implement interventions to suit local characteristics, reflecting the opportunities and challenges that their communities face.

Town Boards can also take forward interventions outside of this list if they submit an outline business case to DLUHC as part of their Long-Term Plan. This should be based on numeric evidence where possible.

### **Safety and security interventions**

S1: Design and management of the built and landscaped environment to 'design out crime'. This might include:

- promoting the active use of streets and public spaces throughout the daytime and evening
- improvements to streetlighting
- installation of new CCTV

S2: Engage with Police Force and together consider interventions to focus on visible crime prevention in defined areas places. Interventions could include:

- hotspot policing
- problem-oriented policing

S3: Measures to prevent anti-social behaviour, crime and reduce reoffending. These might include:

- sports programmes designed to prevent crime and reduce reoffending
- mentoring
- police-led pre-charge diversion models for young offenders
- focused deterrence strategies
- halfway house programmes

S4: Measures to reduce repeat burglary. These might include:

- Neighbourhood Watch
- provision of crime prevention advice
- property marking
- target hardening (increasing the security of a property)
- cocoon watch (provision of crime prevention advice, support and guidance to neighbours and surrounding addresses of burgled properties)
- alley gating

## **High streets, heritage and regeneration interventions**

H1: Funding for place-based regeneration and town centre and high street improvements, which could include better accessibility for disabled people, including capital spend and running costs. This might include:

- regenerating a town square or high street
- public realm improvements, for example street furniture or other decorative improvements
- the delivery of outreach, engagement and participatory programmes for community spaces, including youth centres and public libraries

H2: Funding for new or improvements to existing, community and neighbourhood infrastructure projects and assets including those that increase communities' resilience to natural hazards, such as flooding, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs). This might include:

- building new or updating existing defences to increase communities' resilience to natural hazards like flooding or coastal erosion

H3: Creation of and improvement to local green spaces, community gardens, watercourses and embankments. Improvements to the natural environment and the

incorporation of more of these natural features into wider public spaces. This might include:

- development of a new park, particularly in areas with the least access to greenspace
- development of a new park or community garden
- improvements to a canal towpath, particularly in more deprived neighbourhoods
- urban or riparian tree planting
- changes to management of green spaces and verges
- regeneration of existing parks or community gardens, particularly in areas with poor quality parks and gardens
- improving access to existing parks

H4: Enhanced support for arts, cultural, heritage and creative activities, projects and facilities and historic institutions that make up the local cultural heritage offer. This might include:

- the delivery of events programmes for community spaces, including youth centres and public libraries
- the development, restoration or refurbishment of local natural, cultural and heritage assets and sites

H5: Support for local arts, cultural, heritage and creative activities. This might include:

- funding for maker spaces
- funding for local art galleries, museums, libraries for exhibitions
- support for displays for artists to showcase work
- locally led music and theatre performances, tours, author events and film screenings
- funding for cultural, heritage and creative events
- support for outreach, engagement, participatory programmes as part of wider local arts, cultural, heritage and creative activities
- support for the establishment and development of cultural, heritage collaborative networks to share knowledge locally

H6: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area. This might include:

- campaigns promoting the local area and its culture, heritage, leisure and visitor offer to residents and visitors
- campaigns to encourage visitors from further afield to visit and stay in the region, collaborating with other places where appropriate

H7: Funding for impactful volunteering and social action projects to develop social and human capital in local places. This might include:

- funding for local volunteering groups, such as youth charities and carer's groups
- support for people to develop volunteering and social action projects locally

H8: Funding for local sports facilities, tournaments, teams and leagues; to bring people together. This might include:

- renovation and maintenance of existing sports facilities
- support for community sports leagues
- regeneration of an unused area to build sports facilities
- creation of new 3G sports pitches and other sports facilities

H9: Investment in capacity building, resilience (which could include climate change resilience) and infrastructure support for local civil society and community groups. This might include:

- funding for community spaces, such as village halls, libraries or community centres for local civil society and community groups to use
- support for people to develop volunteering and social action projects locally

H10: Investment and support for digital infrastructure for local community facilities.

H11: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses. This might include:

- funding to support the establishment and ongoing running of a new open air market
- business support activity for entrepreneurs

H12: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally. This might include:

- development of local visitor trails and tours
- grants for the development, promotion and upkeep of local tourist attractions
- development of other local visitor experiences based around the local offer

H13: Grants to help places bid for and host international business events and conferences that support wider local growth sectors. This might include:

- grants to bid for, secure and hold a conference for a leading sector locally

## **Transport and connectivity interventions**

T1: Support for active travel enhancements in the local area. This might include:

- creation of new foot paths and cycle paths, particularly in areas of health need or social inequalities
- upgrading of existing foot paths and cycle paths, particularly in areas of health need or social inequalities

T2: Funding for bus infrastructure and connections to speed up journeys. This might include:

- traffic signalling improvements
- bus lanes and corridors
- improved passenger information

T3: England and Scotland Only: Additional revenue funding added to the Bus Service Improvement Programme Plus (BSIP+) funding model from June 2024 - that would award funding to LTAs based on a connectivity scoring so they could undertake activities that would boost economic growth.

T4: Funding for new, or improvements to road networks to improve access within and to the town. This might include:

- traffic management improvements to relieve congestion
- road safety
- highway maintenance (including potholes)

T5: Funding to improve rail connectivity and access. This might include:

- adding stations along existing lines
- improved accessibility and journey quality at and around stations
- improved passenger information

T6: Reducing vehicle emissions. This might include:

- EV charging facilities
- procuring zero emission buses

T7: Investment and support for digital infrastructure for local community facilities.

Ref: [SPMAN-813460984-480](#)







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**REPORT TO: MORAY COUNCIL ON 6 MARCH 2023**

**SUBJECT: REVIEW OF COUNCIL'S STANDING ORDERS**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To invite the Council to consider the timescale for changes to the Council's Standing Orders as detailed in Section 4 of the report.
- 1.2 This report is submitted to Council in terms of Section II (15) of the Council's Administrative Scheme relating to the formulation, review and amendment of the Administrative Scheme and Standing Orders which provides that amendments to Standing Orders require to be raised at one Council meeting for approval at the following meeting.

**2. RECOMMENDATION**

**2.1 It is recommended that the Council:**

- i) consider the options for material changes to Standing Orders for each of the areas set out in paragraph 4.1 below/ Appendix 1 and determine how to proceed in each case;
- ii) agree the proposed minor changes to Standing Orders set out in paragraph 4.2 below/ Appendix 2;
- iii) note that a final version of the Standard Orders, incorporating the agreed position from recommendations (i) and (ii) above, will be submitted to the next ordinary meeting of the Council; and
- iv) agree to defer the wider annual review of the Scheme of Administration and Scheme of Delegation from May 2024 until December 2024 to bring the reviews back in line with the annual Standing Order Review.

### **3. BACKGROUND**

- 3.1 In terms of Standing Order 90 the Council is required, at least once every year, to review the standing orders to determine whether any alteration should be considered.
- 3.2 The last review was carried out and agreed at a meeting of Moray Council on 28 September 2022 (para 11 of the minute refers).
- 3.3 Recommendations were considered by the Council's Corporate Committee on 4 October 2023 in relation to strengthening collaborative leadership within the Council (paragraph 6 of the minute refers). Some of these recommendations impact on how the Council conducts its committee business and would require amendments to the Council's Standing Orders. The areas for consideration are detailed in paragraph 4 below.
- 3.4 A survey was carried out with other local authorities to see what their standard practice was in relation to approval of minutes, whether these were approved by committee, the full Council or both. 13 responses were received and the results detailed in the final column of **Appendix 1**.

### **4. PROPOSALS**

#### **4.1 Material Changes**

A number of options have been identified in the table in **Appendix 1** to consider whether there may be a more efficient way of dealing with the processes identified. Recommendations (shown in bold in the first column of the table and following the same numbering) as are as follows:

#### **A Approval of committee minutes**

Option 1: Continue current practice where committees approve their own minutes and these are published, but not presented to full Council.

#### **B Questions on minutes**

Option 3: Encourage questions on content to be raised without the need for committee procedure and require any remaining questions to be submitted under Written Question procedure.

#### **C Reading out responses to Written Questions**

Option 2: Cease practice of reading out responses. Continue publication.

#### **D Remove Open Question Time**

Option 2: Remove open Question Time from all meetings and require all questions to be put in writing.

#### **E Information reports**

Option 1: Continue Current arrangements which require Information Reports to be called in (subject to timing clarity set out in paragraph 4.2 below).

#### 4.2 Minor changes

In addition to the material changes detailed above a number of minute changes are proposed for consideration. **Appendix 2** contains a tracked change version of the Standing Orders with these changes.

SO No	Amendment	Reason
35 (c)	Inclusion of table to confirm deadlines for Notices of Motion	To make deadlines clearer
36	Inclusion of table to confirm deadlines for Written Questions	To make deadlines clearer
38	Clarification of timescale for call in of Information reports	Existing wording unclear
38	Inclusion of 'of the Committee'	Following an issue at ECLS Committee it was agreed that the proposer and seconder for the calling in Information reports should sit on the Committee.
71	Standing Order referred to in paragraph should be 70 and not 72	Amendment to Standing Order referred to in paragraph
76	Changes to Committee Membership	It was agreed that changes to Committee Membership could be submitted by the Group Leaders.

#### 4.3 Scheme of Administration and Scheme of Delegation

At the meeting of Moray Council on 24 May 2023 updates to the Scheme of Administration and Scheme of Delegation were agreed (para 14 and 16 of the minute refers). The next review for these documents should be May 2024, however to bring the reviews back in line with the next Standing Order review it is proposed to delay the next wider review until December 2024.

### 5. SUMMARY OF IMPLICATIONS

#### (a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Effective governance arrangements are key to the development and delivery of the Council's stated priorities and plans.

#### (b) Policy and Legal

Provision of Standing Orders ensures that the Council's affairs are administered in accordance with the law, propriety and proper standards.

#### (c) Financial implications

None.

#### (d) Risk Implications

Updated constitutional documents help to promote good governance and reduce the chance of a successful challenge to Council decisions.

**(e) Staffing Implications**

The proposed amendments can be accommodated within existing staff resources.

**(f) Property**

None.

**(g) Equalities/Socio Economic Impact**

There are no direct impacts as the Council's constitutional documents regulate the Council's internal procedures only.

**(h) Climate Change and Biodiversity Impacts**

None.

**(i) Consultations**

The Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development and the Head of Governance, Strategy and Performance have been consulted and any comments have been included in the report.

**6. CONCLUSION**

**6.1 The annual review of the Council's constitutional documents has resulted in a number of changes being identified and the Standing Orders, have been redrafted accordingly. The Council is asked to approve the amendments.**

Author of Report: Head of Governance, Strategy and Performance and Democratic Services Manager

Background Papers:  
Ref:

## Appendix 1 – Options for material changes to Standing Orders

### A: Should committee minute be approved at Full Council? Standing Order 32

Option Rec. in bold		Pros	Cons	What do other Councils do?
<b>1</b>	Each committee approves its own minutes	<p>It is just those who were at the meeting that consider the minute</p> <p>Minutes are available online for all councillors to read.</p> <p>Keeps full Council strategic</p>	Work of committees less visible to non-committee members.	<p>Most Councils have a system where Committees approve their own minutes.</p> <p>Some have an additional layer where Committee minutes then go to full Council.</p>
2	All committee minutes go to Full Council <i>after committee approval</i>	Greater visibility of committee business to all Councillors	Extra paperwork and potential to lengthen full council meetings	Some operate a hybrid.
3	Committee minutes go straight to full Council for approval	<p>Council used to do this.</p> <p>All 26 councillors get to see what is going on in each committee</p>	<p>Questionable under legislation which suggests that council committees should approve their own minutes.</p> <p>Councillors who weren't at meetings are not able to comment on accuracy</p> <p>Could add significant length to Council meeting times.</p>	



## B: Questions on Minutes – Standing Order 32

Option		Pros	Cons	What do other Councils do?
1	Current practice:  Points of <b>accuracy</b> at beginning of meeting.  Questions on <b>content</b> at end of meeting.	Helps council meetings to proceed to consider substantive business	Can lead to confusion in separating out questions.  With notice just being given at the meeting specific officers are often not available or unable to prepare for questions later in the same meeting	Some councils require points of accuracy to be raised in advance of the meeting.  The majority of Councils who responded do not allow open questions on content of minutes.  Some require them to be raised in writing in advance of meeting and some at the discretion of the Chair.
2	Require points of <b>accuracy</b> to be submitted in writing advance of meeting	Gives fair notice and allows careful consideration of wording in what is often a contentious issue.	Limited time after publication of papers for councillors to spot issues.	
3	Encourage questions on <b>content</b> to be raised without the need for committee procedure.  Require any remaining questions on <b>content</b> to be submitted under Written Question procedure.	More efficient use of committee time.  Gives fair notice.  Encourages answers to be sought without the need for committee time to be taken up.	Would not work for spontaneous questions.  Limited time before a meeting for members to raise questions	



**C: Reading out responses to Written Questions – Standing Order 36**

Option		Pros	Cons	What do other Councils do?
1	Retain current position where responses to Written Questions are read aloud by clerk as well as published on CMIS	Helpful for those watching online	Inefficient use of committee time	No responses available
2	Publish Responses only (not read out).	<p>Allows committee time to focus on the substantive agenda.</p> <p>Could still allow a follow up question to give “air time” to requestor.</p> <p>Response can be published online for viewing.</p>	May be harder for people watching online to follow the thread.	

**D: Remove open Question time at the end of meetings – Standing Order 41/42**

Option		Pros	Cons	What do other Councils do?
1	Continue current arrangements for agenda to include open questions to the chair time at the end of each meeting.	Seen by councillors as a useful means to raise constituency concerns in public	Inconsistent with good decision making principle of fair notice.  Effectively AOCB.  Questions are often addressed to officers who are either unavailable or unable to provide an answer due to short notice.	Appears to be unique to Moray and does not feature in any Councils' committee procedures.
2	Remove open question time altogether – rely on existing Written Question procedure	Better quality of responses.  Fair notice allows for a more structured response to be given.  Allows committee time to be focused on agenda items	Seen by councillors as a useful means to raise constituency concerns in public	

**E: Consider whether to retain Information report section in committees– Standing Order 38.**

Option		Pros	Cons	What do other Councils do?
1	Continue current arrangements where information reports are published with the agenda papers but are not open for debate. Opportunity for these to be called in.	Helps to focus committee time on issues where a decision is required.  More in depth discussion can take place in offline briefing sessions.	Can be seen as stifling debate.	No responses available
2	Revert to previous position where reports for noting appeared on agendas.	Gives opportunity for Councillors to discuss issues in a public forum.	Significant amounts of Committee time taken up is discussion with no resulting decision.  Motions could be brought forward although not ideal from fair notice perspective.	





## MORAY COUNCIL

### CONSTITUTIONAL DOCUMENTS

#### 1. STANDING ORDERS

for the regulation of Council meetings

*[Under schedule 7 para 8 of the Local Government (Scotland) Act 1973]*

Approved by Moray Council on 28 September 2022  
Review due: ~~December 2023~~ March 2024  
Responsible Officer: Head of Governance, Strategy and Performance

## STANDING ORDERS OF MORAY COUNCIL

### REGULATION OF MEETINGS

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## **MORAY COUNCIL STANDING ORDERS**

For the Regulation of the Business of The Moray Council, made in terms of Paragraph 8 of Schedule 7 to the Local Government (Scotland) Act 1973 (hereinafter referred to as “the Act”).

### **APPLICATION OF INTERPRETATION ACT**

1. The Interpretation Act 1978 applies to the interpretation of these Standing Orders as it applies to the interpretation of an Act of Parliament.

### **COMMENCEMENT**

2. These Standing Orders shall apply and have effect from 27 October 2022.

### **DEFINITIONS**

3. In these Standing Orders, the following words and expressions shall have the meanings hereinafter respectively assigned to them, that is to say -

“the 1973 Act” means the Local Government (Scotland) Act 1973

“the 1989 Act” means the Local Government and Housing Act 1989

“the 1994 Act” means the Local Government etc. (Scotland) Act 1994

“Leader” shall be the role described in section 4(1) of the 1994 Act, being the first role which requires to be filled by the Council following an election. The role is further described in the complementary Council governance document “Councillors’ Roles and Responsibilities”.

“Depute Leader” shall be the role described in section 4(2) of the 1994 Act, The role is further described in the complementary Council governance document “Councillors’ Roles and Responsibilities”.

“Civic Leader” shall be the civic and ceremonial role described in the complementary Council governance document “Councillors’ Roles and Responsibilities”

“Council” means The Moray Council incorporated under the 1994 Act

“Councillor” means a Member of the Council duly elected at an election or by-election or duly elected to fill a Council vacancy and who has made a declaration of acceptance of office in terms of section 33A of the 1973 Act

“Proper Officer” means such persons designated as such and for the purpose specified by the Council

“Member” means in relation to the Council, a councillor and in relation to any Committee or Sub-Committee a person appointed as a member of that Committee or Sub-Committee whether or not entitled to vote

“Head of Paid Service” means the person designated as such by the Council under Section 4 of the 1989 Act

"Monitoring Officer" means the person designated as such by the Council under Section 5 of the 1989 Act or, if that person is unable to act owing to absence or illness, the person nominated by him or her as his or her deputy under sub-section (7) of that Section

"Chief Financial Officer" means the person designated by the Council for the purpose of Section 95 of the 1973 Act

"Chief Officer" means a statutory or non-statutory Chief Officer, as defined in Section 2 of the 1989 Act

"point of order" means any objections submitted to the Leader for decision relating to the conduct of the meeting i.e. an alleged breach of a Standing Order.

"Councillors Code of Conduct" means the Councillors' Code of Conduct made by Scottish Ministers under the Ethical Standards Public Life (Scotland) Act 2000.

## **ARRANGEMENTS FOR MEETINGS OF THE COUNCIL**

### **FIRST MEETINGS OF THE COUNCIL AFTER ELECTIONS**

4. The first meeting of the Council after any ordinary election of Councillors shall be held within 21 days from the date of the election.
5. At the first meeting of the Council after the election, the Council shall deal with the business in the following order:-
  - (a) Note election of councillors.
  - (b) Take the sederunt, noting which councillors have executed the declaration of acceptance of office.
  - (c) Elect the Leader of the Council.
  - (d) Elect the Depute Leader of the Council.
  - (e) Elect the Civic Leader of the Council
  - (f) Appoint the Chairs and Members of Committees.
  - (g) Appoint Members of the Moray Licensing Board.
  - (h) Other statutory or competent business.

### **CHAIR**

6. (a) At meetings of the Council, the Leader or, in their absence, the Depute Leader shall preside. If the Leader and Depute Leader are both absent from a meeting, the most senior Officer in attendance shall call on the Members of the Council to choose a Member to preside.

- (b) The Leader of the Council, upon being elected, shall - subject to the provisions of Paragraph 7 of Schedule 2 to the 1994 Act - hold office until the next ordinary election or until ceasing to be a councillor, whichever is the earlier.
  - (c) Notwithstanding the foregoing provisions, the Council may specify a shorter period for the term of office of Leader, at the time of that election.
7. Notwithstanding the provisions of the foregoing Standing Order, the Council may effect the early removal from office of the Leader providing:-
- (a) prior notice to that effect is given at one meeting of the Council on the basis that the matter would be considered at the next meeting of the Council, or
  - (b) where no such prior notice is given, not less than two-thirds of councillors present and entitled to vote at a meeting agree that the early removal from office of the Leader be considered at that meeting.
8. The provision of Standing Order 7 relating to the early removal from office of the person elected as Leader shall apply in like manner to the post of Depute Leader.

#### **CALLING MEETINGS**

9. Meetings of the Council shall be held on the days at the times and in the places fixed by the Council or at such place and time as may be otherwise specified by the Leader in consultation with the Chief Executive/relevant Depute Chief Executive.
10. Meetings may held by online participation, or a combination of physical presence and online participation, in accordance with policy agreed by the Council and relevant legislation.
11. Notice of the place and time of a meeting of the Council should, where possible, be given by the Proper Officer not later than the seventh day before the meeting by being left at or sent by post to the usual place of residence of every Member of the Council or such other arrangements as may be agreed from time to time between the Member and the Proper Officer providing that where it appears to the Leader that an item of business demands special urgency a meeting of the Council may be called by the Proper Officer at shorter notice, but in any event by intimation to the Members as soon as possible prior to the date for the meeting.
12. A special meeting of the Council shall be called by the Proper Officer (a) at any time on being required so to do by the Leader or (b) on receiving a requisition in writing for that purpose specifying the business proposed to be transacted at the meeting signed by at least seven of the whole number of Members of the Council, which meeting shall be held within fourteen days of receipt of the requisition by the Proper Officer.
13. Notice of the time and place of the meeting shall be published by posting details on the Council's website at least three clear days (excluding Saturdays and Sundays) before the meeting or, if the meeting is convened at shorter notice, then at the time it is convened.
14. An item of business may not be considered at a meeting of the Council unless either:-

- (a) a copy of the agenda including the item (or copy of the item subject to exclusion as provided for in terms of Section 50B (2) of the 1973 Act) is open to inspection by members of the public either electronically or at the offices of the Council for at least three clear days before the meeting excluding Saturdays and Sundays or, where the meeting is convened at shorter notice, from the time the meeting is convened, or
- (b) by reason of special circumstances, which shall be specified in the minutes, the Leader is of the opinion that the item should be considered at the meeting as a matter of urgency.

## **QUORUM**

- 15. Subject to Standing Order 16, no business shall be transacted at a meeting of the Council unless at least one quarter of the whole number of Members of the Council (being twenty-six) are present.
- 16. Where there are at the same time vacancies in respect of more than two Members of the Council, then until the number of Members in office is increased to twenty six Members of the Council, the quorum of the Council shall be determined by reference to the number of Members of the Council, instead of by reference to the whole number of Members of the Council so however that the quorum shall never be less than five Members.
- 17. Subject to the provisions of the 1973 Act, no item of business shall be transacted at a meeting of the Council if, in consequence of the provisions of Section 38 of that Act (disability of Members for voting on account of interest in contracts etc.), less than a quorum of the Council are entitled to vote on that item.
- 18. If within ten minutes after the time appointed for a meeting of the Council a quorum be not present the Leader shall adjourn the meeting to a time they may then or afterwards fix and, in the event of the Leader being among those absent, the Committee Clerk shall minute that owing to the lack of the necessary quorum no business was transacted.
- 19. If, during any meeting of the Council, a quorum is not present, the Leader shall direct that the meeting be adjourned for 10 minutes and if, after a lapse of 10 minutes, the Leader shall find that there is not a quorum present, the meeting shall thereupon terminate; but if, before or upon the lapse of the said 10 minutes, a quorum is present, the Leader shall direct that the business of the meeting be forthwith resumed.
- 20. For the avoidance of doubt, no business shall be transacted at a meeting of a Committee or of a Sub-Committee unless at least one-fourth of the whole number of Members or three Members (whichever is the greater) of the Committee or of the Sub-Committee (as the case may be) are present.

## **DECLARATION OF GROUP DECISIONS**

- 21. Any individual or political group shall declare at the beginning of a meeting whether a prior decision has been reached on how the individual or Members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory

on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

22. The Leader shall seek such declarations from individuals, group leaders or spokespersons at the beginning of the meeting immediately following the sederunt (roll call).

#### **DECLARATION OF FINANCIAL AND OTHER INTERESTS**

23. A Member who is present at the meeting where any item of business in which they have any financial or other interest (such as described in the Councillors' Code of Conduct) is to be dealt with, shall disclose their interest as soon as possible after the start of the meeting.
24. The Leader shall seek such declarations at the beginning of the meeting immediately following the sederunt (roll call).

#### **ADJOURNMENT OF MEETING**

25. The Leader shall be entitled, in the event of disorder arising at any meeting of the Council, to adjourn the meeting to a time he/she may then or afterwards fix.
26. The Council may, at any of their meetings as a Council, adjourn the same to such time as the Leader may then or afterwards fix.
27. A motion for the adjournment of the meeting may be made at any time (not being in the course of a speech) and shall have precedence over all other motions. It shall be moved and seconded without speeches or discussions and shall be put at once to the meeting by the Leader.
28. When an adjourned meeting is resumed, proceedings shall (subject to the discretion given to the Leader under Standing Order No. 26) be commenced at the point at which they were broken off at the adjournment.

#### **ORDER OF BUSINESS**

29. The business an ordinary meeting of the Council shall proceed in the order specified in the notice calling the meeting except that any item of business may, at the discretion of the Leader, be taken out of its order and provided that the Council may adjourn a meeting of the Council to any other day, hour and place. The order in the notice shall, unless circumstances otherwise require, be as follows:-
  - (a) Chair to be taken
  - (b) Sederunt
  - (c) Declaration of Group Decisions and Declarations of Interests
  - (d) Business brought forward by the Leader as a matter of urgency
  - (e) Minute(s) of the previous meeting(s) including Sub-Committee

- (f) Written Questions
  - (g) Petitions
  - (h) Notices of Motion
  - (i) Statutory or other competent business
  - (j) Information Reports – Called In (if any)
  - (k) Questions on Minutes
  - (l) Question Time
30. The business at special meetings shall take place in the same order, except that notice of urgent business, minutes, written questions, petitions, Notices of Motion, [Information Reports](#) and Question Time shall not be included
31. No matter in the notice calling the meeting of a Committee competently before the Council shall be withdrawn by the Leader except where agreement has been reached between the Leader and the relevant Chief Officer.

#### **APPROVAL OF MINUTES**

32. At each ordinary meeting of the Council, the Minutes of the previous ordinary meeting, and any intervening special meeting (where practicable), shall be circulated as an agenda item for approval. No motion or discussion shall be allowed on these Minutes, except as to their accuracy as a record of the meeting to which they relate. Any objection on this ground must be made by motion and, if necessary, the matter shall be decided by vote in the ordinary manner, provided that for this matter voting shall be restricted to those Members who were present at the meeting to which the Minute relates. After the Minutes are approved, with or without amendment, they shall be signed by the Leader.
33. The procedure in Standing Order 32 above shall apply to Committees and Sub-Committees of the Council with the Chair signing the minute. These signed minutes will then be made available for inspection by all Councillors.
34. A minuted decision of the Council shall not be altered or revoked within six months of its approval, except for the purposes of budget setting or by suspension of Standing Orders under Standing Order 85 below.

#### **NOTICES OF MOTION**

35. (a) The purpose of a Notice of Motion is to give any Member the opportunity to raise an item of strategic relevance at an ordinary Council/Committee meeting. If a Member does not sit on a Committee, they shall be allowed to attend the committee to introduce their motion but shall not be allowed to take part in any voting.
- (b) Every Notice of Motion shall be in writing. It shall be signed by the Member of the Council giving the Notice and counter-signed by at least one other Member who is a member of the relevant committee. A Notice of Motion shall meet the

competency requirements contained in Standing Order 49. Where a motion would have significant financial impact, this should be specified along with the budget from which any financial commitment may be met.

- (c) A Notice of Motion must be received by the Proper Officer by 4 pm ~~on the date~~ 10 clear working ~~14~~ days before the relevant meeting.

Monday meeting	4pm on Friday 2 weeks before meeting
Tuesday meeting	2pm on Monday 2 weeks before meeting
Wednesday meeting	4pm on Tuesday 2 weeks before meeting
Thursday meeting	4pm on Wednesday 2 weeks before meeting
Friday meeting	4pm on Thursday 2 weeks before meeting

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- (e)(d) The foregoing provision shall not apply in a case where the Leader decides, in terms of Section 50B (4) (b) of the 1973 Act, that the matter is one of urgency.

- (d)(e) If a Notice of Motion is not moved by its author (or some other Member with their written authority) and seconded, it shall be considered as dropped from the agenda of the committee.

- (e)(f) When a Notice of Motion has been considered by the Council it shall not be competent for any Member to propose a similar motion within a period of six months.

## WRITTEN QUESTIONS

36. Any Member can put one question about relevant and competent business not already on the Agenda to the Leader. No Member can put more than one question at any meeting. The Member must give notice in writing of their question to the appropriate Officer by 12 noon two clear working days prior to the day of the meeting. A copy of any written answer provided by the Leader or Chair will be tabled one hour before the start of the relevant meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter but no discussion will be allowed.

Monday meeting	12pm on Wednesday before meeting
Tuesday meeting	12pm on Thursday before meeting
Wednesday meeting	12pm on Friday before meeting
Thursday meeting	12pm on Monday before meeting
Friday meeting	12pm on Tuesday before meeting

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37. No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the permission of the Leader. If a Member does not have the opportunity to put a supplementary question because no time remains then they can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

## INFORMATION REPORTS – CALL IN

38. Any member of the Committee wishing to call in a noting or information report from one meeting shall give notice to Committee Services ~~at least 48 hours~~ by 12 noon 2

clear working days before the meeting for which the report is published. The Notice shall be countersigned by one other elected member who sits on the Committee and shall explain the reason for call in including any action sought.

<u>Monday meeting</u>	<u>12pm on Wednesday before meeting</u>
<u>Tuesday meeting</u>	<u>12pm on Thursday before meeting</u>
<u>Wednesday meeting</u>	<u>12pm on Friday before meeting</u>
<u>Thursday meeting</u>	<u>12pm on Monday before meeting</u>
<u>Friday meeting</u>	<u>12pm on Tuesday before meeting</u>

## PETITIONS

39. A Petition received relevant to the remit of a particular Committee may be included on the agenda of business for that Committee meeting if:-
- (a) It has been agreed as a valid petition for that Committee in discussion with the Leader; and
  - (b) It has been received no less than 3 weeks in advance of the meeting.
40. Petitions admitted in terms of Standing Order 39 shall be considered in accordance with the relevant internal procedural guidance. In the event of a conflict between that procedure and Standing Orders, the Standing Orders shall take precedence.

## QUESTION TIME

41. At each ordinary meeting of the Council and its standing Committees (including Sub-Committees), 10 minutes will be allowed for question time when any Member of the Committee can put a question to the Chair of that Committee/Sub-Committee on any business within the Council/Committee's remit. Provision for this question time will be included in the agenda for the meeting. A Member who has put a question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no debate will be allowed. Questions on minutes must not be taken as an opportunity to re-open debate.
42. No supplementary questions can be put or answered more than 10 minutes after the Council has started on this agenda item, except with the permission of the Leader. If a Member does not have the opportunity to put a supplementary question because no time remains, then they can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

## MOTION AND AMENDMENTS

43. Every motion or amendment on any question shall be moved and seconded and shall, if the Leader so requires, be noted by the Committee Clerk in writing and read to the meeting before the motion or amendment is further discussed
44. All amendments must be relative to the motion and no Member shall be at liberty to move or second (a) more than one amendment to any motion or (b) an amendment if they have moved or seconded the motion. If an amendment is withdrawn, the mover and seconder thereof shall be at liberty to move or second another amendment or to speak in support of such amendment.

45. No motion to which an amendment has been moved and seconded shall be altered in substance or withdrawn without the leave of the mover and/or seconder.
46. After an amendment has been moved and seconded, it shall not be withdrawn or altered in substance without the leave of the mover and/or seconder.
47. Subject to Standing Orders 44 and 45 above, a motion or amendment may be withdrawn at any time prior to it being put to a vote.
48. A motion for the approval of a Minute of meeting of a Committee, or of any part of such Minute, shall be considered as the motion and any form of proposal, including a proposal to proceed to next business, which implies mere negation or otherwise if moved, shall be dealt with as an amendment thereto.
49. If a motion or amendment is, in the opinion of the Leader, irrelevant or incompetent, they shall rule the same out of order. When determining questions of relevance and competence the Leader shall consider the following questions:
  - (a) Is the motion at the correct committee, in terms of the Council's Scheme of Administration?
  - (b) Are there any procedural or legal barriers?
  - (c) After discussion with Members, do they have sufficient information before them to come to a reasoned and balanced decision?
50. The Chair shall, if present, have the right to move the approval by the Council of the Minute of any meeting of that Committee or of any part of such Minute.
51. The Leader shall have the right to move the approval of a report. Approval of a report shall be considered as a motion.
52. Motions and amendments which are not seconded shall be recorded.

## **DEBATE PROCEDURES**

### **ORDER OF DEBATE**

53. Every Member of the Council who is called to speak shall address the Leader and shall direct their speech (a) to the matter before the meeting by proposing, seconding or supporting the motion or any amendment relative thereto or (b) to a point of order or information.
54. On any debate on issues of particular local interest (excepting debate on a Notice of Motion), local Members indicating a wish to speak (by giving advance notice to the Leader or Committee Clerk), shall be called to speak first by the Leader.
55. Subject to the right of reply vested in the mover of a motion or an amendment, no Member shall speak more than once to the same question at any meeting of the Council except with the permission of the Leader, or on a point of order or, in explanation or to clear up a misunderstanding in regard to some material part of their speech, in which case no new matter shall be introduced.

56. The mover of the motion or an amendment shall have a right of reply but shall introduce no new matter and, after the reply is commenced no other Member shall speak on the question except as provided in Standing Order 55.
57. In moving the motion (other than a motion to adopt the Annual Accounts or Annual Estimates) or an amendment, a Member shall not speak for more than 5 minutes and every other speaker, and the mover of the motion in reply, shall not speak for more than 3 minutes. The foregoing limits of time may be exceeded with the permission of the Leader.

#### **POINTS OF ORDER**

58. Any Member of the Council may at any time at any meeting of the Council speak upon a point of order suddenly arising as soon as possible and must refer to the particular Standing Order which, in their opinion, is being infringed.
59. The Member who is then addressing the Council shall cease and the Member who is speaking on the point of order shall address the point of order at issue stating the basis on which they believe the order has been infringed without making any further substantive point and thereafter shall cease in order to allow a ruling to be given by the Leader. No other Member shall be entitled to speak to the point of order raised except by permission of the Leader.
60. The Leader shall thereupon decide the question and, thereafter, the Member who was addressing the Council at the time the point of order was raised shall be entitled (if the ruling permits him/her so to do) to continue their speech, giving effect to the ruling of the Leader.
61. The decision of the Leader shall be final on all points of order.

#### **CLOSURE OF DEBATE**

62. At any meeting of the Council it shall be competent for any Member of the Council who has not spoken on a matter being discussed to move (but without making a speech), after not fewer than seven Members (excluding the movers and seconders of the original motion and of any amendments) shall have spoken on such matter, "That the question be now put".
63. On such motion being seconded, the Leader shall put the same to the meeting without speeches or discussion, and the vote shall be taken. If the motion for closure of debate be carried, the mover of the original motion shall have the right of reply and thereafter the matter under discussion shall be voted on in the ordinary way; if the motion for closure is not carried, the debate shall be resumed.
64. Such a motion may be competently moved a second time after not fewer than five additional Members have spoken and so on after every five additional Members have spoken.

#### **VOTING PROCEDURES**

65. Except in the case of filling a vacancy or vacancies and of making appointments, the following provisions shall apply as to voting:-

- (a) A vote shall normally be taken by electronic count which shall record as to which motion and amendment each Member voted for, as to which Members abstained and as to which Members were absent and a notation as to which shall be recorded in the appropriate Minute of the Meeting. It shall however be competent to take the vote by roll call, show of hands, by ballot or in any other manner as may be agreed upon.
  - (b) When there is only one amendment to the motion, the vote shall be taken between the motion and the amendment and whichever is carried shall become the finding of the meeting and the Council shall be deemed to have resolved accordingly.
  - (c) When there are more amendments to the motion than one, then, unless the Leader otherwise decides in order to avoid inconsistency in voting, the last amendment shall be put against that immediately preceding and then the amendment which is carried shall be put against the next preceding and so on until there remains only one amendment, between which and the motion the Council shall divide and whichever is carried shall become the finding of the meeting and the Council shall be deemed to have resolved accordingly.
  - (d) If however, one of a number of amendments is any form of proposal which implies mere negation, the first division shall be taken between it and the motion. If the amendment is carried, the Council shall proceed to the next business. If the amendment is not carried, it shall be eliminated from the amendments which, with the motion, shall be voted on in the usual way. The view of the Leader on the order of voting shall be final.
  - (e) Where there is an equality of votes, the Leader shall have a casting vote.
66. In the case of filling a vacancy or vacancies and of making appointments, the following provisions shall apply as to voting which shall be by secret ballot where it relates to a staff appointment.
- (a) Where only one vacancy requires to be filled and two candidates are proposed and seconded for appointment, a vote shall be taken as between these candidates and the candidate who receives the majority of votes shall be declared duly appointed. Where in such a case as aforesaid more than two candidates are proposed and seconded for appointment, a vote shall first be taken as among all these candidates, each Member being entitled to vote for one candidate only. If, as a result of this vote, any candidate receives an absolute majority of the votes of the Members of the Council present and voting, such candidate shall be declared duly appointed. If no candidate received such a majority, the name of the candidate receiving the smallest number of votes shall be struck out, provided that, if two or more candidates tie as receiving the smallest number of votes, a vote or votes shall be taken as between or among these candidates and the candidate who receives the smaller or smallest number of votes shall be dropped. In subsequent votes, the same course shall be followed until one of the candidates receives an absolute majority of votes, when he/she shall be declared duly appointed or until the candidates are reduced to two, when a final vote shall be taken and the candidate receiving the majority of votes shall be declared duly appointed.
  - (b) In the case where more than one vacancy requires to be filled, a vote shall first be taken as among all the candidates proposed and seconded for appointment

where these exceed the number of vacancies, each Member being entitled to vote for candidates up to the number of vacancies to be filled. The result shall be decided by the first vote except in the case where two or more candidates tie as having received an equal number of votes for the vacancy or vacancies. In such cases an additional vote or votes shall be taken as between or amongst these candidates with the candidate having least votes being eliminated and so on until the number of candidates remaining is equal to the number of vacancies.

- (c) Where in any vote between two candidates or, after such additional vote as may be required by (a) and (b) above, there is an equality of votes, the Leader/Chair of the meeting shall have a casting vote, except where the matter which is subject of the vote relates to the appointment of a Member of the Council to any particular office or Committee, in which case the decision shall be by lot.
- (d) In the case of a vote relating to the appointment of a Chief Officer the minute shall record -
  - (i) the names of those candidates proposed and seconded for appointment but not the names of proposers or seconders, and
  - (ii) the name of the candidate who received the votes of a majority of those present and voting but not the names or numbers of those voting for each candidate.

## **DISSENT**

- 67. Any Member of the Council who at any meeting of the Council has taken part in a vote or has proposed a competent motion or amendment which has not been seconded may at such meeting enter their dissent for the resolution adopted provided that resolution has a financial or legal implication for the Council, which dissent shall be recorded in the Minute of the meeting, without giving reasons therefor. A Member entering their dissent in accordance with this provision may, within fourteen days of such meeting, lodge with the Chief Executive a statement containing his/her reasons of dissent.
- 68. No Member shall be entitled to enter their dissent from a resolution of the Council except at the meeting at which such resolution is adopted.
- 69. Except as herein provided, no reservation or qualification by any Member with respect to a particular resolution shall be recorded in the minutes of meetings of the Council.

## **ADMISSION OF PRESS AND PUBLIC**

- 70. By virtue of the provisions of Section 50A of the Local Government (Scotland) Act 1973 meetings of the Council and its Committees and Sub-Committees shall be open to the public except to the extent (a) that the public shall be excluded under Section 50A(2) of the 1973 Act during consideration of an item of business whenever it is likely that, if they were present, confidential information, as defined in Section 50A(3) of the 1973 Act, would be disclosed to them, or (b) that the public may be excluded by resolution under Section 50A(4) of the 1973 Act during

consideration of an item of business whenever it is likely that, if Members of the public were present, exempt information, as defined in Section 50A of the 1973 Act, would be disclosed to them. On a motion for adoption of such a resolution being duly moved and seconded, the Leader shall put the same to the meeting without speeches or discussion and, on such a motion being carried, all Members of the public present (including representatives of the press but not including Members of the Council) shall be directed to leave the meeting.

71. Members of the Council remaining in attendance at meetings of Committees or Sub-Committees of which they are not a Member with the consent of the Leader in terms of this provision are required to comply with the provisions of Standing Order 23 in relation to disclosure of interest and the provisions of Standing Order 72 as if they were Members of that Committee or Sub-Committee.
72. Notwithstanding the exclusion of the public as aforesaid, the Leader may permit any person to remain in attendance at any meeting for so long as they consider necessary and on the basis that such persons respect the confidentiality of the proceedings.
73.
  - (a) Information as to the proceedings at any meeting from which the public and press are excluded shall not be given to representatives of the press or to any other person except by the Leader, or by a person authorised by the Leader to do so.
  - (b) Upon information being given in terms of Standing Order 73 (a) other Members of the Council shall be entitled to speak on the matter but only to the extent that information has been provided by the Leader or person so authorised.
  - (c) For the avoidance of doubt Members providing information beyond that provided by the Leader or person so authorised will be in breach of Standing Order 73 (a) and liable to action on the part of the Council including action in terms of the Councillors' Code of Conduct.

## COMMITTEES

74. The Leader and Depute Leader of the Council, in addition to membership of Committees, Sub-Committees and Ad hoc Committees allocated to them as ordinary Members of the Council shall, ex officio be Members of other Committees and Sub-Committees of the Council but such additional membership shall not confer the right to vote. Other Members of the Council may be present at Committees and Sub-Committees of which they are not Members with the agreement of the Chair and may be called upon by the Chair to speak, but shall not be entitled to pose questions, enter the debate or vote. This discretion to permit attendance shall apply to quasi-judicial Committees and Sub-Committees only where a Protocol is in place which ensures compliance with Human Rights legislation.
75. Members of any Appointments Committee, Sub-Committee, Adhoc Committee may, if unable to attend such meetings be represented by a substitute with full voting rights from Members of the Council, provided the name of that substitute has been intimated to Legal and Democratic Services not later than the last working day before the appropriate meeting.

76. Any proposed permanent alteration to the membership of Committees should be intimated in writing from Group Leaders or individual Councillor if not affiliated to a political group to Legal and Democratic Services Committee Services not later than the seventh working day before a scheduled meeting of the Council and shall thereafter be considered by the Council if required.
77. All Committee Meetings held on mornings will start at 9.30am and shall adjourn at 12.45pm for lunch and those held on afternoons will start at 2.00pm and shall adjourn not later than 5.00pm.
78. Matters referred to or delegated to Committees shall be as set out in the Administrative Scheme as approved by the Council and deemed to form part of these Standing Orders. Authority conferred upon Officers of the Council in terms of the Scheme of Delegation approved by the Council shall likewise be deemed to form part of these Standing Orders.

#### **OBSTRUCTIVE AND OFFENSIVE CONDUCT**

79. In the event of any Member at any Council meeting disregarding the authority of the Leader, or being guilty of obstructive or offensive conduct, a motion may be thereupon moved and seconded to suspend such a Member for the remainder of the sitting. The motion shall be put without discussion and, if it be carried, the Member concerned shall forthwith leave the Council chamber or meeting place and the Council Officers shall act on such orders as may be received from the Leader in pursuance of such resolution.

#### **COUNCILLORS' CODE OF CONDUCT**

80. Members of the Council, Members of Committees of the Council and all Officers of the Council are required to comply with the terms of the Councillors' Code of Conduct and the Financial Regulations.

#### **APPLICATION OF STANDING ORDERS OF THE COUNCIL TO COMMITTEES**

81. The provisions of the Standing Orders of the Council, except as otherwise provided, shall, so far as applicable and not inconsistent with any Standing Orders expressly applicable to Committees, apply to Committees of the Council and to Sub-Committees of Committees in like manner as they apply to the Council. References to the Leader/Depute leader shall then become references to the Chair/Depute Chair.

#### **QUESTIONS OF PROCEDURE**

82. The Leader shall at their discretion, with or without discussion, determine all questions of competency and procedure in reference to which no express provision is made under these Orders.

#### **SUPPLY OR DISPOSAL OF GOODS AND EXECUTION OF WORK CONTRACTS**

83. With respect to proposed contracts for the execution of works, the provision of services, or the supply of goods or materials, the following provisions shall apply relating to securing competition for such contracts and for regulating the manner in which tenders are invited.

- (a) The Officer responsible for procurement shall ensure, in consultation with the Monitoring Officer and the Chief Financial Officer, that all public procurement legislation shall be complied with;
- (b) The Officer responsible for procurement shall prepare and submit to the Council a Procurement Policy, Strategy and Procedure Notes which, once approved and adopted by the Council, shall be observed by all Members and Officers of the Council, and shall be deemed to be part of these Standing Orders.
- (c) The Policy, Strategy and Procedure Notes shall include provisions governing:-
  - tender procedures to be followed
  - financial limits for different procedures
  - contract documentation.

#### **ALTERATION OR RESCISSION OF PREVIOUS RESOLUTION**

84. No resolution of the Council shall be altered or revoked within six months of its adoption except for the purposes of budget setting or by suspension of Standing Orders.

#### **SUSPENSION, ALTERATION AND REVIEW OF STANDING ORDERS ETC.**

85. So far as not inconsistent with any statutory provisions, any one or more of the Standing Orders may be suspended at any meeting, but so far only as regards the business at such a meeting, provided that two-thirds of the Members of the Council present and entitled to vote agree, that there has been a relevant and material change of circumstances which shall be specified in the motion proposing the suspension. Where the issue of suspension is being considered relative to an item of business, the agreement of the Council to a suspension should be confirmed before the relevant suspension is debated. This is however subject to the general power of the Leader to control procedure at the meeting.
86. No alteration of the Standing Orders shall be made without notice given at one meeting of the Council to be discussed at the following one, and shall not be effected except on a resolution, adopted by a majority of the Members present and voting.
87. The Council shall, at least once every year, review these Standing Orders to determine whether any alteration should be considered.

