



Policy and Resources Committee

Tuesday, 03 September 2019

NOTICE IS HEREBY GIVEN that a Meeting of the **Policy and Resources Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 03 September 2019** 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 19, 20 and 21 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 the Meeting on 4 June 2019** 7 - 12
5. **Written Questions ****
6. **Revenue Budget Monitoring to 30 June 2019** 13 - 34

Report by the Corporate Director (Corporate Services)
7. **Capital Plan 19-20** 35 - 48

Report by the Corporate Director (Corporate Services)
8. **Efficiency Statement 2018-19** 49 - 56

Report by the Corporate Director (Corporate Services)

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|--|------------------|
| 9. Treasury Management Capital Investment Prudential Indicators 18-19 | 57 - 72 |
| A report by the Corporate Director (Corporate Services) | |
| 10. Procurement Annual Report | 73 - 98 |
| Report by Corporate Director (Corporate Services) | |
| 11. CAT Rental Support | 99 - 110 |
| Report by the Corporate Director (Corporate Services) | |
| 12. Energy Report 18-19 | 111 - 152 |
| Report by the Corporate Director (Economic Development, Planning and Infrastructure Services) | |
| 13. Challenging Behaviour Survey Update | 153 - 172 |
| Report by the Corporate Director (Corporate Services) | |
| 14. Apprenticeships Progress Report | 173 - 178 |
| Report by the Corporate Director (Corporate Services) | |
| 15. Elgin BID - Renewal Ballot | 179 - 274 |
| Report by the Corporate Director (Economic Development, Planning and Infrastructure Services) | |
| 16. Participation Request Report | 275 - 280 |
| Report by the Corporate Director (Corporate Services) | |
| 17. Poverty Strategy and Plan | 281 - 324 |
| Report by the Chief Executive | |
| 18. Question Time *** | |
| Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration. | |

Item(s) which the Committee may wish to consider with the Press and Public excluded

19. Sale of Property Wittet Drive

- Information on proposed terms and/or expenditure to be incurred by the Authority;

20. Former Sawmill Report

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

21. Lease of Cullen Harbour Building

- Information relating to the financial or business affairs of any particular person(s);
- Information on proposed terms and/or expenditure to be incurred by the Authority;

Summary of Policy and Resources Committee functions:

To regulate, manage and monitor the finances of the Council both capital and revenue; to deal with staffing policies and practices other than for teaching staff; to deal with equal opportunities policies and practices; to deal with procurement policies and priorities; to deal with all matters relating to the Council's duty to initiate, maintain and facilitate Community Planning; to ensure that the organisation, administrative and management processes of the Council are designed to make the most effective contribution to achieving the Council's objectives; to provide all central support services; to exercise the functions of the Council in connection with the Registration of Births, Deaths and Marriages; to deal with valuation and electoral registration matters.

Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.

GUIDANCE NOTES

* **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.

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THE MORAY COUNCIL

Policy and Resources Committee

SEDERUNT

Councillor Aaron McLean (Chair)
Councillor Graham Leadbitter (Depute Chair)
Councillor George Alexander (Member)
Councillor Frank Brown (Member)
Councillor John Cowe (Member)
Councillor Lorna Creswell (Member)
Councillor John Divers (Member)
Councillor Tim Eagle (Member)
Councillor Ryan Edwards (Member)
Councillor Donald Gatt (Member)
Councillor Louise Laing (Member)
Councillor Shona Morrison (Member)
Councillor Sonya Warren (Member)

Clerk Name: Moira Patrick
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Minute of Meeting of the Policy and Resources Committee

Tuesday, 04 June 2019

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

PRESENT

Councillor George Alexander, Councillor Frank Brown, Councillor John Divers, Councillor Tim Eagle, Councillor Donald Gatt, Councillor Louise Laing, Councillor Graham Leadbitter, Councillor Aaron McLean, Councillor Shona Morrison, Councillor Sonya Warren

APOLOGIES

Councillor John Cowe, Councillor Lorna Creswell, Councillor Ryan Edwards

IN ATTENDANCE

Also in attendance at the above meeting were the Chief Executive, Corporate Director (Corporate Services), Head of Financial Services, Frances Garrow and Phil McDonald (Joint Acting Heads of HR and ICT), Design Manager, Estates Manager, Asset Management Co-ordinator and the Democratic Services Manager.

1. Chair

The meeting was chaired by Councillor A McLean.

2. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, Councillors the meeting noted that 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 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 during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph Number of Minute

Paragraph Number of Schedule 7A and reason

13

6 & 9

Information relating to the financial or business affairs of any particular person(s)

Information on terms proposed or to be proposed

during the same period four asset transfer requests were dealt with outside of (iii) the provisions of the Act, details of which are set out in the Appendix of this report;

all community groups submitting a formal Expression of Interest in a Council (iv) property asset are signposted to both internal and external sources of additional guidance and support;

a series of targeted training and workshop events have been delivered to (v) community groups by the Community Support Unit over the reporting period; and

in the event of a formal review request being received in respect of a decision (vi) made by this Committee in relation to an asset transfer request made under the Act, further training will be made available to Elected Members prior to its consideration.

9. Health and Safety Annual Report 2018

A report by the Corporate Director (Corporate Services) asked the Committee to consider the annual Health and Safety report and approve the progress noted, proposed future actions and carry forward actions for the next year.

Following a discussion on the number of incidents of violence and aggression involving school pupils/students, Councillor Eagle sought an additional recommendation be added requesting a progress report being provided to the next meeting of this Committee on the outcomes and improvement actions arising from the survey undertaken to quantify the scope and scale of the situation in relation to the number of incidents of violence and aggression involving school pupils/students. As there was no one otherwise minded the Committee unanimously agreed to include the additional recommendation.

Thereafter the Committee agreed to:

(i) note the content of the annual health and safety report, as set out in Appendix 1, and the progress towards the outcomes established in the last report;

(ii) approve the carry forward of outstanding actions and proposed future actions for 2018, and

a progress report being provided to the next meeting of this Committee on the (iii) outcomes and improvement actions arising from the survey undertaken to quantify the scope and scale of the situation in relation to the number of incidents of violence and aggression involving school pupils/students.

10. Digital Public Services - End of Project Report

A report by the Corporate Director (Corporate Services) provided Committee with a report on progress against the Digital Services project and to seek approval to formally close the project.

Following consideration the Committee agreed to:

- (i) note the progress made against the Digital Services project contained within the end of project report set out in Appendix I

note that outstanding work not accomplished as part of the project will be

- (ii) transferred to the Improvement and Modernisation Programme where appropriate; and

- (iii) approve the closure of the Digital Services project.

11. Complaints Annual Report 2017-18

A report by the Chief Executive asked Committee to consider the Complaints Annual Report 2017-18.

Following consideration the Committee agreed to approve the Complaints Annual Report 2017-18 for submission to the Scottish Public Sector Ombudsman.

12. Question Time ***

Under reference to paragraph 10 of the Minute of the meeting of this committee dated 19 April 2019 in relation to the Community Asset Transfer Request – Lesser Borough Briggs, Councillor Brown asked how the public consultation was progressing and if account were being taken of the points he raised earlier in the meeting?

In response the Asset Management Co-ordinator advised that the public consultation had not yet commenced and that the points raised will be taken into consideration and the consultation will be appropriate to the circumstances.

Under reference to paragraph 14 of the Minute of the meeting of this committee dated 19 April 2019 Councillor Laing asked for an updated on her question regarding the number of FOI requests submitted to the council over the last 12 months.

In response the Chief Executive advised that he had the information and would circulate it to Members and thanked her for the reminder.

13. Clock Tower, The Square, Dufftown [Paras 6 & 9]

A report by the Corporate Director (Economic Development, Planning and Infrastructure) asked Committee to consider the results of a public consultation, seek court authority to dispose of the Clock Tower, The Square, Dufftown and approve main terms for the sale of the property.

Following consideration the Committee agreed to:

- (i) note the results of the public consultation in relation to the proposed sale of The Clock Tower, Dufftown;

- (ii) authorise the Legal Services Manager to apply to Elgin Sheriff Court for permission to proceed to sell the property;

- (iii) approve the sale of the property on the main terms detailed in Section 5.2 of this

report; and

- (iv) authorise the Estate Manager and the Legal Services Manager to finalise the detailed terms and conditions and conclude the transaction.

14. 14/16 Reidhaven Street, Cullen [Para 9]

A report by the Corporate Director (Economic Development, Planning and Infrastructure) asked Committee to consider the results of a public consultation and approve proposals for the sale of 14/16 Reidhaven Street, Cullen.

Following consideration, the Committee agreed to:

- (i) note the results of the public consultation in relation to the proposed sale of 14/16 Reidhaven Street, Cullen;
- (ii) authorise the Legal Services Manager to apply to the Elgin Sheriff Court for permission to proceed to sell the property; and
- (iii) authorise the Estates Manager to market the property for sale on the basis that Court consent is granted without any significant conditions.



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: REVENUE BUDGET MONITORING TO 30 JUNE 2019

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To advise Committee of the revenue budget monitoring position to 30 June 2019.
- 1.2 This report is submitted to Committee in terms of Section III A (8) 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 £44,000 under budget for 2019/20 as at 30 June 2018;**
- (ii) that this position consists of an underspend on Devolved School budgets of £262,000, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £466,000 and an underspend on other services of £248,000;**
- (iii) movement of £2,294,000 in the General Revenue Grant, as detailed in paragraph 3.4;**
- (iv) emerging budget pressures as summarised in paragraph 6.2; and**
- (v) further commitments of £2,428,000 against reserves as summarised in section 8.**

2.2 It is recommended that Committee approves setting aside £2 million from General Reserves into an ear-marked reserve for implementing Council priorities.

3. BACKGROUND

- 3.1 When the revenue budget for 2019/20 was approved by Moray Council on 27 February 2019 (paragraph 4 of the minute refers), General Revenue Grant of £157,236,000 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 £41,530,000 were anticipated. Budgeted expenditure of £203,954,000 was agreed, and this required projected use of £5,188,000 of the Council's General Reserves to balance the budget.
- 3.2 On 27 June 2019 Council approved adjustments to the base budget to reflect variances during 2018/19 which were projected to continue into 2019/20. The net effect of these adjustments was to reduce budgeted expenditure by £1,121,000. At the same meeting additional expenditure of £118,000 to be funded from General Reserves was also approved. All of these adjustments have been posted to departments as at 30 June 2019.
- 3.3 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 balance brought forward in 2018/19 is £10,000 (2018/19 £448,000). In addition to this, unused funding of £61,000 received in 2018/19 for the expansion of Early Learning and Childcare has been carried forward into 2019/20 in accordance with the grant conditions.
- 3.4 Variations to General Revenue Grant (GRG) amounting to £2,294,000 have been notified. This predominately relates to funding for the additional element of the teachers' pay award agreed by Scottish Government (£2,377,000), with adjustments totalling a net reduction £83,000 made to the originally estimated GRG.
- 3.5 Funding of £5,507,000 for the expansion of Early Learning and Childcare (ELC) has been notified for 2019/20. ELC is funded by specific grant, but for transparency it is included in the government grant figure in **Appendix 2**.
- 3.6 With these adjustments the Council's overall General Services revenue budget currently stands at £207,392,000.
- 3.7 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 27 February 2019 is shown in **APPENDIX 2** and allocations to departments from the provisions for Inflation and Contingencies, Additional Costs and Savings are listed in **APPENDIX 3**.

4. BUDGET POSITION

- 4.1 **APPENDIX 1** summarises the current position for each service area, comparing the actual expenditure for the year to 30 June 2019 with the budget to 30 June 2019.
- 4.2 Overall the budget position at 30 June 2019 is expenditure under budget to date of £44,000 or 0.1% of budget to date (including services delivered on

behalf of the Moray Integrated Joint Board). All departmental budgets are underspent, bar Development Services and Health and Social Care Services.

- 4.3 The principal areas of overspend and underspend across the Council are summarised below:
- 4.3.1 In Integrated Children's Services, there is an underspend of £69,000 on a contract for residential care for children with disabilities, due to two children originally in this service having made the transition to adult services.
- 4.3.2 Devolved School budgets are underspent by £262,000 at the end of the first quarter, £54,000 in primary schools and £208,000 secondary schools. The central supply teachers budget is overspent by £78,000 for the first quarter.
- 4.3.3 There are a number of fluctuations in income across the Council. Harbours income £30,000, rental income from leasing car parking spaces £14,000 and legal fees £11,000 are more than expected in the first quarter. However the income expected from waste recyclates is £34,000 below target and building and development control fees are £81,000 less than expected.
- 4.3.4 Other major variances in Direct Services mainly relate to underspends in the Fleet budget, totalling £41,000. Landfill tax is also under budget, by £42,000.
- 4.3.5 When MIJB set its budget for 2019/20 it included a financial recovery plan amounting to £3,070,000 over the years 2019/20 to 2021/22. In quarter 1 the MIJB is reporting £609,000 toward this target. However, the overspend across both Council and NHS services during quarter 1 is £837,040. The figures included in this report relate purely to the services delivered by Moray Council on behalf of the MIJB and amount to an overspend of £466,000.

5. BUDGET PRESSURES

- 5.1 Budget pressures recognised when the budget was approved on 27 February 2019 are released when the pressure crystallises to the extent that it can be accurately quantified. Provisions to meet budget pressures and new duties totalling £2,272,000 have been released in quarter 1.
- 5.2 Provisions still held centrally at the end of quarter 1 total £7,910,000 and are detailed in **APPENDIX 4** and given a RAG assessment for likelihood of requirement.
- 5.3 Two provisions are assessed as red or unlikely to be needed: £22,000 for industrial estate voids and £10,000 for ERDMS extension. The budget pressure for industrial estate voids has been partially allocated and the balance is not now anticipated to be required in this financial year. The ERDMS project extension has now finished and posts merged into Customer Services so the provision for additional funding is unlikely to be required.
- 5.4 Two provisions are assessed as amber, for uncertainty of requirement: Integrated Children's Services out of area placements (£1,049,000) and the increase in teachers' pension costs arising from the reduction in the Public Service Pension scheme discount rate (£1,776,000). The first provision is

based on forecast spend and for the first quarter there has been a number of transitions to adult services, which has resulted in no funding required to be drawn down. A detailed report will be going to a future meeting of the Children & Young People Committee. The second provision was calculated on the basis that the full year effect of the increase would be required in 2019/20. Since the budget was set, the pension increase has been postponed until September 2019 and so the full amount of provision will not be needed in 2019/20. This provision is partly offset by anticipated government funding, which again will be less in 2019/20 than budgeted for.

5.5 All other provisions are expected to be required in full at this juncture.

6. **EMERGING BUDGET PRESSURES**

6.1 Emerging budget pressures are noted throughout the year as they are identified. Pressures identified during quarter 1 which can be quantified at present are listed in the table below:

	Para Ref	Estimated full year effect £000s
DHP funding	6.2	30
Making Tax Digital software	6.3	15
		45
		=====

6.2 Interim funding for Discretionary Housing Payments (DHP) has been confirmed at £426,000 plus £13,000 towards the costs of administering the scheme. When the budget was set funding was estimated at £400,000. Although funding for DHP is paid in General Revenue Grant, there is an expectation that this funding is used to fund DHP. Accordingly the increased funding is noted as creating a budget pressure.

6.3 Making Tax Digital (MTD) is a key government initiative which the Council is required to implement. Software to enable MTD compliant VAT returns is currently estimated to cost £15,000 – mainly as a one-off item of expenditure.

6.4 These and any other emerging pressures will be reviewed at the end of quarter 2 and recommendations made as to funding when the first estimated actual for 2019/20 is developed and reported to Council in November 2019.

7. **SAVINGS**

7.1 Savings of £10,124,000 were approved when the budget was set on 27 February 2019. These savings comprised increased income of £18,000 from inflationary uplifts to charges for services; one-off savings of £149,000, and other permanent savings of £9,957,000.

7.2 To date budgets for charges have been adjusted by £6,771. The remaining balance of £11,229 will be reviewed as part of the estimated actual process

and budgets adjusted accordingly. Temporary savings of £156,579 have been posted to departmental budgets, £7,579 more than the target.

- 7.3 Of the originally approved permanent savings, a balance of £1,381,214 remains in central provisions as at the end of June. These are detailed in **APPENDIX 5** and given a RAG assessment for anticipated achievement.
- 7.3.1 Five savings totalling £403,000 are assessed as red. Savings from Accounts Payable electronic processing have not yet been realised and are dependent upon an ICT solution. The full provision for savings from increase in NI threshold and contracts renewal are not achievable as the balance relates to ring fenced budgets for MIJB and HRA. ESOL/libraries/Essential skills savings are all dependent upon Committee decision on the service but will not be achieved in full due to delays in the decision.
- 7.3.2 Savings of £300,000 from the commercialisation of the sports and leisure service, including Elgin Community Centre, were approved in the budget. Of this £87,000 is still held centrally. £24,000 of this relates to an over-estimation of the impact of uptake of Fit Life membership. It is considered that this is unlikely to be achieved. Potential savings from Elgin Community Centre are still being assessed.
- 7.3.3 The allocated budget for income from Fit Life reflects the target increase in numbers. The budget for quarter 1 was £266,000 and the income reflected in the General Ledger and thus in this report has broadly been attained – actual income recorded of £263,000. However, this does not reflect the level of default on payment of Fit Life membership fees. The problems experienced immediately following the campaign for increased membership are being resolved. The true picture requires to take into account outstanding debt. There are outstanding debts from the first quarter of 2019/20 totalling £8,659. The real shortfall of income to budget is therefore £11,659, or 4.4% of budgeted income.
- 7.3.4 Initial indications were that the savings from increased income at Elgin Community Centre would be substantially not achieved. However, there has been a recent upsurge in income billed. The position is being reviewed and savings will be allocated during quarter 2.
- 7.3.5 Ten savings totalling £537,000 are assessed as amber. HR/Payroll system is still expected to be achieved by the end of the financial year. VAT review for leisure services will be adjusted once a date for the change in VAT status is implemented – this is currently scheduled for 1 October 2019. Land and Parks reduced weekend overtime is currently being assessed as unsure if the balance of the saving can be achieved in this financial year. Roads maintenance vehicle savings have not yet been implemented and as such it's unlikely the full year saving will be achieved. Reduction in cleaning hours at schools is not yet implemented and is unknown if this saving will be achieved. The change management plan for the review of property services is yet to be finalised and so the savings are unlikely to be realised in full. The DSM budget saving has been taken in full; the balance left will not be achieved until 2020/21. Central admin balance of saving is unlikely to be achieved as it is

related to the Library and ESOL savings which have not yet been agreed by Committee.

- 7.3.6 The other unposted savings are assessed as green - these are expected to be achieved or substantially achieved during this financial year.

8. GENERAL RESERVES

8.1 The balance on general reserves (excluding DSM and ear-marked reserves) as at 1 April 2019 was £12,276,000. Use of reserves totalling £3,312,000 was approved to balance the 2018/19 budget.

8.2 The Moray Council on 8 May 2019 approved an additional use of reserves totalling £119,000 and on 28 June 2018 approved a net budget reduction of £1,121,000, reducing the underlying need to use reserves, and also additional funding from reserves for specific items, totalling £118,000, this budget has been released in full in quarter 1. Commitments of £2,428,000 against general reserves are detailed in **APPENDIX 6**.

8.3 As noted in the out-turn report to Council on 27 June 2019, the final out-turn for 2018/19 was £2 million better than forecast. In the short to medium term the Council will face many conflicting demands on its finances, and has little resilience to cope with unplanned demands. It is therefore proposed that the £2 million windfall is set aside in an ear-marked reserve, to be used to help the Council meet its priorities as set out in the Corporate Plan. One of the Council's priorities is to achieve financial stability, and it is intended that any one-off expenditure which assists in achieving financial stability – such as exit packages which do not fall within the parameters of the current permission to use capital receipts to fund transformation – could be funded from this ear-marked reserve, as well as other measures facilitating the achievement of Council priorities. Any use of this fund should be clearly reported to this committee or to Council and the use approved by members.

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.

(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 half of the additional costs incurred.

(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) 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 June 2019 is an underspend against General Services Revenue Budget of £44,000 (including services delivered on behalf of the Moray Integration Joint Board).

10.2 Variations in General Revenue Grant totalling £2,294,000 have been notified to the council.

10.3 Additional budget pressures of £45,000 for Council services have been recognised. These are likely to result in a call on general reserves.

10.4 The Council has previously approved use of £2,428,000 from general reserves.

Author of Report: Deborah O'Shea, Principal Accountant

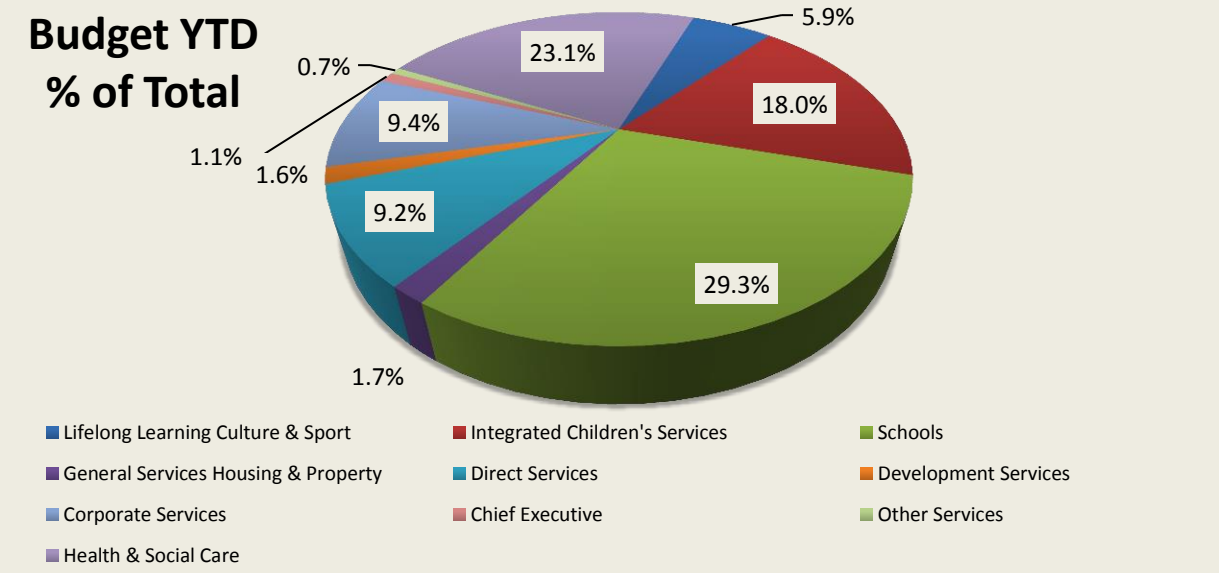
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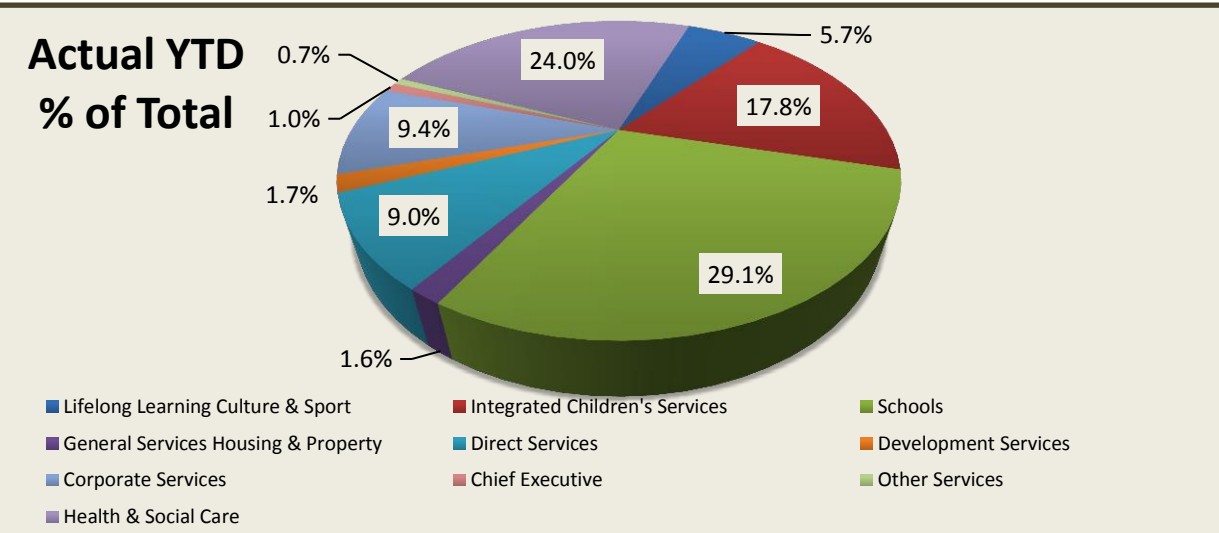
**MORAY COUNCIL - APPENDIX 1.1
BUDGET MONITORING REPORT
QUARTER 1 to 30th JUNE 2019**

Service	Revised Budget 2019/20 £000s	Budget to 30 June 2019 £000s	Actual & Committed to 30 Jun 2019 £000s	Year to date variance £000s
Lifelong Learning Culture & Sport	10,008	2,933	2,862	71
Integrated Children's Services	31,342	9,031	8,900	131
Schools	58,597	14,685	14,532	153
General Services Housing & Property	3,166	842	777	65
Direct Services	21,832	4,630	4,513	117
Development Services	3,456	786	868	(82)
Corporate Services	10,643	4,726	4,691	35
Chief Executive	1,850	527	507	20
Other Services	1,988	351	351	0
SERVICES excl HEALTH & SOCIAL CARE	142,882	38,511	38,001	510
Health & Social Care	42,121	11,545	12,011	(466)
TOTAL SERVICES incl HEALTH & SOCIAL CARE	185,003	50,056	50,012	44
Loans Charges	13,507	0	0	0
Provision for Contingencies and Inflation	842	0	0	0
Additional Costs	7,910	0	0	0
Unallocated Savings	130	0	0	0
TOTAL PROVISIONS	8,882	0	0	0
TOTAL GENERAL SERVICES EXPENDITURE	207,392	50,056	50,012	44

**Budget YTD
% of Total**



**Actual YTD
% of Total**



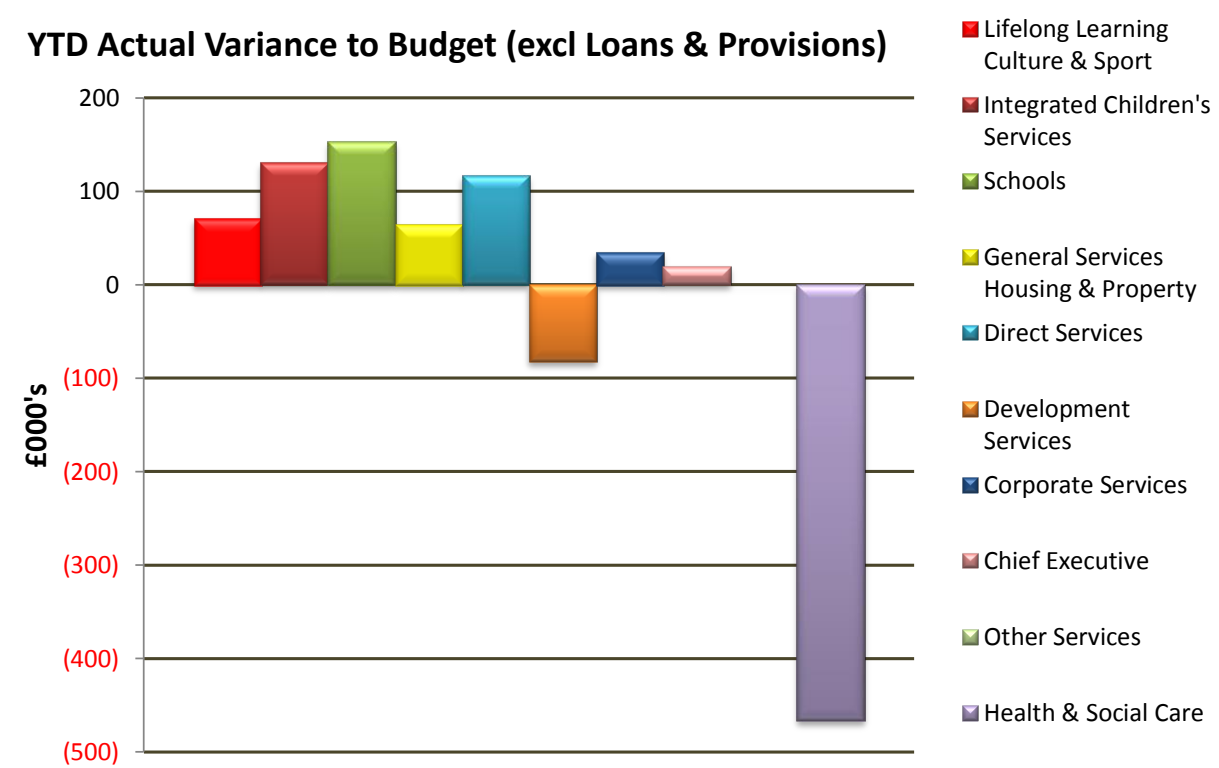
Commentary on Quarter 1 Performance

Underspend on children with disabilities residential contract

Devolved school budgets are underspent for both primary and secondary, with an overspend on Central Supply

Moray Integrated Joint Board is overspent to date, the figure reported here is the Council's element of the Health & Social Care budget.

YTD Actual Variance to Budget (excl Loans & Provisions)



£000s	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
27 February 2019	182,917	8,706	7,930	(10,124)	189,429	14,525		203,954
School carry forwards	10				10			10
Additional GRG			2,294		2,294			2,294
Variance review	(167)		(42)	1,164	955			955
Adjustment 1	2,064	(7,864)	(2,272)	9,090	1,018	(1,018)		0
Funded from reserves - approved MC 27/06/19	118				118			118
Funded from reserves ELC	61				61			61
					0			0
Moray Council 5 September 2018	185,003	842	7,910	130	193,885	13,507	0	207,392

APPENDIX 3

ALLOCATIONS FROM PROVISIONS

Provision for Contingencies and Inflation

	Committee	£000s	£000s
Approved when budget set:			8,706
ELC to be funded from specific grant	N/A	338	
Water allocation adjustment	N/A	(47)	
Sharepoint adjustment	N/A	69	
PPP indexation	N/A	(107)	
Other contract Increases	N/A	(101)	
Pay award	N/A	(7,913)	
Regradings / career progression	N/A	(27)	
Members pay award	N/A	(18)	
Fostering fees	N/A	(51)	
Waste fuel increase	N/A	(57)	
Maximum Basic Scale (MBS) Primary & Secondary	N/A	99	
GVJB increase	N/A	(27)	
Other	N/A	(22)	
		<u>(7,864)</u>	
Balance at 30 June 2019			842

Additional Costs

	£000s	£000s
Approved when budget set:		7,930
Movements in General Revenue Grant		
SNCT pay award redetermination	2,377	
Amendments to opening position	<u>(83)</u>	
		2,294

Movements approved when budget set

ELC specific grant	2,932	
FPC for under 65s	(582)	
Child burials	(6)	
H&SC	(1,942)	
Teachers pay award	(1,944)	
Class contact hours increase	(269)	
Energy performance certificate	(4)	
Additional ASN from longer school day	(26)	
School roll numbers (2017 census)	(56)	
Restructuring secondary school week: catering loss of	(33)	
Local plan examination	(60)	
Paper & card recycling	(93)	
Childrens services	(8)	
Growth Bid	(30)	
CSU Post	(10)	
SEEMIS Costs	(7)	
Industrial Estate Voids	(78)	
MIJB overspend	(555)	
Continuing care	(30)	
Recharges to capital	(200)	
Leachate	(90)	
Income not achieved	(160)	
Software/hardware	(42)	
Loan Charges	<u>1,021</u>	(2,272)

APPENDIX 3

Release of movement approved MC Special Meeting			
Approved following variance review	MC 27/6/2019		(42)
Balance at 30 June 2019			7,910
Savings & Charges	Committee	£000s	£000s
Approved when budget set:			(10,124)
Permanent savings	MC 27/02/19	8,588	
Charges for service -Annual Review	MC 14/02/18	7	
One-off savings	MC 14/02/18	156	
Additional savings identified			
Restructures		214	
Approved following variance review - vacancy factor		165	
Approved following variance review - ctax		999	
Direct services school transport		95	
Fuel savings		30	
		<hr/>	
		10,254	
Balance at 30 June 2019			130
	Committee		£000s
Funded from Reserves			
Development of child poverty outcomes	MC 27/06/19		5
Discretionary Housing Payments	MC 27/06/19		29
Community Planning	MC 27/06/19		25
Homelessness: temporary accommodation	MC 27/06/19		15
Moray Growth Deal	MC 27/06/19		5
Syrian Refugees	MC 27/06/19		39
			118

BUDGET PRESSURES AND NEW DUTIES

Ref	Description	Amount £000s	Status	Committee reference	Reasons
BUDGET PRESSURES RECOGNISED WHEN BUDGET SET					
Integrated Childrens Services					
1	Out of Area placements	1,049	Held		Have not allocated yet as this is based on forecast spend and for the first quarter there has been a number of transitions, which has resulted in no funding required to be drawn down. A detailed report will be going to a future meeting of the Children & Young People Committee.
	Childrens Services pressures	17	Held		The detail behind this request is a bit vague so trying to get more information on requirement before allocating the budget.
Schools					
7	Change in school roll numbers	315	Held		Will be allocated after September Census.
Income					
17	Industrial estate voids	22	Not required		This should be all that is required now based on revised estimate from Stuart Beveridge 28.6.19
Corporate Services					
20	Reduction in Public Service Pension scheme discount rate	1,776	held		This is the full year figure not 2019/20 and the income included in revenue grant is also for the full year. The pension increase is from September and the budget should be allocated this month.
	Economic development restructure	47			On hold until Growth Deal project plans are in place. Will be required for a new project administrator
	ERDMS extension	10	Not required		ERDMS project budget now finished and posts merged into Customer Services so unlikely to be required
	Membership of digital office	15	held		not yet billed
	Investment in change	2,000	held		line 19 & 20 connected - but not expected until end of the year
	Funded by capital receipts	(1,500)	held		line 19 & 20 connected - but not expected until end of the year
21	Improvement & modernisation program	672	held		Will be required but need details on allocation
		4,423			
AGREED AT MC SPECIAL MEETING 27.6.19					
	Music tuition income reduction	(42)	Released		
	Total	(42)			

FUNDING FOR NEW DUTIES					
	Access to free sanitary products	15	Held		
	Reinvigorating advancing WSA	25	Held		Will be required
	FPC for under 65's	(81)	Held		Will be posted in Qtr 2
	Carers Act extension	189	Held		Will be required
	Barclay review	16	Held		one off charge paid in 2018/19 per James Taylor email 22.2.19. This is in addition to that and is not related to James
	Teachers pay award	434	Held		Released - small amount of funding still to be drawn down for PEF pay award.
	ELC Specific Grant	2,931	Held		Will be required
		3,529			
	Total	7,910			

SAVINGS

Description	Cttee Ref	Amount £000s	Reason for balance
Corporate			
Increase in NI threshold	MC Feb 2017	26,888	Unlikely to be achieved in full - balance relates to ringfenced budgets: MIJB/HRA
Financial Services			
HR/Payroll System - staff saving	MC 12/12/18	41,000	Savings not achievable in Qtr 1 however, it is still expected to be achieved by March 2020
AP Electronic processing - staff saving	MC 12/12/18	20,000	Savings not achievable in Qtr 1 and is reliant upon a solution from ICT to progress
FMS and Banking team - restructure/realignment of duties	MC 12/12/18	6,000	
Procurement - restructure/realignment of duties	MC 12/12/18	6,000	
VAT review - leisure services opt to exempt	MC 12/12/18	30,000	Leisure income will be adjusted when a date is agreed for change in VAT status for Leisure facilities.
Insurance - increase insurance excess	MC 12/12/18	150,000	To be posted in Qtr 2
VAT - Bulky uplifts (no VAT)	MC 23/01/19	4,000	To be posted in Qtr 2
HR & ICT			
Contracts - contract renewal	MC 12/12/18	47,924	Balance largely relates to savings unable to be extracted from ringfenced budgets mainly MIJB/HJRA
Direct Services			
Land & parks - reduce weekend overtime	MC 12/12/18	40,737	currently unknown if rest of saving can be implemented
Roads Maintenance - road patching vehicle	MC 12/12/18	35,000	saving not yet implemented - therefore unlikely to achieved full year saving
Roads Maintenance - dual purpose vehicles/tippers	MC 12/12/18	170,000	saving not yet implemented - therefore unlikely to achieved full year saving
Parking charges - Additional charged locations	MC 23/01/19	5,000	to be processed in full in 2019-20
Building Cleaning - Reduce cleaning hours at schools	P&R 12/02/19	83,762	
Development Services			
Environmental Health - house closing and demolition	MC 12/12/18	24,000	
Financial Advice and Welfare Benefits - external funding application	MC 12/12/18	9,000	
Housing & Property Services			
Homelessness Allocations - service reprovion	MC 12/12/18	80,500	To be taken from contingency Qtr 2
Property Services - review of service	MC 12/12/18	55,000	Change Management Plan to be finalised but savings are unlikely to be realised
Schools Water Consumption - Spend to save - water controls on urinals	MC 23/01/19	18,000	
Projected savings from Forres CC Lighting	P&R 12/02/19	2,000	
Integrated Children's Services			
Review Service Management	MC 12/12/18	(112,510)	Saving was split over 2 years. Increased saving in 2019/20 and reduced saving in 2020/21.

Description	Cttee Ref	Amount £000s	Reason for balance
Lifelong Learning, Culture and Sport			
Sports/Leisure Service - commercialisation of service	MC 12/12/18	87,216	The full balance of the saving will not be possible due to the predicted increase in income not being achievable and Forres House not being closed has meant the hours of the Sport & Leisure Supervisor have not been reduced (£20k saving).
ESOL/Libraries/Essential skills/ Janitors - reduce library operating costs	MC 12/12/18	221,359	Various ESOL/Libraries/ Janitors savings - all depending on Committee decision
Relocate staff from Auchernack plus Forres Community Centre staff restructure	MC 23/01/19	52,000	
Schools & Curriculum Development			
0.5% DSM budget saving	MC 23/01/19	20,538	Taken in full - balance will be taken as a greater saving in 2020/21.
Central Admin	MC 23/01/19	7,800	No further saving to be achieved as linked to Library & ESOL savings still not agreed.
Indicative Savings from I&M Programme:			
Sub total		1,381,214	
Charges:			
		11,229	
Balances from roundings:			
Emergency savings		(7,579)	
Savings		(12,500)	
Additional Savings Identified :			
Amendments MC 28.2.19:			
Waste Management restructure		(49,845)	
Development Services structure review		(164,193)	
Amendments MC 27.6.19 para 3.7:			
Increase Vacancy Target		(114,940)	
Virements Corporate services & Council tax		(999,000)	
Oncost saving		(50,000)	
Direct Services			
School Transport Reduction 2 school days 19/20 (external contracts)		(37,512)	
School Transport External contract amendments		(38,982)	
School Transport Reduction 2 school days 19/20 (internal contracts)		(6,808)	
School Transport Internal contract amendments		(11,241)	
Fuel savings GM and fleet		(30,000)	
Sub total		(1,502,521)	
TOTAL		(130,157)	

APPENDIX 6

General Reserves	Committee reference	Approved £000s	Budget released £000s
General Reserves @ 1 April 2019		12,276	
Less commitments against reserves when budget was set:			
To balance the 2019/20 budget	MC 27/02/19	3,312	
Additional funding:			
Business Support Post	MC 08/05/19	32	
Senior Social Workers (ICS)	MC 08/05/19	87	
Budget reduction from variance report	MC 27/06/19	(1,121)	
Funding from reserves approved in 2019/20:			
Development of child poverty outcomes	MC 27/06/19	5	5
Moray Growth Deal	MC 27/06/19	5	5
Discretionary Housing Payments	MC 27/06/19	29	29
Community Planning	MC 27/06/19	25	25
Homelessness: temporary accommodation	MC 27/06/19	15	15
Syrian Refugees	MC 27/06/19	39	39
		118	118
Approved use of reserves		2,428	
Free balance @ 30 June 2019		9,848	
Estimated free balance @ 31 March 2020		-	



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: CAPITAL PLAN 2019/20

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To advise the Committee of the expenditure to 30 June 2019 under the capital plan for financial year 2019/20 and of the estimates of projected expenditure profiled into quarters.
- 1.2 This report is submitted to Committee in terms of Section III (B) 5 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 considers and notes:-

- (i) expenditure to 30 June 2019 of £6,702,000;**
- (ii) the current projected expenditure of £71,495,000 for 2019/20 profiled into quarters; and**
- (iii) the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2.**

3. BACKGROUND

- 3.1 The capital plan for 2019/20 of £72,668,000 was approved by a meeting of Moray Council on 27 February 2019 (paragraph 4 of the minute refers). Amendments approved by Council since this date have been incorporated to give a current approved capital plan for 2019/20 of £76,585,000. The current projected expenditure is £71,495,000.
- 3.2 Regular monitoring reports are provided to Policy and Resources Committee or to Council showing expenditure to date for each project and details of capital receipts received. Policy and Resources committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report "Major Capital Investment in Councils". Accordingly this report includes a separate **APPENDIX 2**, giving details of expenditure on projects which span more than one financial year.

4. CAPITAL PLAN 2019/20

- 4.1 A copy of the capital plan is attached as **APPENDIX 1**, showing actual expenditure to 30 June 2019 of £6,702,000. Capital receipts of £479,000 from sale of assets are identified along with General Capital Grant of £5,787,000 from the Scottish Government and Specific Capital Grant of £308,000 relating to the Town Centre Fund Initiative. Developer obligations of £334,000 have been utilised for the new build schools at Linkwood Primary in Elgin and also Lossiemouth High. Developer obligations of £429,000 have been received in this financial year.
- 4.2 Expenditure on land and buildings to 30 June totals £5,061,000. The major items of expenditure are £3,554,000 for the new Lossiemouth High School, £641,000 for the new Linkwood Primary School, £444,000 for early learning and childcare expansion, mainly at Cullen and Pilmuir in Forres. The early learning and childcare expansion projects are funded by capital grant received from the Scottish Government. Expenditure of £230,000 has been incurred for the ongoing project to provide integrated waste facilities at Moycroft in Elgin.
- 4.3 Expenditure on infrastructure assets to 30 June totals £1,017,000. The major items of expenditure are £427,000 on carriageway resurfacing/ reconstruction, £92,000 for new LED street lighting and £330,000 for Portknockie Landslip works.
- 4.4 Expenditure on vehicles, plant and equipment to 30 June totals £624,000. The major items of expenditure are £441,000 on the vehicle replacement programme and £128,000 on ICT projects.

5. PROJECTED OUTTURN

- 5.1 Budget managers have been requested to update projected estimates of expenditure on capital projects in 2019/20. Projects are graded for confidence of achieving projected expenditure with high confidence rated as green, medium confidence as amber and low confidence as red. A summary of the ratings is given in the table below.

Risk status	RAG	No. of projects	Projected expenditure 2019/20 £000s
High confidence of spend to estimate	G	77	61,022
Medium confidence spend to estimate	A	8	10,473
Low confidence of spend to estimate	R	0	0
		<hr/>	<hr/>
		85	71,495

- 5.2 At this early stage in the financial year, most of the capital plan is projected to spend to budget. An exception to this is the acquisition and servicing of a site in Forres for industrial development and building new units, where expenditure has been deferred (this will be reported to this Committee with recommendations for re-profiling in the Quarter 2 Capital Monitoring report) –

as a result projected expenditure is £3.079 million less than the approved budget. Expenditure on depots has been deferred pending the result of the Property Asset Management Appraisal currently being carried out. This results in a further £0.908 million currently projected underspend. The replacement recycling facilities in Elgin are currently projected to be underspent by £0.45 million, again due to timing differences.

- 5.3 No adjustments to the capital plan are proposed at this juncture, but amendments to reflect the updated position will be proposed as part of the quarter 2 monitoring report.
- 5.4 An amber rating of medium confidence to spend to budget highlights areas where there are issues impacting on the ability to project spend – generally indicating factors outwith the budget manager’s control. Although 8 projects are rated as amber, the bulk of the spend associated with these projects is the council’s contribution to the NESS energy from waste project (£9.966 million). This is approaching Inter Authority Agreement (IAA) 3 stage and until IAA3 is signed off there will remain uncertainty about the timing and level of payments into this joint project.

6. RISK AND EMERGING ISSUES

- 6.1 Budget managers have been requested to identify any specific areas of risk for the projects in the Capital Plan for which they are responsible.
- 6.2 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales.
- 6.3 Land compensation claims remain a risk for the major flood alleviation scheme at Forres.
- 6.4 Projects can be subject to risks which are outwith the direct control of the Council.
- 6.5 Poor weather conditions can impact on project timescales.
- 6.6 Lack of staff resources and staff turnover can impact on project timescales.
- 6.7 Other emerging work priorities can impact on scheduled works.
- 6.8 There is a potential risk to grant funding of the new Lossiemouth High School should the project not complete on time.
- 6.9 No other project risks have been specifically identified by budget managers.

7. 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 2018/19 and the outline ten year plan incorporates measures designed to address the Moray 2026 priorities of achievement and attainment by children and young people, adults leading safer lives and sustainable economic development.

(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 committee in line with the financial regulations. Risks specific to items within the capital plan are highlighted in paragraph 6 of the report.

(e) Staffing Implications

There are no staffing implications arising directly from this report.

(f) Property Implications

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) Consultations

All capital budget managers have been consulted in the development of estimated actuals as part of the preparation of this report. All Heads of Service and CMT have been consulted and any comments incorporated in the report.

8. CONCLUSION

8.1 Capital expenditure in the first quarter of the year amounts to £6,702,000 to the end of June 2019.

8.2 Capital expenditure is currently projected to be £5,090,000 lower than the approved capital plan for 2019/20.

Author of Report: Douglas McLaren, Accountant
Ref: DMcL/LJC/

Moray Council Capital Programme 2019/20
As at 30 June 2019

APPENDIX 1

	Current Capital Plan 2019/20 £000	Projected Expenditure					Total Projected Expenditure £000
		Actual £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000	
Land and Buildings							
Children and Young People's Services Committee	39,068	4,790	4,780	9,436	13,058	11,790	39,064
Economic Development and Infrastructure Committee	17,455	269	280	4,243	4,274	4,990	13,787
Policy and Resources Committee	2,207	2	2	5	25	1,267	1,299
Infrastructure							
Economic Development and Infrastructure Committee	11,454	1,017	1,017	4,200	3,311	2,519	11,047
Vehicles Plant and Equipment							
Children and Young People's Services Committee	392	8	8	39	7	338	392
Economic Development and Infrastructure Committee	4,632	484	493	471	1,312	2,356	4,632
Policy and Resources Committee	1,377	132	132	315	544	283	1,274
	76,585	6,702	6,712	18,709	22,531	23,543	71,495
Funding							
Prudential Borrowing	48,739	265					43,649
General Capital Grant (exc PSHG and CYPA)	11,949	2,946					11,949
General Capital Grant - Children and Young Persons Act	2,800						2,800
General Capital Grant - Lossiemouth High School	11,365	2,841					11,365
Specific Capital Grant - Town Centre Fund	1,233	308					1,233
Specific Capital Grant - CWSS	157						157
Other Grants & Contributions	342	342					342
	76,585	6,702	0	0	0	0	71,495

Moray Council Capital Programme 2019/20
As at 30 June 2019

	Capital Plan 2019/20 £000	Actual Receipts £000
Sale of assets		
Receipts received		479
Total sale receipts received	0	479
Grants		
General Capital Grant (excl PSHG and CYPA)	11,949	2,946
Specific Capital Grant - Children & Young Persons Act	2,800	
General Capital Grant - Lossiemouth High School	11,365	2,841
Specific Capital Grant - CWSS	157	
Specific Capital Grant - Town Centre Fund Initiative	1,233	308
Portessie Primary Playground Equipment Grant	8	8
STTS	240	
Total Grants	27,752	6,103
Developer Obligations Used		
New Linkwood Primary School	311	311
New Lossiemouth High School	23	23
Developer Obligations Received		
Buckie High Area		1
Elgin Academy Area		1
Elgin High Area		420
Forres Academy Area		3
Keith Grammar Area		1
Lossiemouth High Area		
Milnes High Area		
Speyside High Area		3
Total Developer Obligations	0	763
Total Capital Receipts	27,752	7,345

Moray Council Capital Programme 2019/20
As at 30 June 2019

Land & Buildings	Current Capital Plan 2019/20 £000	Projected Expenditure					Total Projected Expenditure £000	R/A/G
		Actual Expenditure £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000		
Children and Young People's Services Committee								
Schools Estate - Make Do and Mend								
Speyside High School M&E Works 619381	268	9	9	29	200	30	268	G
Cluny Primary School M&E Works 619086C	701	9	9	42	600	50	701	G
Forres Academy M&E Works 619429C	765	33	33	82	600	50	765	G
New Elgin Primary School M&E Works 619274B	284	31	31	23	200	30	284	G
Keith Grammar School Roofing Works 619481	642		0	42	550	50	642	G
Andersons Primary School M&E Works & Windows 619027/619	616		0	16	550	50	616	G
Schools - New Build								
Lossiemouth High School	21,273	3,554	3,554	5,331	5,376	7,012	21,273	G
Linkwood Primary School Elgin	10,067	641	641	2,743	3,321	3,362	10,067	G
Findrassie Elgin	0	2	2	0	0	0	2	G
Other Schools								
Milnes Primary School Early Learning & Childcare	127	37	37	40	40	10	127	G
Legionella works - Schools	15	2	2	0	0	13	15	G
Fire safety - Schools	25	1	1	0	1	0	2	G
Schools fire audits - works required above normal budget provis	140	27	17	88	50	0	155	G
Schools Accessibility	38		0	0	40	0	40	G
Early Learning & Childcare								
Expansion of Early Learning & Childcare Provision	4,067	444	444	1,000	1,500	1,123	4,067	G
Libraries & Leisure								
All public facilities	10		0	0	0	10	10	G
Community Centres	30		0	0	30	0	30	G
Total Children and Young People's Services Committee	39,068	4,790	4,780	9,436	13,058	11,790	39,064	

Economic Development & Infrastructure Committee

Car Parks

Replace waterproofing and expansion joints at multi-storey car p	228		0	114	114	0	228	G
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Waste Management

Dallachy Landfill Site	657	27	27	200	200	230	657	G
Integrated Waste Facility, Moycroft	2,666	230	230	900	900	636	2,666	G
NESS energy from waste - IAA2, IAA3	9,966		0	3,000	3,000	3,966	9,966	A
Replacement Recycling Centre - Elgin	500		0	0	0	50	50	A
Upgrade Recycling Centre facilities	77		0	0	0	77	77	G

Grounds Maintenance/Public Areas

Replacement burial grounds - ground investigation Elgin site	11		0	0	0	11	11	A
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Industrial Portfolio

Land acquisition - Forres	251		0	0	0	0	0	G
Serviced Sites - Forres	1,921		0	0	0	0	0	G
Serviced Sites - Elgin	24		0	0	24	0	24	G
New Units - Forres	907		0	0	0	0	0	G
Refurbishment Industrial Units	247	12	23	29	36	20	108	A

Total Economic Development and Infrastructure Committee	17,455	269	280	4,243	4,274	4,990	13,787	
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Policy and Resources Committee

Corporate

Depots	919	1	1	0	0	10	11	A
Energy Efficiency Projects	15		0	5	5	5	15	G
Legionella and Fire Risk Assessment upgrades - corporate	40	1	1	0	20	19	40	G

Town Centre Fund Initiative	1,233		0	0	0	1,233	1,233	G
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Total Policy and Resources Committee	2,207	2	2	5	25	1,267	1,299	
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Total Land & Buildings	58,730	5,061	5,062	13,684	17,357	18,047	54,150	
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Moray Council Capital Programme 2019/20
As at 30 June 2019

	Current Capital Plan 2019/20 £000	Projected Expenditure					Total Projected Expenditure £000	R/A/G
		Actual Expenditure £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000		
Infrastructure								
Economic Development & Infrastructure Committee								
Road Safety								
Disability Adaptations	61		0	30	31	0	61	G
New Road Signs and Markings	37		0	10	10	17	37	G
Road safety barrier provision	197	77	77	0	32	0	109	G
Road safety provision	221	15	15	30	120	56	221	G
CWSS	157		0	5	110	42	157	G
Road Improvements								
Carraigeway resurfacing / reconstruction / surface dressing	2,227	427	427	1200	500	100	2,227	G
Carraigeway works re windfarm routes	153		0	70	83	0	153	G
Drainage and other works	915	29	29	350	250	286	915	G
Footways	300	6	6	40	150	104	300	G
Timber Traffic Structural Works	490		0	100	200	190	490	G
Street Lighting								
Replace SOX and SON street lights with LED lights	1,100	92	92	300	300	408	1,100	G
Replacement columns and lights	618		0	200	200	218	618	G
Bridges								
A941 New Craigellachie Bridge	1,800	2	2	0	900	898	1,800	G
Arthur's Bridge	86	39	39	39	0	8	86	G
B9136 Glenlivet Bridge	154		0	250	0	0	250	G
Remote footbridges	92		0	0	46	46	92	G
Flood Risk Management & Coastal Protection								
Lossiemouth Seatown Flood Risk Management	284		0	0	50	50	100	G
Portgordon Flood Risk Management	215		0	0	0	0	0	G

Portknockie Landslip	1,144	330	330	814	0	0	1,144	G
Harbours - replacement of life expired elements and upgrade								
Buckie	276		0	276	0	0	276	G
Burghead	258		0	158	100	0	258	G
Cullen	35		0	0	0	35	35	G
Findochty	57		0	0	0	41	41	G
Harbour offices	20		0	0	0	20	20	G
Portknockie	397		0	300	97	0	397	G
Harbours Economic Development								
Economic Development	28		0	28	0	0	28	G
Buckie Harbour Infrastructure Improvements - Ice Plant & Fuel T	132		0	0	132	0	132	A
Total Economic Development and Infrastructure Committee	11,454		1,017	1,017	4,200	3,311	2,519	11,047

Moray Council Capital Programme 2019/20
As at 30 June 2019

	Current Capital Plan 2019/20 £000	Projected Expenditure					Total Projected Expenditure £000	R/A/G
		Actual Expenditure £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000		
Vehicles Plant & Equipment								
Children and Young People's Services Committee								
Libraries & Leisure								
Swimming pool equipment	50		0	35	7	8	50	G
Moray Leisure Centre Equipment	12	8	8	4	0	0	12	G
Moray Leisure Centre Dehumidifiers	60		0	0	0	60	60	G
Moray Leisure Centre Combined Heat Power	270		0	0	0	270	270	G
Total Children and Young People's Services Committee	392	8	8	39	7	338	392	
Economic Development & Infrastructure Committee								
Vehicle & plant replacement programme	3,827	441	450	450	1,000	1,927	3,827	G
Facilities Management Equipment	8		0	4	4	0	8	G
Traffic								
Traffic Data Collection Equipment	7	1	1	0	0	6	7	G
Traffic Signal Replacement Forres	5		0	5	0	0	5	G
Waste Management								
Domestic & Trade Waste Bins	35	28	28	7	0	0	35	G
Materials Recovery Facility upgrade	100		0	0	0	100	100	G
Replacement Green Waste Shredder at Moycroft	200		0	0	200	0	200	G
Upgrade Recycling Centres	275		0	0	100	175	275	G
Replacement Baler for recyclable material streams	130		0	0	0	130	130	G
Waste Strategy Development	10		0	0	0	10	10	G
Parks & Open Spaces								
Children's Play Areas (Parkland)	35	14	14	5	8	8	35	G

Total Economic Development and Infrastructure Committee	4,632	484	493	471	1,312	2,356	4,632	
Policy and Resources Committee								
ICT Programme								
Desktop and Mobile Devices	212	99	99	40	60	0	199	G
Digital Public Services	75	1	1	0	25	49	75	A
Network Infrastructure	115	3	3	0	60	47	110	G
School ICT Strategy	248	11	11	173	24	7	215	G
Servers Infrastructure	256		0	86	31	87	204	G
Software	120	14	14	13	65	28	120	A
Unix server replacement	100		0	0	85	15	100	G
Telephony/Contact Centre System	235		0	0	191	44	235	G
Corporate								
Audio visual equipment	6		0	0	0	6	6	G
Corporate office furniture	10	4	4	3	3	0	10	G
Total Policy and Resources Committee	1,377	132	132	315	544	283	1,274	
Total Vehicles Plant & Equipment	6,401	624	633	825	1,863	2,977	6,298	

Major Capital Projects spanning more than 1 financial year (as at 30 June 2019)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2019-20	Actual spend 2019-20	Remaining Budget 2019-20	Project Life Spend to 30/06/19	Projecte dFuture Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Milnes PS 61582 early learning & childcare	2,500	2,373	127	37	90	2,410	0	2,500	0
New Linkwood Primary School	12,810	1,549	10,067	641	9,426	2,190	1,194	12,810	0
New Lossiemouth High School	43,000	10,171	21,273	3,554	17,719	13,725	11,556	43,000	0
Early Years Learning & Childcare	7,143	1,176	4,067	444	3,623	1,620	1,900	7,143	0
LED Street lighting replacement programme	5,000	3,117	1,100	92	1,008	3,209	0	4,217	783
Moycroft Integrated Waste Facility	3,032	366	2,666	230	2,436	596	0	3,032	0
NESS Energy from Waste	27,224	660	9,966	0	9,966	660	16,598	27,224	0
Total	100,709	19,412	49,266	4,998	44,268	24,410	31,248	99,926	783



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: EFFICIENCY STATEMENT FOR 2018/19

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To provide Committee with a copy of the council's annual Efficiency Statement for 2018/19.
- 1.2 This report is submitted to Committee in terms of Section III (A) (4) of the Council's Scheme of Administration relating to public performance reporting.

2. RECOMMENDATION

- 2.1 **It is recommended that Committee considers and notes the annual Efficiency Statement for 2018/19.**

3. BACKGROUND

- 3.1 The annual Efficiency Statement for 2018/19 is attached as **APPENDIX 1** to this report.
- 3.2 This is the thirteenth such statement produced by the Council and has been prepared in accordance with an agreement between COSLA and the Scottish Government for local authorities to demonstrate the efficiency gains achieved during the year. Prior to 2011/12 a detailed report was required but the Scottish Government proposed a light touch to reporting efficiencies for 2011/12 onwards. The Efficiency Statement has been prepared using the Scottish Government's approved template, as incorporated in their guidance.
- 3.3 The definition of efficiency used by the Scottish Government is:

"Where a body manages to deliver services or functions that can be shown to result in a broadly similar (or improved) level of outcome or output for a lower unit input than previously, an efficiency saving has been made.

The amount saved is the difference between the previous unit cost and what is now spent to deliver the outcome."

- 3.4 Until 2011/12 savings were reported separately as cashable savings and non-cashable savings. A summary of the cashable savings achieved since the inception of the annual Efficiency Statement is set out below.

Year	Recurring	Non-recurring
	£ million	£ million
2006/07	2.55	-
2007/08	1.45	-
2008/09	2.07	0.2
2009/10	0.98	0.2
2010/11	1.77	0.5
2011/12	2.49	-
2012/13	0.92	-
2013/14	1.64	-
2014/15	1.09	0.1
2015/16	0.89	1.0
2016/17	0.93	0.7
2017/18	0.94	0.5
2018/19	0.87	0.5
Total	18.59	3.7

Recurring savings have all been reflected in reduced budgets.

- 3.5 Councils are no longer required to report separately on non-cash savings. Time-saving initiatives which can be quantified are included in the Efficiency Statement, calculated in accordance with Scottish Government guidance.
- 3.6 Total efficiencies reported for 2018/19 amount to £6.095m or 3.11% of the council's net revenue budget for General Services.
- 3.7 The Scottish Government has expressed an expectation that local authorities will again achieve efficiency savings of 3% in 2018/19. This equates to a target of £5.987m on the Council's final General Services net revenue budget for 2018/19 of £202,018,000 less £448,000 DSM, £1,010,000 other one-off projects funded from reserves and £977,000 held as additional savings made.
- 3.8 The council has many competing priorities and time spent on recording and measuring efficiency gains has to be weighed against many of these other priorities. It is recognised that not all savings made through efficiencies will have been captured and quantified. In particular, savings which arise as the result of new duties being absorbed by staff have not been captured due to the inherent difficulties of measuring these.
- 3.9 Where output or outcome measures are available these have been used in developing the reported efficiency for the year and are largely ones which have previously been reported or which will be to service committees as part of the council's Performance Management Framework. There is no indication from the quarterly service performance reports of service levels declining as a result of any of the service areas where efficiency measures are included in the Efficiency Statement.
- 3.10 Efficiencies arise from: procurement; asset management and energy efficiency; service transformation, targeted increased uptake of service; improved performance resulting in reduced unit cost or improved outcomes with no proportionate increase in costs, and a variety of other initiatives.

- 3.11 The statement includes estimates of the non-cash savings arising from centralised recruitment and use of CLIVE for training
- 3.12 The 3% efficiency target set is a challenging target to meet on a recurring basis, and although achieved for 2018/19 there is no guarantee that it will be met in future years.

4. SUMMARY OF IMPLICATIONS

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

The Council has identified that efficiency savings are required to sustain existing services and enable the delivery of Council priorities in an environment of economic austerity.

(b) Policy and Legal

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

(c) Financial implications

The achievement of efficiency savings assists the Council to achieve budget savings without adversely impacting on service delivery.

(d) Risk Implications

There are no risk implications arising from 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 implications arising directly from this report.

(h) Consultations

Various officers throughout the Council have contributed to this report

5. CONCLUSION

5.1 As indicated in the Efficiency Statement, £6,095,000 efficiency savings have been identified in 2018/19.

Author of Report: Paul Connor, Principal Accountant

Background Papers: Held by author.

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2018-19

1	Local Authority Name	Moray Council
2	Total cash efficiency achieved for 2018-19	£'000 6,095
3	<p>Summary of efficiency activity</p> <p><u>Procurement</u> Procurement savings are monitored closely and reported to committee. Cash savings and non-cash savings from local and national contracts totalling £2,005,000 are included.</p> <p><u>Asset Management and Energy Efficiency</u> The council has well-established procedures for disposing of surplus assets and generated capital receipts of £346,000 in 2018/19. There was a reduction in capital spend on digital services (servers, etc.) through operational efficiency of £47,000</p> <p>The council undertakes energy efficiency projects and has an Energy Strategy which aims for a year-on-year reduction in energy consumption. The impact of this strategy is reported annually and the savings included in the Efficiency Statement are based on the preliminary reports from the Energy section.</p> <p>Carbon emissions have been reduced, generating a saving in Carbon Reduction Commitment allowances of £46,000. In addition to this, energy efficiency measures at a variety of buildings generated cash savings of £108,000 and the introduction of LED street lighting achieved £132,000 of cash savings; this five year programme is now in its fifth and final year. Renewable Heat Incentive payments of £108,000 were received in 2018/19 as a result of introducing biomass heating systems. A further £5,000 efficiency arose from reductions in handling charges for electricity payments.</p> <p>In total, £793,000 efficiencies from asset management and energy efficiency are included in 2018/19.</p> <p><u>Service Transformation</u> The council's Digital Services programme is ongoing and increased use of the Council's website has been recorded with a massive shift on the technology being used to access the website with mobile being the preferred option. Areas of note being: over 80% of paid for primary school meals being paid online; 15% of all new P1s register online in the first year; a 17.5% reduction on the number of face to face contact meetings; and in January 2019 100% sports development bookings made online. Cash savings for these initiatives have not as yet been identified but once they have, and been ratified, will be included in future statements</p> <p>In total there were no savings recorded from service transformation in 2018/19 although progress in this area is ongoing.</p> <p><u>Uptake of services</u> Although there has been a small decrease in passengers using the Dial M bus service, there has been a decrease in associated operating costs resulting in an efficiency of £6,000. A 16% increase in the number of library visits and a marginal increase in costs saw an overall decrease in the unit cost per library visit and an efficiency gain for the library service in 2018/19 of £355,000. A decrease in cost per visit for sports and leisure facilities led to a £96,000 efficiency gain in 2018/19</p> <p>In total, £457,000 efficiencies from targeted uptake of services are included in 2018/19.</p>	

Improved Performance

Much of the improved performance as shown by Performance Indicators reported to service committees cannot be quantified, and as a consequence there will be areas of improved performance not captured by PIs. However, where there is information to quantify performance this has been included:

- There has been a reduction in the amount of residual waste put to landfill and a consequent reduction in landfill tax paid of £75,000
- There has been a slight decrease in housing benefit overpayment % due to Local Authority error (from 0.15% to 0.11%) - £7,000 efficiency
- An improvement in % in HRA rent arrears (reduced from 2.44% to 2.37%) – an efficiency of £13,000
- An increase in the percentage of waste recycled (57.30% to 57.40%) - £4,000 efficiency
- Improved performance of pool cars generated an efficiency of £42,000.
- Increase in square metres of building being cleaned and decrease in unit cost - £23,000
- A reduction in the number of registered births, deaths and marriages, but a larger reduction in costs resulting in reduced cost per registration - £10,000 efficiency
- The unit cost of the weighted caseload of administering benefits has reduced generating efficiencies of £148,000

In total, £321,000 efficiencies from improve performance are included for 2017/18.

Other

Other efficiencies arise from restructuring and a variety of service improvements:

- Service restructures - £359,000
- The introduction of e-invoicing and Direct Payments taken in house - £10,000
- Waste management Transport Efficiency - £5,000
- Transition to a Scottish Wide Area Network - £50,000
- Use of electronic contracts of employment - £2,000
- Revenues digital project - £12,000
- Revised charging methodology for photocopier usage - £39,000
- Improved customer engagement from CIVICA software contract - £20,000
- Centralised recruitment processes - £51,000
- Increased use of e-training - £95,000
- Additional income from new rental units - £18,000
- Reduction in borrowing costs from re-profiling of capital projects - £200,000
- Implementation of server virtualisation - £502,000
- Greater use of out-sourced domiciliary care - £1,092,000
- Estates rental review - £63,000

In total, £2,518,000 efficiencies from other service improvements are included in 2018/19.

Shared Services

The Council seeks opportunities to share services with other public sector bodies. Initiatives in this area include:

- Integrated management arrangements with the NHS for some Health and Social Care services and shared buildings where this enhances service delivery - this initiative is long-standing and pre-dates the current integration of health and social care;
- Shared service with the Passport Office;
- English as a Second Language – service delivered on behalf of Moray College;
- Scotland Wide Area Network (SWAN) – a collaborative programme delivering broadband services;

	<ul style="list-style-type: none"> • Lossiemouth High School through Hubco as part of a programme involving two other local authorities is on track for completion in 2020 • The Council's public analyst service is provided by Aberdeen City Council and part of the archivist service is provided by Aberdeen City Council. • The Council has entered into a joint partnership with Aberdeen City and Aberdeenshire Councils to develop an Energy-from-Waste plant • The Council is a member of Scotland Excel and benefits from national initiatives such as SEEMIS and My Job Scotland. 								
4	<table border="1"> <tr> <td data-bbox="213 517 1061 584">Breakdown of efficiency saving by Procurement, Shared Services or Asset Management</td> <td data-bbox="1061 517 1517 584" style="text-align: right;">£'000</td> </tr> <tr> <td data-bbox="213 584 1061 651">Procurement =</td> <td data-bbox="1061 584 1517 651" style="text-align: right;">2,005</td> </tr> <tr> <td data-bbox="213 651 1061 719">Shared Services =</td> <td data-bbox="1061 651 1517 719" style="text-align: right;">0</td> </tr> <tr> <td data-bbox="213 719 1061 728">Asset Management =</td> <td data-bbox="1061 719 1517 728" style="text-align: right;">793</td> </tr> </table>	Breakdown of efficiency saving by Procurement, Shared Services or Asset Management	£'000	Procurement =	2,005	Shared Services =	0	Asset Management =	793
Breakdown of efficiency saving by Procurement, Shared Services or Asset Management	£'000								
Procurement =	2,005								
Shared Services =	0								
Asset Management =	793								
5	<p>Evidence:</p> <p>A variety of measures are used to ensure that reported efficiencies are achieved without detriment to service delivery. These include statutory and local performance indicators, customer surveys and post-implementation project reviews.</p> <p>Asset Management and energy efficiency measures do not detract from service delivery and in the case of some energy efficiency measures enhance service delivery, by means of improved lighting levels for example. 13% of the total efficiency in 2018/19 arises from asset management and energy efficiency.</p> <p>33% of the efficiency arises from on-going improvements in procurement and contract management.</p> <p>The performance of all services across the council is reported to service committees and scrutinised by Audit and Scrutiny Committee. No reduction in service has been reported for any of the areas included in the Efficiency Statement for 2018/19. 5% of the efficiency arises from services delivered at less cost with service levels maintained or improved.</p> <p>None of the other efficiencies reported are considered to have resulted in detriment to service delivery.</p>								

Signed (Chief Executive or equivalent)

Signed (if applicable)..... (Council Leader or equivalent)

Date



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

**SUBJECT: REPORT ON TREASURY MANAGEMENT PERFORMANCE AND
TREASURY AND CAPITAL INVESTMENT PRUDENTIAL
INDICATORS FOR 2018/19**

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

1.1 To provide Committee with the annual outturn report on Treasury Management and details of the Council's Prudential Indicators for Treasury Management and Capital Investment for the year ended 31 March 2019.

1.2 This report is submitted to Committee in terms of Sections III B (3) of the Council's Scheme of Administration relating to Treasury Management and the Capital Plan.

2. RECOMMENDATION

2.1 It is recommended that the Committee consider and note the Treasury Management Performance and the Council's Treasury Management and Capital Investment Prudential Indicators for 2018/19 as set out in the attached APPENDIX 2.

3. BACKGROUND

3.1 Members have agreed that reports on Treasury Management Performance are submitted twice annually. One report to agree the Treasury Management and Investment Strategies with relevant Performance Indicators and the second report to submit the annual review and actual performance of Treasury Management activities. Quarterly Treasury Management monitoring reports are posted on the Members Portal throughout the year.

3.2 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector 2017 (the Code) and the Local Government Investment (Scotland) Regulations 2010. All treasury management activities are carried out in accordance with the Code and regulations.

3.3 The primary requirements of the Code are as follows:

- An approved Treasury Management Policy, which sets out the policies and objectives of the council's treasury management activities.

- Approved Treasury Management Practices, which set out the manner in which the council will seek to achieve those policies and objectives.
 - An annual treasury management strategy report to council for the year ahead and an annual review report to council of the previous year.
- 3.4 The Local Government (Scotland) Act 2003 requires the council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities and to produce the prudential indicators set out in the Prudential Code. These indicators are designed to support and record affordable and sustainable capital investment and treasury management.

4. TREASURY PERFORMANCE 2018/19

- 4.1 This annual Treasury Management performance report covers
- ❖ The Economy and Interest Rates in 2018/19
 - ❖ Treasury Management Strategy for 2018/19
 - ❖ Annual Investment Strategy 2018/19
 - ❖ Investment Outturn for 2018/19
 - ❖ Long Term Borrowing and Debt Rescheduling
 - ❖ Short Term Borrowing
 - ❖ Prudential Code for Capital Finance in Local Authorities

The Economy and Interest Rates 2018/19

- 4.2 After spiking at \$85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over \$50 in late December before steadily climbing towards \$70 in April 2019
- 4.3 UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year-on-year, just above the consensus forecast but broadly in line with the Bank of England's Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low of 3.9% whilst the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%
- 4.4 After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend.
- 4.5 Following the Bank of England's Monetary Policy Committee (MPC) decision to increase Bank Rate to 0.75% in August, no further changes to monetary policy were made.
- 4.6 With the 29 March 2019 original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, MPs voted by a majority of one (313 to 312) to force the Prime Minister to ask for an extension to the Brexit process beyond 12 April in order to avoid a no-deal scenario. The ongoing uncertainty continues to weigh on sterling and the UK markets

- 4.7 While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader base economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with the EU. The EU itself appeared to show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic / populist unrest in France. The IMF downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

2018/19 Treasury Management Strategy

- 4.8 The Treasury Management Strategy, incorporating the Annual Investment Strategy, was approved by the Council at its meeting on 14 February 2018 (Paragraph 12 of the Minute refers).
- 4.9 The Council's main objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective
- 4.10 Given the significant cuts to local government funding, the Council's borrowing strategy continued to address the key issue of affordability without compromising the longer term stability of the debt portfolio. With short-term interest rates much lower than long-term rates, it was more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. By adopting this approach, the Council is able to reduce net borrowing costs and reduce overall treasury risk.
- 4.11 The Public Works Loan Board (PWLB) is the Council's preferred source of long-term borrowing given the transparency and control that its facilities continue to provide.

Annual Investment Strategy

- 4.12 The Council's primary principle when investing is the security of capital and liquidity of its investments. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. It is considered to be prudent to only invest with highly credited UK financial institutions that have a long-term credit rating of BBB+ or higher.
- 4.13 The Council's creditworthiness policy has been formulated after consultation with Arlingclose, the Council's treasury advisers. The Head of Financial Services maintains a counterparty list in compliance with the minimum criteria approved by Full Council on 14 February 2018 (para 12 refers) and any revision to the criteria is submitted to Council for approval as necessary.
- 4.14 All credit ratings are monitored daily and the Counterparty List is amended to reflect any changes.

Investment Outturn for 2018/19

4.15 The Council manages its investments in-house and invests with the institutions listed on the Council's approved Counterparty list.

4.16 The table below shows the overall investment undertaken by the Council during 2018/19.

	Total Sum Deposited (£m)	Average Rate (%)
Approved Financial Institutions	59.595	0.59
Council's Bankers	214.389	0.63
TOTAL	273.984	0.61

The above figures are cumulative and the actual amounts invested at any one time ranged from £4.9 million to £35.49 million.

4.17 The average rate of interest earned on investments during the year was 0.61%, compared to the average 7 day London Inter Bank Bid Rate (LIBID) of 0.62%.

4.18 As at 31 March 2019, the following balance was invested:

Counterparty	Investment	Amount (£m)	Interest Rate (%)
Bank of Scotland	Call Account	3.58	0.65
Aberdeen Standard	Money Market Fund	5.0	0.79
Federated	Money Market Fund	5.0	0.79
Blackrock	Money Market Fund	5.0	0.75
Insight	Money Market Fund	2.0	0.70
	Total	20.58	0.75

Long Term Borrowing and Debt Rescheduling

4.19 The Council's long term external debt position at 31 March 2019 compared with the position at the end of the last financial year was as follows:

	31 March 2018			31 March 2019		
	Actual (£000)	Rate (%)	Average Life (Years)	Actual (£000)	Rate (%)	Average Life (Years)
Fixed Rate Funding – PWLB	127,128	5.26	20.01	146,253	4.82	19.40
Fixed Rate Funding – Market	34,075	4.61	55.65	33,400	4.68	54.82
Variable Rate Funding - PWLB	-	-	-	-	-	-
Variable Rate Funding - Market	-	-	-	-	-	-

Total Debt	161,203	5.12		179,653	4.80	
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- 4.20 The Council has been maintaining an under borrowed position which means that the capital borrowing need (Capital Finance Requirement) has not been fully funded with loan debt. Cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure to offset the need to borrow.
- 4.21 The strategy of effectively delaying new long-term borrowing by utilising internal and temporary borrowing has served well at a time when comparatively cheaper temporary borrowing from other local authorities is readily available, counterparties meeting the Council's investment criteria are limited, and historically low investment returns give rise to potentially significant carrying costs for new long-term borrowing.
- 4.22 To avoid having too large a percentage of short-term debt (i.e. repayable in less than 12 months) compared to the overall debt portfolio, advantage was taken of historically low interest rates to borrow the following long term loans from the Public Loans Board (PWLB).

Amount (£)	Rate (%)	Term (years)	Repayment Type
10,000,000	1.87	10	EIP*
10,000,000	1.92	15	EIP*
5,000,000	1.96	15	EIP*

*The loan will be repaid by equal annual instalments (EIP) over the period of the loan.

- 4.23 No debt rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and PWLB premature repayment rates made rescheduling unviable.
- 4.24 CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Codes have been incorporated into Treasury Management strategies and monitoring reports.

Short Term Borrowing

- 4.25 During the year, forty new temporary loans totalling £54.5 million were borrowed from other UK local authorities. A table detailing the short term loans outstanding at 31 March 2019 can be found at **APPENDIX 1**

The Prudential Code for Capital Finance in Local Authorities

- 4.26 The Local Government (Scotland) Act 2003 requires the Council to undertake its treasury activities with regard to the Prudential Code for Capital Finance in Local Authorities.
- 4.27 The Code requires the Council to produce mandatory indicators aimed at assisting members in ensuring that proposed capital investment levels and

treasury management decisions satisfy the key requirements of affordability, prudence and sustainability. The Prudential Indicators for 2018/19 were approved by the Full Council on 14 February 2018 (paragraph 12 of the minute refers). There were no breaches of these indicators during 2018/19. Performance against key indicators is shown in the **APPENDIX 2**.

5. SUMMARY OF IMPLICATIONS

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

None arising specifically from this report.

(b) Policy and Legal

The Local Government in Scotland Act 2003 provides the powers to borrow and invest as well as providing controls and limits on these activities.

The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector which details best practice The Local Government Investment (Scotland) Regulations 2010.

All Treasury Management activities are carried out in accordance with this Code and Regulations.

(c) Financial implications

All financial considerations are contained within the body of the report and the attached **APPENDIX 2**.

(d) Risk Implications

The Council is aware of the risks of passive management of the treasury portfolio and, with the support of the Council's treasury advisers, will proactively manage its investments and debt over the year.

There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly at fixed, long term levels. Shorter term variable rates and the likely future movements in these variable rates predominantly determine the Council's investment and borrowing strategies.

Capital expenditure is closely monitored and Budget Managers are aware of their responsibilities to manage budget allocations.

(e) Staffing Implications

None arising specifically from this report.

(f) Property

None arising specifically from this report.

(a) Equalities/Socio Economic Impact

None arising specifically from this report.

(g) Consultations

This report has been produced in consultation with Arlingclose Limited, the Council's Treasury Advisers.

6. CONCLUSION

- 6.1 The Council's requirement for funds continues to be managed in accordance with the agreed Treasury Management Strategy Statement. All treasury management and capital investment activities have been undertaken with the limits set by the Prudential Code Performance Indicators for 2018/19.**

Author of Report: Paul Connor, Principal Accountant

Background Papers: Various working papers held within Financial Services

Ref:

APPENDIX 1

Short Term Loans Outstanding as at 31st March 2019

Organisation	Maturity Date	Borrowing Rate (%)	Amount £m
Corby District Council	05/04/2019	0.88	2.50
Corby District Council	17/04/2019	0.80	2.00
North Yorkshire Council	30/04/2019	0.90	3.00
Tendring District Council	31/05/2019	0.95	1.00
Crawley Borough Council	03/06/2019	0.95	3.00
Police & Crime Commissioner For Cumbria	03/06/2019	1.00	2.00
East Renfrewshire District Council	03/06/2019	1.00	1.00
Humber Bridge Board	13/06/2019	0.95	1.00
East Renfrewshire District Council	22/07/2019	1.00	4.00
Western Isles Council	30/07/2019	0.90	5.00
Crawley Borough Council	16/09/2019	0.98	2.00
Basildon Borough Council	19/09/2019	1.00	3.00
Torbay Council	30/09/2019	1.05	3.00
Fylde Borough Council	02/03/2020	1.00	2.00
		0.95	34.50

TREASURY AND PRUDENTIAL INDICATORS**External Debt and Treasury Indicators****1. The Authorised Limit For External debt**

The authorised limit for external debt is required to separately identify external borrowing and other liabilities such as PPP, DBFM and finance lease obligations. This limit provides a maximum figure to which the Council could borrow at any given point during each financial year.

Authorised Limit	2018/19 Approved Indicator	2018/19 Estimated Indicator	2018/19 Actual Maximum
	£'000	£'000	£'000
Borrowing	288,781	235,064	219,659
Other Liabilities	60,949	60,947	58,946
Total External Debt	349,730	296,011	278,605

The table shows that the limit was not breached.

2. Operational Boundary for External Debt

This indicator is a management tool for in-year monitoring and is lower than the Authorised Limit as it is based on an estimate of the most likely level of external borrowing at any point during each year.

Operational Boundary	2018/19 Approved Indicator	2018/19 Estimated Indicator	2018/19 Actual Maximum
	£'000	£'000	£'000
Borrowing	279,256	230,064	219,659
Other Liabilities	59,949	59,947	58,946
Total External Debt	339,205	290,011	278,605

The table shows that the limit was not breached.

3. Actual External Debt

This is measured at the end of each financial year. The actual external debt reported in the annual accounts for the previous year is required to be shown as an indicator for comparison purposes only.

Actual Debt	At 31 March 2018	At 31 March 2019
	£'000	£'000
Borrowing	208,203	214,981
Other Liabilities	58,023	57,508
Total Debt	266,226	272,399

Other Liabilities include the PPP finance liability for the two schools which became operational during 2011/12, the DBFM finance liability for Elgin High School and the finance liability for the multi-functional devices.

4. Treasury Management Indicator

There are four treasury prudential indicators, the purpose of which is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce financing costs. The indicators are:

- Upper limits on variable rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due to refinancing within the same financial year, and are required for upper and lower limits.
- Following changes arising from the new Investment Regulations applicable from 1 April 2010, the Council can invest for periods longer than 364 days. The council does not currently take advantage of this change and so has set a limit of Nil for investing over 364 days.

Fixed and Variable Rate Limits

	2017/18 Actual	2018/19 Approved Limits	2018/19 Actual
Interest Rate Exposures	Upper Limit	Upper Limit	Upper Limit
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	0%	35%	0%

Maturity Structure of Fixed Interest Rate Borrowing

	2017/18 Actual	2018/19 Approved Limits		2018/19 Actual
		Lower	Upper	
< 12 Months	24.55%	0%	25%	18.83%
12-24 Months	1.87%	0%	20%	3.88%
2-5 Years	7.93%	0%	25%	9.82%
5-10 Years	7.46%	0%	50%	9.86%
>10 Years	58.19%	0%	85%	57.61%

Maximum Principal Sums Invested Greater than 364 days

	2017/18 Actual	2018/19 Actual
Principal sums invested > 364 days	£0m	£0m

Capital Expenditure Indicators

5. Capital Expenditure

This indicator is included so the Council complies with the Local Government in Scotland Act 2003 which requires the Council to establish and keep under review capital investment plans which are affordable.

	2018/19 Approved Indicator	2018/19 Revised Indicator	2018/19 Revised Capital Plan	2018/19 Actual
	£000	£000	£000	£000
Capital Expenditure				
General Services	54,096	30,364	30,364	27,909
HRA	19,780	13,635	19,780	12,642
	73,876	43,999	50,464	40,551
Financed by:				
Capital receipts	1,000	0	120	75
Capital grants and contributions	35,074	31,413	33,189	30,119
Reserves	-	-	-	-
Revenue	4,581	4,986	6,029	5,602
	40,655	36,376	39,338	35,796
Net financing need for the year	33,221	7,623	11,126	4,755

The General Services Capital Programme for 2018/19 amounted to £30.3 million. Expenditure for the year was £27.9 million, representing a net underspend of £2.4 million. The schools programme underspent by £0.8 million, including £0.3 million underspends on Schools for the Future programme and slippage of £0.5 million for the new build schools at Lossiemouth and Linkwood in Elgin. Slippage and underspends on ICT projects added £0.3 million to the underspend. Delays to waste management projects at Moycroft and upgrade of recycling facilities added £0.4 million to the underspend. Project savings and slippage resulted in an underspend of £0.7 million within roads and transportation. Flood alleviation schemes underspent by £0.3 million. £0.9 million of capital expenditure relates to the new Elgin High School Design, Build, Finance and Maintain (DBFM) project. The Housing Capital Programme amounted to £19.8 million and actual expenditure was £12.6 million. The underspend relates mainly to slippage in the new build housing projects and existing housing stock upgrades.

Prudence Indicators

6. Gross Debt and the Capital Financing Requirement

This indicator records the extent that gross debt is less than the capital financing requirement. This indicator shows prudence by demonstrating that over the medium term external borrowing is used only for a capital purpose. The values are measured at the end of each financial year. Debt is the sum of external borrowing and other liabilities relating to the financing of assets (e.g. PPP, DBFM and other finance leases).

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for capital investment. The capital financing requirement rises over the period as a large proportion of the Council's capital expenditure is financed by additional borrowing thus increasing the Council's total outstanding debt.

The Council pays off an element of the accumulated debt each year through a revenue charge (the scheduled debt amortisation).

	2017/18 Actual	2018/19 Approved Indicator	2018/19 Revised Indicator	2018/19 Actual
	£000	£000	£000	£000
Borrowing	208,203	227,998	207,170	214,891
Other Liabilities	58,023	57,477	57,508	57,508
Gross Debt	266,226	285,475	264,678	272,399
CFR	300,520	328,043	298,971	296,394
Under Limit By	34,294	42,568	34,293	23,995

The above figures confirm that the Council's borrowing is well under the Capital Financing Requirement.

Affordability Indicators

7. Ratio of Financing Costs to Net Revenue Stream

This indicator provides a measure of the proportion of the budget that is being allocated to the financing of capital expenditure. For General Services this is the ratio of financing costs of borrowing against net expenditure financed by government grant and local taxpayers. For Housing the indicator is the ratio of financing costs to gross house rental income.

Service	2017/18 Actual	2018/19 Approved Indicator	2018/19 Revised Indicator	2018/19 Actual
General Services	9.52%	10.47%	10.10%	9.95%
HRA	19.72%	18.88%	20.26%	20.33%

The outturn is broadly in line with the estimates.

8. Estimates of Incremental Impact of New Capital Investment Decisions on Council Tax and House Rents

This indicator demonstrates the expected incremental impact of planned capital expenditure and associated borrowing on council tax and rent levels.

Service	2017/18 Actual	2018/19 Approved Indicator	2018/19 Revised Indicator	2018/19 Actual
Council Tax - Band D	£50.55	£52.97	£40.74	£35.00
Average Weekly Housing Rents	£(0.39)	£0.30	£0.86	£0.92

The revised indicators for 2018/19 reflect that revised financing costs in 2018/19 for General Services are expected to be higher than the charges for 2017/18 and also higher than the charges for 2017/18 for Housing. The 2018/19 actual outturn is broadly in line with the revised estimates



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: PROCUREMENT ANNUAL REPORT

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To provide the Committee with an update report on Procurement in Moray and in particular report on procurement performance for 2018/2019.
- 1.2 This report is submitted to Committee in terms of Section III B (28) of the Council's Scheme of Administration relating to procurement arrangements.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the overall procurement performance for 2018/2019 set out in the Annual Report in APPENDIX 1 and in Section 4 below.**

3. BACKGROUND

- 3.1 The Procurement Reform (Scotland) Act 2014 (the Reform Act) introduced a number of significant duties for all public bodies, including the publication of an Annual Procurement Report to outline performance against the organisation's Procurement Strategy.
- 3.2 The Procurement Strategy for 2018/19 was approved by this Committee on 8 May 2018 (paragraph 5(i) of the minute refers) and the Annual Report measures performance against that Strategy.

The format and content of the Annual Report is dictated by the Reform Act. This now includes a prescribed set of performance measurements as Appendices to the main report.

4. 2018/2019 PROCUREMENT PERFORMANCE

- 4.1 The report assesses performance against a number of categories including:
 - i) Summary of Regulated procurements
 - ii) Review of procurement compliance
 - iii) Assessment of progress against the strategic action plan
 - iv) Non Cash benefits

4.2 The main action and learning points from the 2018/19 report are:

- i) There has been an increase in the volume of live contracts on the register (from 476 to 522)
- ii) there have been some notable successes:
 - delivery of three large scale contracts that offered opportunities to local suppliers
 - a variety of innovative approaches to market which resulted in significant improvements to the subsequent contract delivery
- iii) Procurement savings for categories 1 & 2 (non-budget adjusted and budget adjusted) increased from £1.672 million in 2017/2018 to £1.967 million in 2018/2019, considerably above the target of £1 million.
- iv) The Council adopted a Procurement Savings Strategy in 2017 which introduced a 3% savings target for all relevant tenders. Based on the estimated annual value of the contracts live in 2018/19 (£45.698M) the annual savings for the year £1.713M represents a saving of 3.75%.
- v) More contracts are incorporating a range of sustainable and community benefits including reduction of greenhouse gases and waste, provision of apprenticeships and training.
- vi) Work requires to continue on:
 - reducing off contract spend (£5.34M million in 2018/19)
 - reducing unplanned procurement activity, which has seen yet another year on year significant increase to 69% (some due to unavoidable emergency work and ad hoc additional funding)
 - continuing to improve performance on environmental and sustainable non-cash benefits

4.3 Section 4 Moray Update (Pages 6-8 of the Annual Report refer)

4.3.1 The Section 4 of the annual report – Moray Update - includes the following summary of procurement savings recorded during 2018/19:

Cash Savings 2018/19 (2017/18)		
Category of Saving	Recurring savings £ million	Savings for year (adjusted for start and end date) £ million
1 – Budget not adjusted	1.309 (1.071)	1.068 (0.582)
2 – Budget adjusted	0.658 (0.601)	0.645 (0.576)
Total	1.967 (1.672)	1.713 (1.158)
6 – Capital		3.567
7 - Rebate		0.024

8 – Spend to Save		Nil recorded
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4.3.2 Further analysis of the above figures highlights that the majority of budget non adjusted savings comes from national and sectoral contracts (cat 1 & 2) - £0.682M with £0.386M coming from locally developed contracts. This trend is reversed where we are able to adjust the budget with £0.163M coming from national and sectoral contracts and £0.482M from locally developed contracts. This suggests a greater ability to target delivered savings when the contract is designed and delivered internally by the Procurement team and Departmental Lead Officer.

4.3.3 Last year saw a significant saving on capital projects where contract savings are achieved against the estimate or budget. It should be noted that the savings total of £3.567M is the total saving as at contract award date. These savings mainly came from:

Early Learning expansion programme
Moycroft Recycling Centre
Cavity wall insulation

4.3.4 We have maintained a savings target of £1M for a number of years in the expectation that it would become harder to achieve savings from recurring contractual awards, it is therefore encouraging to note that this has not been the case so far.

5. **SUMMARY OF IMPLICATIONS**

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

The work undertaken by the procurement team assists the Council achieve its local outcomes detailed for the Council's priorities in the Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan)

(b) **Policy and Legal**

The Council policy on procurement was agreed by Policy Committee on 29 August 2007 (paragraph 11 of minute refers). The 2018/2019 Procurement Strategy was approved by Policy and Resources Committee on 8 May 2018 (paragraph 8(i) of the minute refers).

(c) **Financial implications**

Details of savings are shown in paragraph 4.3 of this report. The procurement savings makes a significant contribution to the Council's ability to balance its budget.

(d) **Risk Implications**

If the Council fail to implement the annual Procurement Strategy this may impact on its ability to achieve additional savings and procurement benefits in the future.

(e) **Staffing Implications**

The increasing volume of unplanned work (para 4.2 (vi)) has had an impact on the Procurement's team ability to implement the development/improvements highlighted through the Procurement

Commercial Improvement Programme (PCIP) assessment. Should the level of workload continue at this level it will affect our long term performance.

(f) Property

There are no property issues arising directly from this report.

(g) Equalities/Socio Economic Impact

Equality impact assessments were carried out on the procurement process August 2016.

(h) Consultations

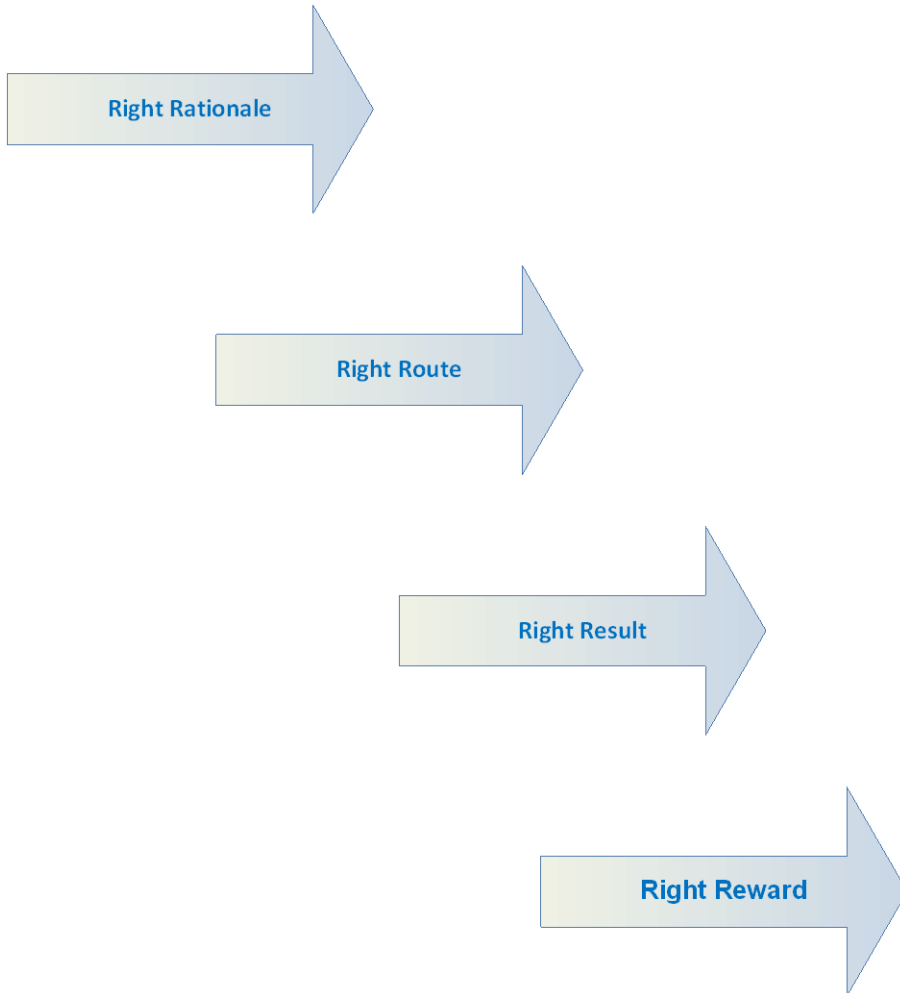
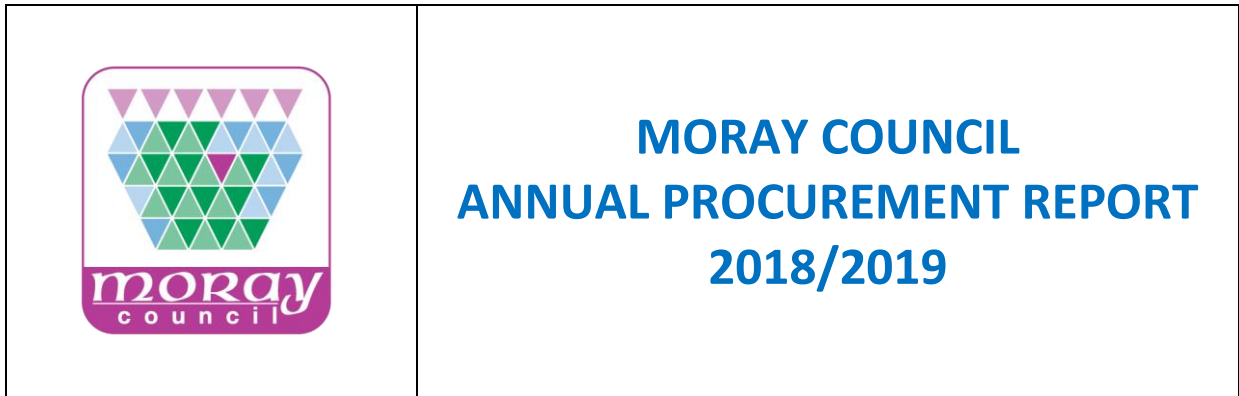
Information contained in Departmental Procurement Action Plans (DPAP), agreed with Heads of Service has been used to create the future regulation procurement summary. Efficiency savings are calculated in consultation with Paul Connor, Principal Accountant and agreed by the Head of Financial Services. Corporate and Senior Management teams have been consulted on the content.

6. CONCLUSION

- 6.1 The Annual Procurement Report summarises procurement progress during 2018/2019. This shows areas of progress and good performance and also identifies areas for further improvement with actions for continuing improvements in the council's procurement arrangements contained in the action plan.**

Author of Report: Diane Beattie, Payments Manager – Ext 3136
Background Papers:
Ref:

APPENDIX 1



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INTRODUCTION

Moray Council published its Procurement Strategy for 2016/2018, as required by the Procurement Reform (Scotland) Act 2014 (the Act), in December 2016. In order to report compliance with this Strategy and the Act itself, the Council must publish an Annual report.

In addition to the required information set out in the Act, this report also includes performance against a number of strategic indicators which were introduced in order to measure progress on the new duties introduced by the legislation.

In order to evidence our progress against our strategic targets, the published Annual Report requires some form of measurement. The statistics presented in this report provide the evidence which should, over time, show how the Council is progressing against both the national and local objectives. The following sections provide both the statistical information and a commentary on performance (*in italics*)

SECTION 1 – SUMMARY OF REGULATED PROCUREMENTS

TABLE 1 highlights the summary of live contracts (2018/2019) by category.

TABLE 1

Contract Type	Number	Estimated Contract Value £000
Category A (national)	30	6,206
Category B (sectoral)	128	23,656
Category C (local single supplier)	176	62,567
Category C (framework)	21	10,982
Category C1 (local collaboration)	12	1,766
Category O (other)	57	15,461
Non advertised	98	47,976
2018/19 Total	522	168,614
2017/18 Total	476	142,891
Quick Quotes (transactions under £50K)	53	0,751
PIN Quick Quotes (a new process mainly for construction where the supplier selection is carried out using a Prior Information Notice)	7	3,695

In total there are 522 live contracts listed in the Council's contract register; of these 183(83 contracts and 100 mini comps/direct awards) were awarded or added to the register in the

year 2018/2019. To present a complete picture Quick Quotes (QQ) and PIN Quick Quotes (PIN QQ) are now being added to the contract register with effect from April 2018.

Commentary on performance:

*For the second year we have seen a significant increase in the volume of live contracts on the register (476 to 582, including QQ and PIN QQ). This is reflected in the workload for the team with 200 project allocations for the year, of which 138 were unplanned (an increase from 36% in 17/18 to 69%) and not included in the Departmental Procurement Action plans. This increased focus on the operational development of tenders has come at a cost to the team's ability to deliver the strategic Action Plan (see **APPENDIX 1**).*

SECTION 2 – REVIEW OF REGULATED PROCUREMENT COMPLIANCE

APPENDIX 1 provides the performance results against the Council's Procurement Strategic Action Plan for 2018/2019, which is split between the Procurement Commercial Improvement Programme (PCIP) objectives and the Procurement Strategy measures. An update and comment on performance is given and where improvements are still required the relevant actions have also been identified.

Commentary on performance:

As mentioned above, the team's ability to meet their strategic targets has been restricted due to the increased workload, a long term secondment and the work to implement GDPR and respond to a major contract challenge, essentially the team have done more work but with less resources.

Of the eleven targets that were set for the year, five have seen little or no progress.

We have made some notable successes in 2018/2019:

- *Delivery of four large scale contracts that offered opportunities to local suppliers – the planned and reactive maintenance frameworks, transport and the civil engineering small works framework.*
- *A variety of innovative approaches to market which resulted in significant improvements to subsequent contract delivery - mental health services, bakery products, early learning family centre/accredited training hub.*
- *The development of an "emergency contract" process for expiring Health & Social Care Moray contracts.*
- *A member of the team successfully completed her Level 4 CIPS (Chartered Institute of Purchasing & Supply).*

Section 2 of the action plan concentrates on measurements that will support the delivery of the Procurement Strategy. Although we continue to maintain our high level of contract coverage at 90% (measure A1) this is a decrease of 4% on previous year. We can report an increase in annual procurement savings for categories 1 & 2 (non-budget adjusted and budget adjusted) from £1.672M to £1.967M (measure A2).

However we also have to report a significant increase in unplanned activity with 69% (35.7% in 2017/18) of our workload coming from projects not identified during our annual departmental procurement action plan process. This is due, in part, to emergency work and ad-hoc funding but for some projects there could be a more proactive approach to departmental planning. This trend was reported last year and was to be addressed during the annual Departmental Procurement Action Plan (DPAP) development and the subsequent quarterly reviews, however resources within the team and indeed within Departments has significantly impacted on our ability to address this issue.

Although our performance on environmental and sustainable non cash benefits is improving we have a long way to go to meet our targets and truly embed the delivery of these benefits in our process and outcomes.

Table 2 provides a high level view of the non-cash benefits that have been included in the contracts awarded in the year. This matrix is wider than just the social, environmental or economic factors (also referred to as Community Benefits) required by the Act and incorporates other added value benefits such as process efficiencies and price stability. The use and measurement of this type of benefit is in its infancy and we have now developed a tool that will support the consideration and inclusion at an early stage in any procurement project.

TABLE 2

Benefit Category	No of contracts	Sub category
Collaboration/tender process	133	121 collaboration 12 saving in processing development time
Community	25	5 apprentices 10 Community Benefit Clause (wide ranging) 1 faire trade 3 school visits 6 training
Cost Avoidance	10	2 added value 5 price increase rejection 2 price versus market savings 1 process redesign

Environmental	17	2 energy 9 greenhouse gases 4 sustainable construction 2 waste
Purchase to Pay Process	6	2 e- invoicing 1 electronic catalogue 3 consolidated invoices
Demand/Rationalisation	4	1 rebates based on volume 2 specific contract issues 1 rationalised list
Social	25	13 fair work issues 8 other – wide ranging 2 public social partnership 2 local subcontracting programme

Commentary on performance:

The Council's method of recording non-cash benefits was introduced in 2015/2016 and we have seen a wide ranging discrepancy between the resultant years with a total of 200 in 2015/2016, 62 in 2016/2017 and 182 last year, however this does now appear to be more consistent with 220 recorded for 2018/19. The range of benefits are slowly widening from the more process benefits to the social and environmental categories.

Table 3 considers the potential use of supported businesses. Public organisations can reserve the right to participate in procurement for the award of a public contract/framework to a supported business (explanation below).

TABLE 3

Supplier	2018/19 Turnover £
Moray Desktop Publishing Ltd	35,621
Moray Reach Out	302,435
Out of Darkness Theatre	90,427
Living Ambitions	308,595

Commentary on performance:

*Although not formally contracted as supported businesses, we believe that our use of the companies listed in **TABLE 3** goes some way to meet the Reform Act requirement to support such enterprises. To meet the required criteria supported businesses the main aim of the organisation has to be the social and integration of disabled or disadvantaged persons and where at least 30% of those employed and engaged with the programme are disabled or disadvantaged. These companies however cannot meet the "employment" criteria but certainly do meet the "engagement" element.*

SECTION 3 - FUTURE REGULATED PROCUREMENT SUMMARY

The Procurement team work with Heads of Service to develop a Departmental Procurement Action Plan (DPAP) for their service which identifies the Council's procurement activity for the coming year. In addition to this internal forward planning the Act requires the publication of a summary of future regulated procurements for 2019 to 2021:

Number 354

Estimated value of contracts £296,821,267

Estimated annual value £88,470,869

The detail of this forward plan will be published along with this Report.

Commentary on forward plan:

The above statistics are taken from the contract register. This list contains all contracts with an end date between 2019 and 2021, however it should be noted that some may be subject to possible extensions and some may not be re-let. Decisions around the direction for each requirement are taken during the annual DPAP planning process with Service Heads.

SECTION 4 - MORAY UPDATE

Although the information contained in the above and linked appendices highlights the performance in areas covered by the Act, there has been considerable development activity throughout the year to consolidate and build on previous improvements.

Supplier Development Forum – this group includes representatives from Economic Development, Business Gateway, PCS, Procurement and HIE. The previously developed Action plan has been updated and new tasks identified to support the development of suppliers in this area and beyond. This includes a number of contract specific workshops and surgeries, support for the planned Meet the Buyer North event (September 2018 & September 2019) and various communications throughout the year to promote Council procurement activity. To enhance the work of this Forum locally we have also become a full member of the national Supplier Development Programme for 2019/20.

Moray Council Procurement Savings – The Council has a process for recording the impact of contracts on the council – this includes cash and non-cash benefits. The cash savings have been categorised as follows:

- 1 Cash saving anticipated – but budget not adjusted
- 2 Cash saving anticipated – budget adjusted

- 3 No baseline – savings cannot be established, review of contract on anniversary of award to reassess
- 4 No savings anticipated

With Local authority finances becoming increasingly more complicated the team have developed a number of new categories of savings to try to measure the outcomes from any procurement project:

- 5 Non cash benefits
- 6 Capital – projects delivering savings against estimate/budget, total saving taken in the year the project was awarded
- 7 Rebate – centralised collection of contract rebates
- 8 Spend to Save – phased return on investment

Table 4 provides the results for 2018/19 and the previous year (comparison). As previously outlined we can report an increase for category 1 & 2 annual savings from £1.672 to £1.967M. In addition we can record a significant saving on capital projects of £3.567M, given the nature of these contracts the savings for the total project is recording in the year the contract is awarded (non-recurring).

TABLE 4

Cash Savings 2018/19 (2017/18)		
Category of Saving	Recurring savings £ million	Savings for year (adjusted for start and end date) £ million
1	1.309 (1.071)	1.068 (0.582)
2	0.658 (0.601)	0.645 (0.576)
Total	1.967 (1.672)	1.713 (1.158)
6	N/A	3.567
7	N/A	0.024
8	N/A	Nil recorded

The Council adopted a Procurement Savings Strategy in 2017 which introduced a 3% savings target for all relevant tenders. Based on the estimated annual value of the contracts live in 2018/19 (£45.698M) the annual savings for the year (£1.713M) represents a saving of 3.75%.

Procurement Commercial Improvement Programme (PCIP) – a national evidence based audit for all public organisations which considers a wide ranging set of competencies. Moray Council’s focussed assessment (full scrutiny of selected questions) took place in March 2018. This assessment was facilitated by Scotland Excel with the Procurement team

submitting the Moray evidence on behalf of all departments. The result was an overall score of 64% (increase from 60.4%). Although this has taken Moray from Level 4 to Level 3 (silver), we have dropped from just above the local government average score in 2017 to below for this latest audit, with the current average being 70%. This is a reflection of the level of resource available for development/improvement work.

SECTION 5 - SUMMARY

The significant, year on year, improvements evidenced by the PCA (19% 2009 to 64% 2014) and PCIP 60.4 in 2017/18 have now stalled, mainly due to resources and although we continue to improve it is at a much slower pace than previously recorded.

This should be viewed in context as the increased workload for the team is evidence of the continued focus on compliant procurement that continues to deliver quality contract outputs and significant savings for the Council.

APPENDIX 2 is the Scottish Government's Annual report template for the statistics required by the Act. A number of the measurements are not currently recorded as they would involve a significant change to our process which is already burdensome and heavily reliant on human intervention.

APPENDIX 1

MORAY COUNCIL STRATEGIC PROCUREMENT ACTION PLAN (SPAP) 2018/19			
SECTION 1 - PCIP Measurements			
Data Warehouse			
Action	Timetable	Aim	Update
1.1 Sharepoint conversion	April 2018	To improve on the shared access to and quality of procurement and payment data	<i>The Procurement site went live Q2 2018. Work continues to promote the site as the central repository for all procurement documents.</i>
1.2 Development of Lead Officer Dashboard Review of year end process – savings, off contract spend, national data hub extract	Sept 2018 July 2018	To share register data with dept lead officers To automate the production of procurement year end data	<i>Although the work to develop a report from our contract register for departmental lead officer is complete, the ability to “burst” ie share with relevant officers has been delayed due to licensing issues. Reports have been developed from what was to be an interim contract register (ICT development) but much of the automation was suspended pending the implementation of a new database. This development will not now be taken forward. Procurement will have to revisit our production of year end data.</i>
Leadership & Governance			
1.3 Operational improvement programme: <ul style="list-style-type: none"> Action plan review Report to Service head on outcomes as part of the quarterly combined procurement DPAP update 	October 2018 June 2018	To focus on the procurement outputs produced by both the team and departments to deliver consistent approach To ensure that actions identified by the review are actioned	<i>The resources available for development work were not available during the year due to long term secondment and so the quality improvement element of our action plan has not progressed. In addition much of the quality checking of these developments would be the responsibility of the Assistant Manager, who was heavily involved in the challenged Transport contract during Q3 and retired in Q4. The above points re resources and licensing issues have halted progress on the report to Service heads.</i>

1.4 DPAP quarterly reviews – outcome review	June 2018	To ensure that actioned identified through the DPAP process are completed	<i>Not all quarterly reviews were completed given the resources available. Effort was concentrated on those services with a high level of procurement input.</i>
1.5 Roads Improvement Programme	Ongoing work throughout year	Targeted support to develop closer links between service and procurement team	<i>Some progress has been made. This work is also linked to the outputs from the Construction Group (Property, Roads, Consultancy, Procurement and Education resources).</i>
1.6 Health & Social Care (MIJB) Support	Ongoing	Targeted support to develop infrastructure for MIJB	<i>The level of support required, particularly at management level has increased significantly during 2018. This included the need to develop (Q1) an “emergency contract” process for expiring contracts.</i>
Development & Tender			
1.7 PR08 developments – review acceptance/outputs	June 2018	To incorporate all improvements identified by the Procurement Operational Improvement Plan arising from all aspect of the process	<i>The structure of our PR08 (procurement strategy documents) was reworked during 2018. This will take the document through the life and replacement of a contract and includes all the aspects required of a legislative “regulated” tender.</i>
1.8 Impact of General Data Protection Regulation	July 2018	To incorporate the new duties into the procurement process	<i>A new GDPR condition was developed for our Terms and Conditions and circulated to all lead officers for inclusion in current contractual arrangements.</i>
Contract			
1.9 Post award implementation improvements: Checklist/structure/pack for meeting	May 2018	To ensure that contract awards are subject to a full implementation plan with all stakeholders involvement	<i>As for action item 1.3 (resources), much of this work was suspended during 2018.</i>
Key Purchasing Processes			
1.10 Pcard phase 2 – embedded cards for key suppliers	Pilot in place by May 2018	To widen the use of purchasing cards to include embedded cards with appropriate suppliers	<i>The pilot has been live since Q1 2018 and has now been launched to all users of the supplier in question. A further supplier has been targeted n 2019 (see below 1.11). A new process for the use of a central purchasing card has been introduced. The higher the value processed the greater the Government rebate received.</i>

1.11 Replacement for Catalogue Content Management system	November 2018	To consider the various options re “punch out” to suppliers sites for the creation of orders	<i>Working with Scottish Government e-commerce division we reviewed the potential to use their replacement system but found the cost of implementation did not prove to deliver value for money. However we are developing a direct e-link to our high volume stationery supplier which will use an embedded purchasing card for settlement.</i>
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SECTION 2 – Procurement Strategy Measurements. 2018/19			
a. Savings			
The measure	2018/19 Target	2018/19 (2017/18) Results	Will Demonstrate Comments
A1 Percentage of all council expenditure covered by contracts Total commercial spend – contract register annual estimated values for live contracts in year	95%	90.30% (94.43%)	Greater contractual exposure <i>Slight decrease which will be analysed to identify where the uncontracted spend has occurred – to be referred to relevant Head of Service</i>
A2 Value of procurement savings achieved through contracts live during the year	£1M	£1.967M (£1.672M)	The financial results from contracts <i>£13.7M savings since the start of DBS Procurement (2011), average of £1.7M pa, the expectation was for this to shrink over time but this is not reflected in the results</i>
A3 Number of collaborative contracts awarded as a percentage of all commenced in year	40%	38.79% (55.88%)	Successful collaboration <i>An increase in local category C work this year has led to this reduction in collaboration</i>
A5 Percentage of contracts commenced in year that contain a contract benefit (all categories)	15%	76.50% (83.33%)	Increasing focus on non-financial benefits <i>Although this is significantly over target, the nature of the benefit should be taking into account with the majority 149 being process benefits – the target for this will be reviewed for next year</i>

b. Contracts

The measure	2018/19 Target	2018/19 (2017/18) Results	Will Demonstrate Comments
B1 Percentage of planned activity taken to award during year	75%	67.74% (76.5%)	Improved procurement planning <i>Given the level of workload this year this slight reduction is to be expected</i>
B2 Percentage of unplanned to planned activity during the year	25%	69.00% (35.67%)	Measure to try and keep unplanned to a minimum <i>Huge increase with significant impact on team, paper to SMT to request a review of the annual action plan process</i>

c. Compliance

The measure	2018/19 Target	2017/18 (2018/19) Results	Will Demonstrate Comments
C1 All procurement activity is subject to compliance review – tenders, QQ, AP transactions, requisitions	100%	100% for QQ 50% for AP (100% for QQ 25% for AP spend)	Quality control - <i>embedded as part of the process as such will remove this from the report for next year</i> <i>AP spend review will come from off contract spend in future</i>
C2 Percentage of Account Payable transactions checked over £5K that complied with procurement regulation during the year	75%	100% (99.63%)	Compliance management – <i>embedded as part of the process as such will remove this from the report for next year</i>
C3 Percentage of Account Payable transactions with a Purchase Order (where relevant ie non-recurring) number during year	75%%	75.49% (82.46%)	Compliance management <i>Work continues to ensure that all payments commence with an order (where relevant)</i>

d. **Accessibility**

The measure	2018/19 Target	2018/19 (2017/18) Results	Will Demonstrate Comments
D1 Percentage of contracts commenced during year to SMEs	30%	51.79% (39.04%)	SME access to our business – volume <i>Of the 780 suppliers who were awarded 404 were SMEs however 245 did not have their size recorded on the national data hub (source of the information)</i>
D2 Percentage value of annual spend with SMEs for year	55%	49.74% (57.44%)	SME access to our business – value <i>See comment above about the source of information were suppliers are not sized</i>
D3 Percentage value of spend with Moray, Highland and Aberdeen council areas	50%	38.56% (45.30%)	“local” access to our business – value <i>Analysis of the spend decrease is required</i>
D4 Number of “events” held or participated in during year	10	8 (10)	Supplier engagement

e. **Community Benefits -**

The Measure	2018/19 Target	2018/19 (2017/18) Results	Will Demonstrate Comments
E1 Percentage of commenced contracts within the year that have a community benefit (category 7)	20%	9.28 (11.76%)	Sustainable duty performance
E2 Percentage of collaborative contracts commenced in the year that have a community benefit (category 7)	20%	18.30% (12.28%)	Sustainable duty performance

f. **Sustainability**

The measure	2018/19 Target	2018/19 (2017/18) Results	Will Demonstrate Comments
F1 Percentage of contracts commenced in the year that have incorporated a sustainable target (category 5)	20%	7.10% (12.74%)	Sustainable duty performance
F2 Score on Flexible Framework	Level 3	(Level 3)	Sustainable duty performance <i>As for previous year, we have reviewed our processes and adopted some of the level 4 practices but cannot meet all of the required outcomes.</i>
F3 Prioritisation tool used to assess Service priorities	100%	80% (100%)	Sustainable duty performance <i>As the team have become more used to the tool they limit its use to those tenders where relevant</i>

APPENDIX 2

Annual Procurement Report – Required Data

1. Organisation and report details

a) Contracting Authority Name	Moray Council
b) Period of the annual procurement report	April 2018 to March 2019
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period	183
b) Total value of regulated contracts awarded within the report period	£132,592,218
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	616
i) how many of these unique suppliers are SMEs	310 (214 size not known)
ii) how many of these unique suppliers how many are Third sector bodies	Not recorded

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	175
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	8

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

a) Total number of regulated contracts awarded with a value of £4 million or greater.	9
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	2
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	66

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (<i>Each contracting authority sets its own priority groups</i>)	Not recorded
e) Number of Apprenticeships Filled by Priority Groups	5
f) Number of Work Placements for Priority Groups	Not recorded
g) Number of Qualifications Achieved Through Training by Priority Groups	Not recorded
h) Total Value of contracts sub-contracted to SMEs	Not recorded
i) Total Value of contracts sub-contracted to Social Enterprises	Not recorded
j) Total Value of contracts sub-contracted to Supported Businesses	Not recorded
k) Other community benefit(s) fulfilled	62

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	Not recorded
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	Not recorded
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	Not recorded
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	Not recorded

6. Payment performance

a) Number of valid invoices received during the reporting period.	69,139
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	89.68%

c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	Not recorded
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	None
<u>7. Supported Businesses Summary</u>	
a) Total number of regulated contracts awarded to supported businesses during the period	nil
b) Total spend with supported businesses during the period covered by the report, including:	Not recorded
i) spend within the reporting year on regulated contracts	Not recorded
ii) spend within the reporting year on non-regulated contracts	Not recorded
<u>8. Spend and Savings Summary</u>	
a) Total procurement spend for the period covered by the annual procurement report.	£113.434M
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£74.062M
c) Total procurement spend with Third sector bodies during the period covered by the report.	Not recorded
d) Percentage of total procurement spend through collaborative contracts.	47.39%
e) Total targeted cash savings for the period covered by the annual procurement report	£1.713M
i) targeted cash savings for Cat A contracts	£0.160M
ii) targeted cash savings for Cat B contracts	£0.685M
iii) targeted cash savings for Cat C contracts	£0.868M
f) Total delivered cash savings for the period covered by the annual procurement report	Not recorded
i) delivered cash savings for Cat A contracts	Not recorded
ii) delivered cash savings for Cat B contracts	Not recorded
iii) delivered cash savings for Cat C contracts	Not recorded
g) Total non-cash savings value for the period covered by the annual procurement report	Not recorded

9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

354
£296,470,869



REPORT TO: POLICY & RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: COMMUNITY ASSET TRANSFER: RENTAL SUPPORT

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 This report invites the Committee to consider the level of rental support awarded to community bodies occupying council property under legacy agreements and to agree arrangements for these to be reviewed.
- 1.2 This report is submitted to the Committee in terms of section III(B)(29) of the council's Scheme of Administration relating to asset management policies and practices and section III(B)(59) relating to the determination of community asset transfer requests.

2. RECOMMENDATION

2.1 The Committee is invited to:

- (i) note the extent of ongoing rental support provided to community bodies under the legacy agreements listed in Appendices 1 and 2;**
- (ii) instruct the Estates Manager to carry out reviews of the rents payable under these leases in accordance with the lease terms and corporate priorities and subject to the availability of sufficient staff resources;**
- (iii) agree that the existing rental support shall cease with effect from the relevant rent review dates, as implemented; and**
- (iv) agree to consider valid requests for a continuation of rental support from eligible community bodies affected by recommendation (iii) through the Community Asset Transfer (CAT) process as a policy exception.**

3. BACKGROUND

- 3.1 Part 5 of the Community Empowerment (Scotland) Act 2015, which came into force on 23 January 2017, brought the majority of concessionary lease arrangements within the scope of the Act's asset transfer provisions – the Act does not apply to property held under a Public Trust. Section 95 of the Act requires each authority to publish a report on asset transfer requests annually.

The statutory report covering the period up to 31 March 2019 was considered by this committee on 4 June 2019 (paragraph 8 of the draft Minute refers).

- 3.2 On 1 September 2015, this committee agreed that ongoing rental support provided to community bodies occupying council property be monitored by means of an annual report (paragraph 8 of the Minute refers). On 25 May 2016, the council agreed that all future requests from community bodies for leases at less than market value would be considered through the CAT process (paragraph 22 of the Minute refers). As concessions granted through the community asset transfer (CAT) process are included in the statutory annual report, this report only deals with legacy arrangements put in place before the changes agreed by this committee on 25 May 2016.
- 3.3 Historically, the council provided rental support to community bodies by means of entering into leases at nominal rents, typically at £1 per annum or some other nominal amount that in practice would not be collected. Leases of this type are listed in **Appendix I**. As each lease comes to an end the ongoing need for it will be reviewed with any request for a lease renewal at a concessionary rent being determined through the CAT process. This process may require the council to serve notices to quit on the affected tenants.
- 3.4 From 23 March 2005, the way concessionary rents were handled changed, with the rent payable under the lease being set at the then market value and a separate grant provided to offset that rent. Community bodies benefiting from this arrangement were required to re-apply every three years for the rental grant to be renewed. This system of triennial reviews was administratively cumbersome and the decision by this committee on 1 September 2015 replaced it with this annual report. Those arrangements subject to review in this way are listed in **Appendix 2**.
- 3.5 No reviews have been carried out of the rental support awarded under the rental grant scheme in the four years since the scheme was closed to new applicants. With one exception, which is detailed in **Appendix 2**, each lease contains a provision for the rent payable to be reviewed at regular intervals.
- 3.6 The rent review also provides an opportunity to review the level of rental support provided in the light of current circumstances. Carrying out these reviews in accordance with the lease terms would be in keeping with the principles of the rental grant scheme and would ensure that any ongoing support is reasonable and commensurate with the benefits provided.
- 3.7 The CAT scheme is designed to deal with requests for the transfer of rights that a community body does not already enjoy. Consequently, the scheme is not open to existing tenants who only wish to ask for a reduction in their rent. However, as the scheme addresses all the relevant issues, the council can as an exception choose to consider applications for a continuation of support awarded under the rental grant scheme.
- 3.8 If the recommendations contained in this report are approved then the affected tenants would be advised immediately in order to give them sufficient time to prepare a case for a continuation of the rental concession.

- 3.9 Any concessions granted as part of the arrangements for delivering a service on behalf of the council are reported separately and thus outwith the scope of this report. The short term rental concessions granted in respect of the town halls and community centres are also subject to separate arrangements so too are considered outwith the scope of this report.

4. **SUMMARY OF IMPLICATIONS**

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

Leasing assets to the community at less than market value can support the 10 Year Plan (LOIP) aim of creating more resilient and sustainable communities with less need for universal services provided by the public sector. It can also be consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities to take on more responsibility.

The council's corporate priority of working towards a financially stable council should be taken into consideration when dealing with requests to lease an asset at less than market value.

(b) Policy and Legal

On 21 March 2017, this committee approved the following policy statement (paragraph 5 of the Minute refers).

“Moray Council recognises the important role that the transfer of property assets can play in empowering communities and strengthening their resilience. Where appropriate, the council will use the transfer of assets to give more control to communities and local people, inspire them to find local solutions to community needs, and as a means of helping communities become more sustainable in the long term. In determining all asset transfer requests, the council will have regard to the guidance provided by the Scottish Government in relation to asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015, whether or not such requests are made under the provisions contained in the Act.”

Assets leased to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which require the council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any of the following purposes:

- a) Economic Development,
- b) Regeneration,
- c) Public Health,
- d) Social Wellbeing, or
- e) Environmental Wellbeing.

Reasonableness in this context is taken to imply that the requested discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project.

(c) Financial Implications

It is not possible in this report to quantify the total loss of rental income to the council from those arrangements listed in **Appendix 1** as current rental valuations are not available for each property. The annual loss of income from the agreements listed in **Appendix 2** amounts to £35,840. In many cases, the council benefits from the duty of keeping premises in good repair falling upon the tenant. Thus, services can be maintained at little or no cost to the public purse other than the rents foregone. The financial implications of continuing support following a review would be considered on a case by case basis and reported to this committee as each case is taken through the CAT process.

Additional Expenditure Warning

When the council approved the budget for 2019/20 on 26 February 2019, the 3-year indicative budget before the council showed savings required of £12.2 million in 2020/21 and £6.7 million in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed. In making its determination, the committee should consider the following questions:

- Is there a statutory requirement to incur the expenditure?
- Are there any alternative actions available to avoid/reduce the cost?
- Are there alternative ways in which the service could be provided?
- What are the risks and consequences of not allocating the funding?
- Does the expenditure contribute to long terms financial stability?

If in the light of these factors the spend is considered essential, committees should how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should a request be made to the council for additional budget allocation. If the recommendations in this report are approved, this would have the potential to reduce the general services savings target by more than £20,000 over the next 5 years.

While these figures may not be significant in isolation, the cumulative impact of all new pressures requires to be taken into account for future years. If the committee recommends additional budget to be allocated, this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the council and, in particular, in the overall context of spend beyond affordable limits that impinges on the council's reserves policy position.

(d) Risk Implications

There are no risk implications arising directly from this report. For some community bodies currently in receipt of rental support there may be a risk of their activities ceasing or being severely restricted without ongoing support. This could show itself, for example, through an inability to fulfil the repairing obligations as set out in their lease. Such risks would be identified on a case by case basis during each review and taken into consideration when determining a request for support.

(e) Staffing Implications

Staff resources within the Estates section are currently working at full capacity and, as agreed with the Corporate Management Team, its workload is being prioritised in favour of higher value corporate priorities. This means that rent reviews for lower value properties (currently those with rental values of less than £1,000 per annum) are not being implemented. This situation is under continuous review and the merits of implementing the rent reviews and lease renewals referred to in this report must be assessed within this context. The properties concerned tend to have unique characteristics that make assessing rental values more staff intensive than usual.

(f) Property

The property implications are as detailed in this report. Any property implications arising from changes in the level of support provided would be identified on a case by case basis during each review.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report. Equality issues would be considered on a case by case basis as part of each review.

(h) Consultations

The members of the Asset Management Working Group's CAT Sub-Group*, Acting Head of Housing and Property, Legal Services Manager, Property Resources Manager, Estates Manager, Principal Accountant (P. Connor), Committee Services Officer (Caroline Howie), and Equal Opportunities Officer have been consulted and comments incorporated in the report.

(*Corporate Director (Corporate Services), Head of Development Services, Head of Financial Services, and Educational Resources Manager.)

5. CONCLUSION

5.1 Although the council has established suitable arrangements for assessing new requests from community bodies for leases at concessionary rentals, there remains a legacy of agreements entered into prior to these coming into force. Some of these legacy agreements involved setting a nominal rent that will subsist until the end of the lease. Others can be reviewed at regular intervals.

5.2 The Committee is invited to consider recommendations for reviewing the rents payable and the level of support provided under these legacy agreements. If the recommendations are approved, any resulting changes would be dealt with through the CAT scheme in a consistent and equitable manner and brought back to this committee for determination.

Author of Report: Andrew Gray, Asset Management Coordinator
Background Papers: Held by author
Ref:

APPENDIX I – PROPERTIES LET AT NOMINAL RENTS

Most leases involve the tenant taking on full responsibility for all property costs, including repairs and maintenance – these Lease Types are designated by the letters FRI. In some cases, the tenant is responsible for internal repairs only – these are denoted by the letters IRO. Where properties are let at nominal rents a valuation would be required in order to identify the current value of the rental concession. The list is sorted with the oldest arrangements at the top.

	Location	Community Body	Property	Lease Type	Date of Entry	Term	Expiry	Annual Rent	Next Rent Review Date
	A. General Services								
1.	Mosstodloch	Mosstodloch Amenities Association	Site of Speymouth Hall, Stynie Road	FRI	15/03/1977	99 Years	14/03/2076	£0.01	N/A
2.	Lhanbryde	Lhanbryde Community Challenge	Site of Village Hall, Robertson Road	FRI	11/11/1977	99 years	11/11/2076	£0.01	N/A
3.	Portgordon	Portgordon Recreation Committee	Bowling Green, Station Road	FRI	01/09/1978	99 years	01/09/2077	£0.01	N/A
4.	Roths	Roths Bowling Club	Bowling Green, Recreation Park	FRI	01/03/1983	50 years	01/03/2033	£1.00	N/A
5.	Forres	Forres Thistle FC	Logie Park, Pilmuir Road	FRI	01/06/1988	50 years	01/06/2038	£10.00	N/A
6.	Roths	Roths Tennis Club	Roths Tennis Club, Recreation Park	FRI	15/05/1989	50 years	15/05/2039	£1.00	N/A
7.	Garmouth	Garmouth & Kingston Amenities Association	Water Tower	FRI	01/04/1991	50 years	01/04/2041	£1.00	N/A
8.	Hopeman	Hopeman Community Association (Note 1)	Fisherman's Shelter, Harbour	FRI	01/04/1997	21 years	Annually on 31 March	£1.00	N/A

	Location	Community Body	Property	Lease Type	Date of Entry	Term	Expiry	Annual Rent	Next Rent Review Date
9.	Portknockie	Portknockie Amenities Association	McBoyle Hall, McLeod Park	FRI	01/02/2000	25 years	01/02/2025	£1.00	N/A
10.	Keith	KERBS	Skate Park, Cuthil Park	FRI	01/08/2003	20 years	01/08/2023	£1.00	N/A
11.	Hopeman	Hopeman Skate and BMX Club	Skate Park, Playing Fields, Hopeman	FRI	06/09/2004	25 years	06/09/2029	£1.00	N/A
12.	Buckie	RNLI	Buckie Lifeboat Station, Cluny Harbour	FRI	28/09/2004	99 years	28/09/2103	£1.00	N/A
13.	Newmill	Newmill Village Hall Management Committee	Newmill Institute, Mill Brae	IRO	16/03/2006	15 years	01/11/2021	£1.00	N/A
14.	Fochabers	Fochabers Rifle Club	13 Christie Place	FRI	28/05/2006	99 years	28/05/2105	£1.00	N/A
15.	Hopeman	Hopeman Community Association (Note 1)	Amenity land at Harbour	FRI	01/08/2007	Year-to-year	Annually on 31 July	£1.00	01/08/2022
16.	Knockando	Knockando Athletic Group	Long jump facility, Knockando School	FRI	23/04/2008	20 years	23/04/2028	£1.00	N/A
17.	Dufftown	Dufftown Preschool Centre Trustees	Mortlach Nursery School, York Street	FRI	01/01/2011	20 years	01/01/2031	£1.00	01/07/2030
18.	Rothies	Congregation of Rothies Parish Church	The Watch Tower, Burnside Street	FRI	01/07/2014	20 years	01/07/2034	£1.00	N/A
19.	Keith	2nd Keith Scout Group (Note 2)	Old Ogilvie School, Fife Street	FRI	31/10/2015	20 years	30/10/2035	£1.00	31/10/2020
20.	Elgin	TsiMoray (Note 3)	Units 2, 3 & 5 Chanonry Business Centre	IRO	01/07/2016	Month-to-month	Monthly	£1.00	N/A

	Location	Community Body	Property	Lease Type	Date of Entry	Term	Expiry	Annual Rent	Next Rent Review Date
	B. Common Good								
21.	Forres	Forres Bowling Club	Forres Bowling Club, St. Catherines Road	FRI	07/07/1995	99 years	06/07/2094	£1.00	N/A
22.	Buckie	Buckie Victoria Bowling Club	Bowling Club, West Church Street	FRI	01/04/2005	25 years	31/03/2030	£1.00	N/A
	C. Public Trust								
23.	Keith	Keith Bowling Club (Note 4)	Keith Bowling Club, Church Road	FRI	13/04/1879	Tenancy at will	N/A	Nil	N/A
24.	Aberlour	Aberlour Community Association (Note 5)	Fleming Hall, Queens Road	IRO	01/04/2001	25 years	31/03/2026	£1.00	01/04/2021
25.	Keith	Keith Football Club Ltd	Kynoch Park, Balloch Road	FRI	08/10/2015	99 years	07/10/2114	£1.00	N/A

Notes

1. The arrangements with Hopeman Community Association work well. The Council can regain possession of both areas should that be required.
2. While the lease of the former Ogilvie Primary School contains provision for an annual rent review, the earliest practicable date would be 31 October 2020. Implementing the review on this date would provide sufficient time for the tenant to prepare an application for a continuation of the concession.
3. TsiMoray's tenancy was intended to be temporary to allow time for Moray Supports Refugees (MSR) to become incorporated. MSR is now incorporated as a SCIO and TsiMoray has indicated that MSR wishes to apply for the tenancy in its own right. This would be done through the CAT process. The current value of the rental concession amounts to £11,400 per annum.
4. Under the terms of the trust Keith Bowling Club has an ongoing right to occupy and use the bowling green without payment of rent.
5. The rent payable was initially set at £1 (if asked) but with a provision for quinquennial rent reviews. The rent review clause contains provision for determining whether the concession should continue. The next rent review is due on 1 April 2021 when the tenant would need to re-apply for a continuation of the concession. There is a mutual option to terminate the lease every five years on the anniversary of the date of entry.

APPENDIX 2 – RENTAL CONCESSIONS SUBJECT TO REVIEW UNDER FORMER RENTAL GRANT SCHEME

The majority of leases involve the tenant taking on full responsibility for all repairs and maintenance. These lease types are designated by the letters FRI. In a few cases, the occupier is responsible for internal repairs only. These are denoted by the letters IRO. The list is sorted with the highest concession value at the top.

	Location	Community Body	Property	Lease Type	Date of Entry	Annual Rent	Rent Payable	Concession Value	Next Rent Review Date
A. General Services									
1.	Cabrach	The Cabrach Trust (Note 1)	Cabrach Primary School, Schoolhouse and Hall	FRI	14/07/2014	£6,400	Nil	£6,400	28/08/2020
2.	Keith	Keith Golf Club	Keith Golf Course	FRI	17/09/2013	£5,040	Nil	£5,040	17/09/2023
3.	Elgin	New Elgin Junior FC	Pavilion B, Pinefield Playing Fields	FRI	01/08/2011	£4,000	Nil	£4,000	01/08/2020
4.	Buckie	Buckie Rovers Junior FC	Merson Park, Barhill Road	FRI	01/04/1993	£3,300	Nil	£3,300	01/04/2021
5.	Buckie	Buckie Area Forum	Hall, Town House, Cluny Place	IRO	05/10/2010	£3,200	Nil	£3,200	05/10/2020
6.	Buckie	Buckie & District Fishing Heritage Centre Ltd	Fishing Heritage Centre	FRI	01/03/2006	£4,350	£1,650	£2,700	15/05/2021
7.	Buckie	Buckie Skate Park Committee	Skate Park, Ian Johnston Park	FRI	27/09/2008	£1,400	Nil	£1,400	27/09/2023
8.	Findochty	Findochty Bowling Club	Findochty Bowling Green	FRI	18/05/2006	£400	Nil	£400	18/05/2021
Total Annual Value of General Services Concessions Granted								£26,440	

	Location	Community Body	Property	Lease Type	Date of Entry	Annual Rent	Rent Payable	Concession Value	Next Rent Review Date
	B. Common Good								
9.	Forres	Forres Mechanics FC (Note 2)	Mosset Park	FRI	28/11/2012	£5,050	£2,050	£3,000	28/11/2022
	Total Annual Value of Common Good Concessions Granted							£3,000	
	C. Public Trust								
10.	Forres	Grant Park Pavilion Committee	Grant Park Bowling Pavilion	FRI	03/11/2008	£6,300	Nil	£6,300	03/11/2020
11.	Elgin	Cooper Park Bowling Club (Note 3)	Bowling Pavilion, Cooper Park	See Note	01/04/2008	£100	Nil	£100	N/A
	Total Annual Value of Public Trust Concessions Granted							£6,400	
	Total Annual Value of All Concessions Granted for General Services, Common Good and Public Trusts							£35,840	

Notes.

1. On 21 March 2017, the Policy and Resources Committee agreed to transfer the former school, schoolhouse and hall to the Cabrach Trust at nil consideration (paragraph 18 of the Minute refers). The transfer has been delayed due to a title issue. The rental concession will continue until the transfer of title is completed. No further action is required at this time.
2. Forres Mechanics lease Mosset Park on commercial terms and make a separate application each year to Forres Common Good for financial support.
3. The council remains liable for maintenance of the roof but has the option to terminate lease if the roof becomes uneconomic to repair. Although the amount of rent payable under the lease is not subject to review, the £100 per annum rental concession can be reviewed at any time.



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: ANNUAL REPORT ON ENERGY STRATEGY/ACTIONS

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)

1. REASON FOR REPORT

- 1.1 This report presents the Annual Energy Report for 2018/19 and advises Committee on actions to minimise the Council's energy consumption, as well as progress and developments on a number of energy issues.
- 1.2 This report is submitted to Committee in terms of Section III (A) (39) of the Council's Administrative Scheme relating to ensuring that the organisation, administrative and management processes of the Council are designed to make the most effective contribution to achieving the Council's objectives.

2. RECOMMENDATION

2.1 It is recommended that Committee:-

- i) considers and notes the terms of the 2018/19 Annual Report; and**
- ii) notes that in 2018/19 the Council's energy consumption in non-domestic operational properties fell by 9.6%, and the energy bill decreased by 0.9% (£27,814).**

3. BACKGROUND

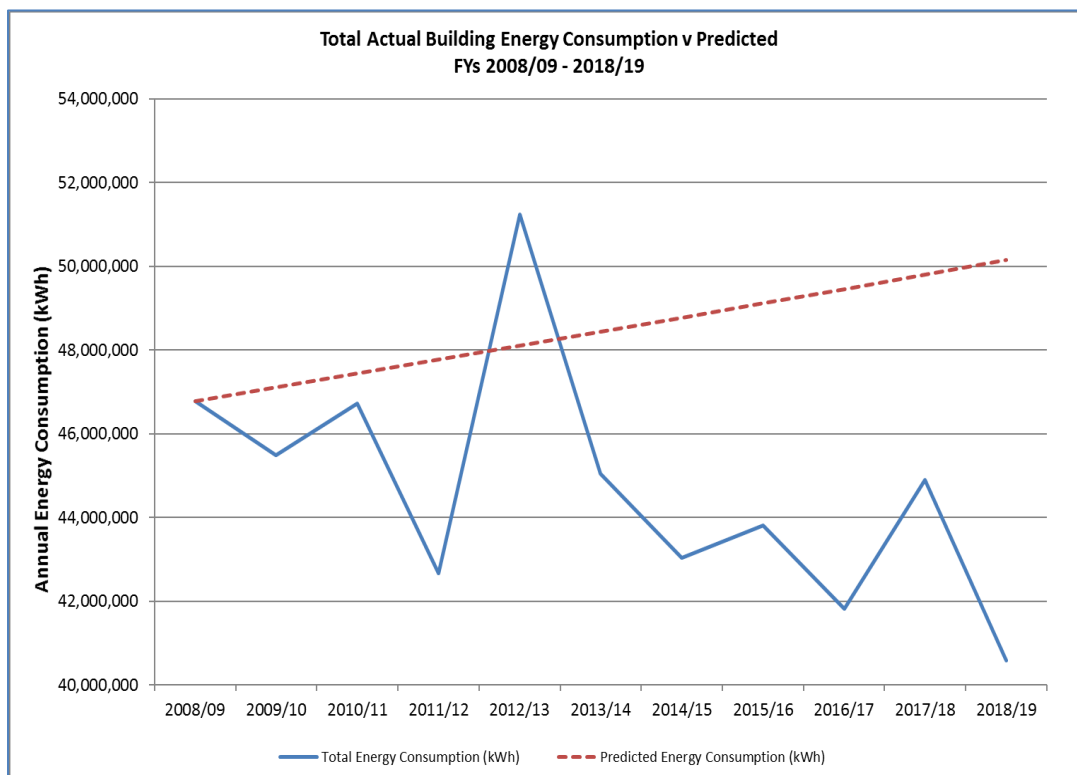
- 3.1 The 13th Annual Energy Report, which relates to 2018/19, is attached to this report as **APPENDIX I**, with the main issues summarised below.

4. PERFORMANCE

Energy Consumption

- 4.1 The Council's energy consumption (excluding street lighting) for 2018/19 was 40,584,897 kWh compared with consumption of 44,901,152 kWh for 2017/18. This is a 9.6% decrease on the previous years' consumption, compared to the target of an annual 2% reduction as set out in the Council's Energy Policy and Strategy.

- 4.2 The graph below shows the Council's total energy consumption for the last 11 years, compared to predicted increases based on Department of Energy and Climate Change advice.



- 4.3 It is difficult to pinpoint the reasons for reduced consumption, but the sale/closure of a number of Council buildings combined with warmer weather conditions would have been significant contributory factors. It is also likely that there is an increased level of awareness amongst staff on energy and climate issues, which would have had a positive impact on good energy house-keeping practises.

Energy Costs

- 4.4 In 2018/19 the Council's energy bill at its non-domestic properties totalled £2,600,554 – a decrease of £27,814 (0.9%) compared to 2017/18.
- 4.5 The percentage fall in energy costs was much smaller than the fall in energy consumption as the unit costs of oil, gas and electricity all increased significantly in 2018/19.

Carbon Emissions

- 4.6 In 2018/19 the Council's carbon emissions for its non-domestic properties amounted to 10,135 tonnes of CO₂e - a decrease of 2,697 tonnes of CO₂e (21%) compared to 2017/18.
- 4.7 The following are significant contributory factors to carbon emissions levels:-
- Lower consumptions for all utilities except water
 - Reduced carbon intensity of grid electricity
 - More street lighting provided from LED technology

- Decreased heat requirement due to warmer weather

5. ENERGY MANAGEMENT

Carbon Reduction Commitment Energy Efficiency Scheme (CRC)

- 5.1 CRC costs decreased from £192,649 in 2017/18 to £156,266 in 2018/19.
- 5.2 The CRC scheme was abolished in April 2019 and the Climate Change Levy has increased from 1 April 2019 to cover the cost of the CRC abolition. However, overall the annual net cost to the council is predicted to reduce by approximately £100,000.

Energy Policy and Strategy

- 5.3 Reducing energy consumption in the Council's non-domestic operational properties by 2% per annum remains the main objective of the Council's Energy Policy set out in **APPENDIX V**. However it is considered that the an energy based reduction target is no longer appropriate, particularly given that national targets are based on carbon emissions reduction and that Moray is currently out of step with other Scottish Local Authorities.
- 5.4 With the Council's declaration of a Climate and Ecological Emergency on the 27 June 2019 (para 6 of the Minute refers) it is expected that the Energy Policy and Strategy will be reviewed/superseded by a Climate Change Strategy which will be based on carbon reduction targets.

Building Energy Management System (BEMS)

- 5.5 There are BEMS systems in 33 Council buildings and the Energy Team use them to regularly monitor temperatures in buildings, identify anomalies early and adjust heating settings accordingly. A new technical specification is improving consistency across the Council's properties, including new-build projects and refurbishments. This continues to be rolled out as and when the opportunity arises. Current financial constraints are restricting work in this area, but potential spend to save prospects will be kept under review.

Energy Awareness

- 5.6 As detailed in Section 6.1 of **APPENDIX I** various energy awareness briefings and training sessions were carried out in 2018/19, including presentations at staff inductions and school assemblies/ eco groups. These reached 200 council staff and over 753 pupils. Other initiatives have included regular articles in the staff Connect magazine, posters and participation in Earth Hour. More such measures are being implemented in 2019/20.

Energy Audits

- 5.7 In 2018/19 the Energy Team carried out audits at 6 Schools. This has resulted in a number of energy saving measures being implemented and potential energy saving projects being identified. Audits of 6 further schools are scheduled in 2019-20.

Utility Invoice Processing

- 5.8 Almost all utility invoices relevant to the non-domestic council estate are processed by the Energy Team; over 13,500 in 2018/19. The active

management, checking and validation of utility consumptions and invoices identified over £88,000 of erroneous charges in 2018/19. Full details can be found in **APPENDIX III**.

Projects

- 5.9 Projects carried out in 2018/19 and potential future energy saving projects are set out in **APPENDIX VI**. Over 50 individual energy saving projects and initiatives were carried out in 2018/19 and the costs and estimated annual savings are detailed in the Appendix. Future energy saving projects currently being considered are also detailed.
- 5.10 **APPENDIX VII** contains graphical profiles and pictures in relation to energy saving projects. Post Project Reviews of larger projects are undertaken to determine if targeted savings are actually being realised. The Appendix shows graphically the energy savings made at Forres Academy gym hall (where estimated savings are being exceeded) and thermal photographs at Burghead Primary School and Buckie High School show the dramatic reduction in heat loss from insulating un-lagged pipework.
- 5.11 During 2018/19 Internal Audit undertook a review of the Energy Section with respect to CRC and energy management procedures. A report on the findings was approved by the Audit and Scrutiny Committee on 27 February 2019 (para 7 of the Minute refers). Progress on implementation of recommendations is detailed in **APPENDIX IV**.

6. SUMMARY OF IMPLICATIONS

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

The Energy Policy and Strategy and actions to minimise the Council's energy use support the aim of the Corporate Plan of a financially stable Council.

The Council's Corporate Plan 2018 -2023 and 10-year Moray Local Outcome Improvement Plan (LOIP) make no specific reference to energy efficiency or carbon emissions reduction, with the exception of the Energy from Waste project. This was identified by an Internal Audit review and is in the process of being addressed.

(b) Policy and Legal

Climate Change (Scotland) Act 2009 places a duty on public bodies to act in a way they consider most sustainable and in the way best calculated to deliver emission reduction targets set in the Act.

(c) Financial/Risks Implications

In 2018/19 the Council's energy bill for non-domestic properties was £2,600,554 – a decrease of £27,814 (0.9%) 2017/18.

During 2018-19 electricity, gas and oil prices rose 3.7%, 18% and 12% respectively. Compared to 2018-19, unit costs for electricity and gas in 2019-20 rose by 4.3% and 5.6% respectively. Budget guidance issued in June 2019 by Scottish Procurement indicates that by 2021-22 increases of 13% and 2%

are forecast for electricity and gas compared to 2019-20. This would cumulatively increase the Council's costs by £293,500 compared to 2019/20.

The above figures do not include CRC costs which decreased from £192,649 in 2017/18 to £156,266 in 2018/19. The unit charge increased to £17.80 per tonne CO₂ in 2018/19, compared to £16.60 per tonne CO₂ in 2017/18. The scheme ended and was replaced from 1st April 2019 by increases in the Climate Change Levy. The surrender of held allowances in September 2019 will conclude the CRC scheme.

During 2018-19 the active management, checking and validation of utility consumptions and invoices identified over £88,000 of erroneous charges.

In recent years electricity non-energy costs (a mixture of fixed charges and others relating to transmission, metering etc.) have accounted for an increasing element of the overall charge and for 2019-20 amounts to 59%.

These costs are predicted to continue to increase, as energy consumers rather than taxpayers, meet the costs of moving to a low carbon society, as well as infrastructure improvements. Allied to anticipated increases in consumption charges (per kWh) overall energy costs are set to rise in coming years.

Unit charges for gas consumption accounted for 79%, whilst the indirect charges accounted for approximately 21% of the Council's overall gas costs.

£15,000 has been allocated in the Council's 2018/19 capital plan and £19,200 in the Council's revenue plan for energy saving projects and awareness raising initiatives, although officers will also continue to take forward spend to save proposals.

(d) Staffing Implications

There are no staffing implications.

(e) Property

The property implications are as set out in this report.

(f) Equalities

There are no equalities implications.

(g) Consultations

The Acting Head of Housing and Property, the Head of Financial Services, the Head of Development Services, the Design Manager, the Legal Services Manager, the Equal Opportunities Officer have been consulted and any comments incorporated in this report as appropriate.

7. CONCLUSION

7.1 The Council's utility consumption and costs fell by 9.6% and 0.9% respectively in 2018/19.

7.2 There is still potential for reductions in energy consumption through a programme of energy projects, property rationalisation, use of Building Energy Management Systems and staff awareness/behaviour changes. These are necessary to minimise the Council's carbon emissions, energy costs and the associated impact of the Climate Change Levy.

Author of Report: Ronnie Macdonald, Energy Officer
Background Papers: As referred to in this report.
Ref: Energy/ rep 181002



APPENDIX I

ANNUAL ENERGY REPORT 2018/19

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1 Introduction

Improving energy efficiency not only provides financial benefits but also reduces on-going carbon emissions in the most cost-effective manner.

Energy efficiency has been a long term priority for the Scottish Government and Scottish Ministers designated energy efficiency as a national infrastructure priority in 2015, recognising the many benefits delivered by improving the energy performance of our buildings.

During the financial year 2018/19 Moray Council's expenditure on utilities (including street lighting) was approximately £3.62M, with associated carbon emissions of 10,135 tonnes CO₂.

1.1 Council Aims and Objectives

The Council's Corporate Plan 2018 – 2023 stated priorities, objectives and actions make no reference to energy efficiency or carbon reduction, with the exception of the Energy from Waste Project. This was picked up by an Internal Audit review (refer to Section 3.2.2) and is in the process of being addressed.

Reducing energy consumption in the Council's non-domestic operational properties by 2% per annum remains the main objective of the Council's Energy Policy. However it has been recognised that the current energy based reduction target is no longer appropriate, particularly given that national targets are based on carbon emissions reduction.

On the 27th of June 2019 (para 6 of the Minute refers) Moray Council declared a Climate and Ecological Emergency and set a target of net zero carbon emissions by 2030. This includes forming a Climate Change Group made up of officers and elected members to direct and scrutinise the climate change strategy currently being prepared within the Council.

2 Performance

2.1 Consumption and Costs

Table 1 provides a summary of the Council's utilities' consumption, costs and emissions during 2018/19.

Table 1

Annual Report Figures 18-19			
Commodity	Consumption (kWh/m3)	Net Cost (£)	Carbon (tonnes CO₂)
Biomass	2,525,531	£121,871	38
Oil	3,062,739	£162,586	847
Gas	22,815,767	£647,018	4,197
Electricity	12,180,860	£1,669,079	3,742
Street Lighting & Unmetered Elec	3,782,875	£489,102	1,162
Water (m3)	141,838	£532,645	149
Totals		£3,622,301	10,135

The operation of the Council's 255 non domestic buildings cost £3,133,199, with further expenditure of £489,102 on street lighting and unmetered electricity.

2.1.1 Combined Energy Consumption

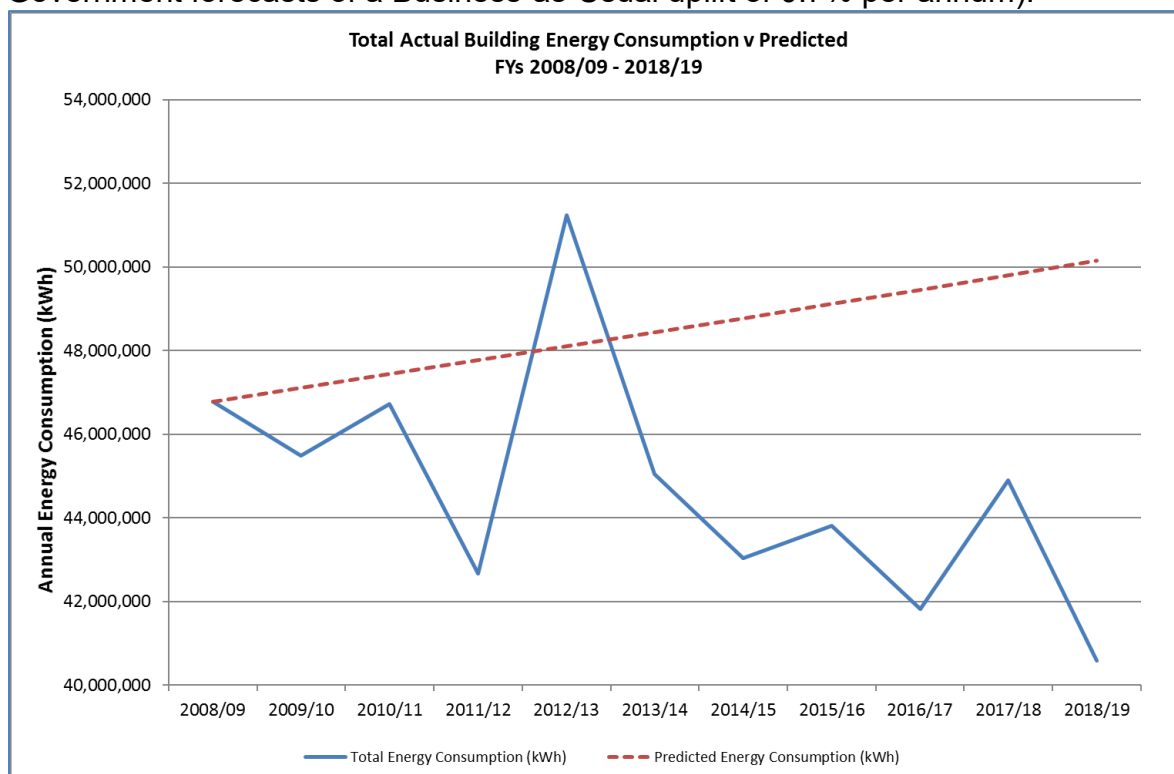
Table 2 below provides a comparison between 2017/18 and 2018/19 for individual utilities.

Table 2
Consumption

Utility	17-18	18-19	Difference	%
Biomass	2,683,474	2,525,531	-157,943	-6%
Oil	4,063,176	3,062,739	-1,000,437	-25%
Gas	25,044,411	22,815,767	-2,228,644	-9%
Electricity	13,110,091	12,180,860	-929,231	-7.1%
Overall Building Total (kWh)	44,901,152	40,584,897	-4,316,255	-9.6%
Street Lighting & Unmetered Elec	4,900,855	3,782,875	-1,117,980	-23%
Overall Total (kWh)	49,802,007	44,367,772	-5,434,235	-10.9%
Water (m3)	134,306	141,838	7,532	5.6%

The combined energy consumption from the Council's buildings, (the measure to which the annual reduction target is assessed), for 2018/19 was 40,584,897 kWh compared with consumption of 44,901,152 kWh for 2017/18, equivalent to a 9.6% decrease.

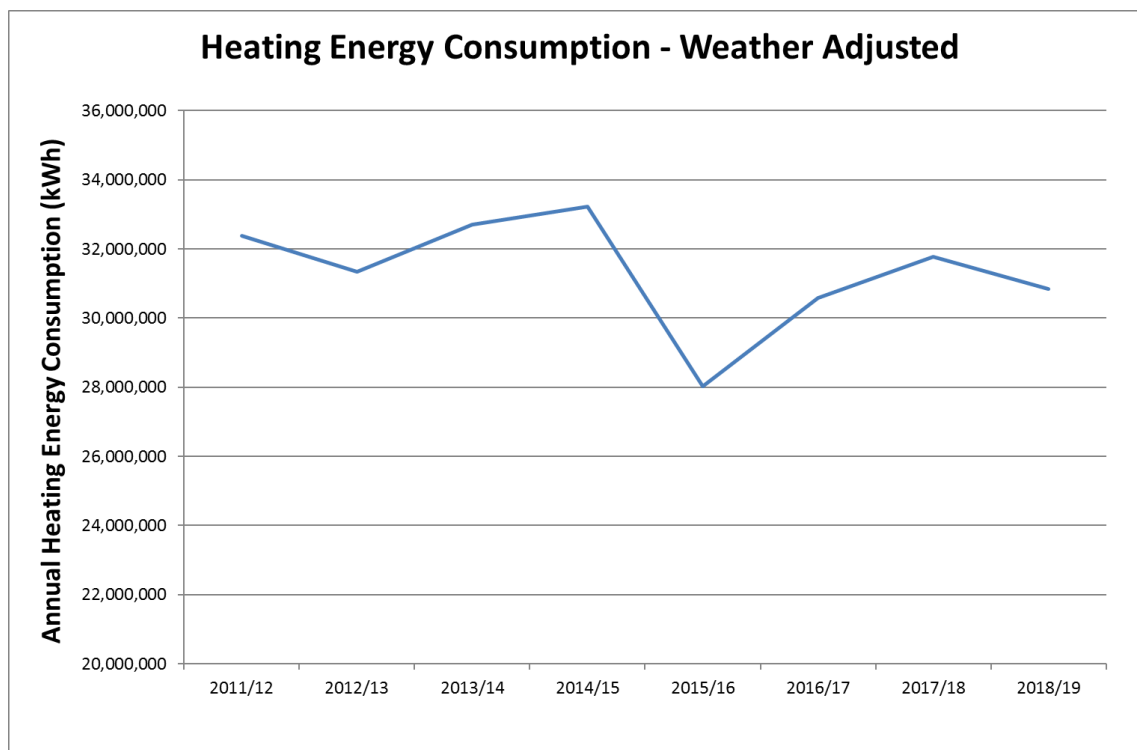
The graph below shows the Council's total energy consumption in its non-domestic buildings for the last 9 years, compared to the predicted increases, (based upon Government forecasts of a Business-as-Usual uplift of 0.7% per annum).



2.1.2 Heating-related Energy Consumption

To take account of weather conditions a measure termed “Degree Days” is utilised to incorporate the effect of warmer or colder conditions – permitting a comparison of heating related efficiency.

The graph below shows the Council's weather adjusted heating consumption for the last 7 years.



Heating accounts for a significant proportion of the Council's energy consumption. The weather in 2018/19 was 8% warmer than in 2017/18 and the graph above shows a weather adjusted decrease in heating consumption of 9.6% compared to 2017/18. This indicates that the overall efficiency of heating provision within Moray Council properties has improved, i.e. became more efficient.

- Nearly 50% of the recorded reduction was attributable to secondary schools, which all recorded notable decreases.
- Elgin Library increased gas consumption by 10%, most likely due to the main ventilation system being refurbished and made operational.
- Cumulatively, the impact of CATs, building closures etc (9 buildings) to gas consumption was a reduction of 365,000 kWh, approximately £10k
- Percentage increases (greater than 8%) were recorded for
 - Libraries
 - Industrial Premises
- Large percentage decreases (greater than 20%) were recorded for
 - Closed Sites
 - Premises (OT Store – heating system broken)
 - Residential Homes (Maybank, Taigh Farris now closed)

Given the number of potential factors which affect heating related performance, beyond the warmer winter conditions, it is very difficult, without detailed and time consuming analysis, to identify exactly why consumption has decreased individually and collectively. However the milder weather and closure of a number of Council buildings will have contributed. Additionally it is believed there is an increased level of awareness amongst staff on energy and climate issues, which would have had a positive impact on good energy house-keeping practises.

Climate change is likely to exacerbate fluctuations in weather conditions in future.

2.1.3 Water Consumption

The Council's water consumption for 2018/19 was 141,838 m³ compared with consumption of 134,306 m³ for 2017/18, an increase of 7,532 m³, equivalent to a 5.6% increase.

Although many properties reduced consumption, both primary and secondary schools recorded large increases, with a combined increase of 10,800 m³. During March 2018 urinal sensors were installed across all applicable schools, which should reduce consumption on an on-going basis - the Energy Team will continue to monitor consumption data.

2.1.4 Relative Energy Efficiency Performance - Benchmarks

During 18-19, the public sector Scottish Energy Officers Network (SEON) commissioned University College London (UCL) to undertake a review of benchmarks for all public sector building types in Scotland, based upon 2016-17 data. Now published, the benchmarks have been initially used to assess the energy performance of Council property types. Graphical depictions of the Local Authority "Typical" energy performances of varying building types compared to those within Moray are contained within **APPENDIX II**.

Commentary

- Electricity
 - The performance of most building types are comparable to the Scottish Local Authority average
 - Building types which perform better than the Scottish Average include
 - Care/Nursing Homes
 - Sheltered Housing
 - Industrial Premises
 - Building types which perform worse than the Scottish Average include
 - Libraries – particularly Elgin Library
 - Museums/Visitor Centres
 - Secondary Schools with pools
 - Buckie Pool and the Annex skew the results for their respective building types due to respectively their poor efficiency and the addition of the ICT server load
- Thermal
 - Building types which perform better than the Scottish Average include
 - Day Centres
 - Sheltered Housing

- Industrial Premises
- Secondary Schools with pools
- Building types which perform worse than the Scottish Average include
 - Community Centres
 - Libraries – particularly Elgin Library (attributable to inefficient lighting and ventilated heating system)
- Buckie Pool again skews the results for swimming pools due to its poor efficiency (relating to very old boilers and inefficient pool hall ventilation system)

It is the intention during 2019/20 to undertake further analysis on individual buildings with a view to incorporating the results into asset management assessments and for targeting future energy surveys and audits.

2.2 Energy Performance Certificates (EPCs)

The Council remains statutorily obliged to provide EPCs for its public buildings with a floor area above 250m² as well as all properties for lease or sale (including Housing Revenue Account dwellings). EPC's are valid for 10 years following which they require renewal. It is understood 17 of our public buildings were renewed in 2018/19 and 29 are due to be renewed in 2019/20

2.3 Street Lighting

The management and maintenance of street lighting is undertaken by Direct Services. The associated energy consumption in 2018/19 was 3,782,785 kWh, 23% lower than the 2017/18 consumption of 4,900,855 kWh. A five year programme to upgrade existing street lighting to LED technology began in 2015 and is scheduled to complete in 2020.

2.4 Carbon

Carbon dioxide emissions are increasingly the measure by which energy management and sustainability activities are monitored and evaluated. It provides a single common denominator between disparate activities such as electricity, transport and waste recycling. The following table details the carbon emissions associated with energy and water consumptions attributable to Moray Council.

Table 3

Carbon				
Utility	17-18	18-19	Difference	%
Biomass	34	38	4	12%
Oil	1,121	847	-274	-24%
Gas	4,612	4,197	-415	-9%
Electricity	5,040	3,742	-1,298	-26%
Street Lighting & Unmetered Elec	1,884	1,162	-722	-38%
Water	141	149	8	6%
Overall Total CO₂	12,832	10,135	-2,697	-21%

The carbon emissions from the Council's non-domestic buildings in 2018/19 were 21% lower than in 2017/18. Contributory factors which would have impacted on the above performance include:-

- Lower consumptions for all utilities except water
- Reduced carbon intensity of grid electricity
- Decreased heat requirement due to warmer weather
- More street lighting provided from LED technology

3 Utility Management

3.1 Utility Contracts

Electricity – The new framework contract has been awarded to the incumbent supplier EDF. Supply of electricity under the new framework commenced on 1 April 2019 and will run until 31 March 2021, with options for three yearly extensions until 31 March 2024.

Gas - The current contract with Total Gas & Power expires in March 2020. Scottish Procurement are currently undertaking the tender process for the subsequent contract.

Water - Anglian Water replaced Business Stream for water services on 1 March 2016 and the Council has experienced on-going significant difficulties with inaccurate invoicing and issue resolution. It should be noted that these issues are not restricted to Moray Council and are common across the Scottish public sector. Payment for water services is made annually in advance to realise a 2% discount on all charges. In June 2018 Scottish Procurement awarded a 12 month contract extension to Anglian Water bringing the contract termination date to 28th Feb 2020 – at that point it will be re-tendered.

Biomass – the Council has a joint contract with Highland Wood Energy for Biomass fuel supply and maintenance. The contract covers the 4-year period 1st September 2017 to 31st August 2021 with an option to extend for a further 12 months.

Utility Cost Management

3.1.1 Budget Monitoring

Budget Managers currently receive monthly budget reports including details of utility spend from the Finance Department. The Energy Team supplies utility consumption data in various formats to budget holders and carries out energy audits, walk-rounds and briefings as requested.

3.1.2 Utility Expenditure

In 2018/19 the Council's total utility bill amounted to £3,622,301, a decrease of £115,336 (3.1%) compared to 2017/18 - with buildings constituting the largest element at £3,133,199. Table 4 below gives a breakdown of costs.

Table 4

Net Cost

Utility	17-18	18-19	Difference	%
Biomass	£127,088	£121,871	-£5,217	-4%
Oil	£192,542	£162,586	-£29,956	-16%
Gas	£601,898	£647,018	£45,120	7%
Electricity	£1,732,691	£1,669,079	-£63,612	-4%
Water	£506,794	£532,645	£25,851	5%
Overall Total - Buildings Only	£3,161,013	£3,133,199	-£27,814	-0.9%
Street Lighting & Unmetered Elec	£576,624	£489,102	-£87,522	-15.2%
Overall Total (£)	£3,737,637	£3,622,301	-£115,336	-3.1%

3.1.3 Commodity Market Factors

The following factors should be noted with regard to the utility costs for 2018/19:

- Biomass unit rate for heat remained relatively steady.
- Oil and gas average unit rates increased by 12% and 18% respectively
- Electricity rates rose by 3.7%, with further increases forecast for the next financial year, (refer to following section)

Note: the above costs are exclusive of CRC.

3.1.4 Future Budget Guidance

Compared to 2018-19, unit costs for electricity and gas in 2019-20 rose by 4.3% and 5.6% respectively.

Scottish Procurement issue periodic updates on price forecasts for the electricity and gas contracts. The following is based on guidance issued in June 2019 and reflects median forecast figures.

		2020-21	2021-22
Variance to 19-20	Gas	-6%	+2%
	Electricity	+9%	+13%

Based upon our current consumption patterns, should the predicted increases detailed above come to pass, the following additional costs would be incurred.

		2020-21	2021-22
Variance to 19-20	Gas	-£38,821	£12,940
	Electricity	£194,236	£280,564
	Combined	£155,415	£293,504

3.1.5 Carbon Reduction Commitment (CRC)

The CRC was designed to incentivise large commercial and public sector organisations to implement cost effective energy efficiency opportunities at non-domestic properties and street lighting. The Energy Team undertook the preparation and submission of the CRC Annual Report and associated evidence

pack. The charge per tonne (allowance) of CO₂ emitted increased year-on-year and varied dependant on when the allowance was purchased. The CRC scheme finished in March 2019 with Climate Change Levy rates increasing from 1 April 2019. Overall, the annual net cost to the council has reduced by approximately £100,000.

As 2018-19 was the last year of the scheme, there was a requirement to specify closely the allowances purchased to ensure that no excess remained at the end of the scheme. (Excess allowances would become worthless).

In April 2018 Moray Council purchased 3,100 allowances at £17.20 each for the reporting period 2018/19, at a cost of £53,320. Applicable carbon emissions in 2018/19 amounted to 8,779 tonnes. With consideration of allowances already held (8,260), there was a requirement to purchase a further 519 allowances in June 2019 at a cost of £9,498. The surrender of these held allowances in September 2019 will conclude the CRC scheme.

3.1.6 Renewable Heat Incentive (RHI)

The council currently operates 2 biomass heating systems, at Speyside and Milne's High Schools and a solar thermal system at Forres Swimming Pool.

For the 2018/19 period the Council received combined RHI payments of £109,846.

Table 1

Total RHI Income	17/18	18-19	Difference	%
Milnes PS	£45,746	£47,315	£1,569	3%
Speyside HS	£57,549	£57,875	£326	1%
Forres Pool	£1,079	£1,913	£833	77%
Total RHI Income	£104,374	£107,103	£2,728	3%

3.2 Invoice Processing

All utility invoices go directly to the Energy Team for verification and validation prior to centralised authorisation and payment. The vast majority of utility invoices are received electronically and uploaded directly onto the Council's monitoring and targeting system – TEAM Sigma. The software automatically performs validation checks on the data received, highlighting any abnormalities for the Energy Team to investigate. During 2018/19 over 13,500 utility invoices were processed by the Energy Team.

The monitoring and targeting system produces consolidated information for the Energy Team to pass to the Finance Section to facilitate payment. Currently 2 officers in Finance have access to the system to allow financial investigations and specific reports to be handled. The Council receives a discount of 0.3% for paying its electricity and gas invoices by direct debit – this also removes the potential for late payment charges.

During 2018-19 the active management, checking and validation of utility consumptions and invoices identified over £88,000 erroneous charges, including

- Duplicate charging
- Over-estimates
- Incorrect rates applied
- Cancellation of charges for redundant infrastructure

Full details can be found in **APPENDIX III**.

3.2.1 TEAM Sigma Monitoring & Targeting Software

Since April 2018 Sigma software has been operated on a supplier-hosted basis and is performing satisfactorily. Associated cost savings from the cessation of IT server equipment and associated maintenance have been realised.

In line with recommendations made as part of an internal audit review, (see following section) additional invoice accuracy validators are in the process of being tested to assess their suitability and practical application.

3.2.2 Internal Audit

During 2018/19 Internal Audit undertook a review of the Energy Section with respect to CRC and energy management procedures.

The following table provides an overview of the recommendations contained within the report submitted to the Audit and Scrutiny Committee on 27 February 2019. An expanded table with progress to date can be found in **APPENDIX IV**.

No.	Audit Recommendation	Timescale for Implementation
5.1	Consideration should be given to include a commitment within the Corporate Plan to reduce the Council's carbon footprint, with the aim of contributing to the long term national target established by the Scottish Government of a reduction in carbon emissions by 42% by 2020 and 80% by 2050.	31/03/2020
5.2	The Annual Report on Energy Strategy/ Actions should also report CO2 emissions, including comparisons with prior year figures to show the direction of travel for this key indicator.	Implemented
5.3	Consideration should be given to providing further analysis within the Annual Report on Energy Strategy/ Actions of the actual savings generated from each energy saving project.	With effect from Annual Report 2018/19
5.4	The Energy Supplier should be reminded to use actual meter readings wherever possible.	28/02/2019
5.5	Random sampling should be undertaken of the meter readings detailed on the Energy Supplier's Invoice to the actual recorded meter reading submitted to the Energy Section. Any concerns or queries should then be raised with the Energy Supplier.	31/03/2019

5.6	The Energy Manual should be updated to include procedures for ensuring the regular checking and submission of energy consumption meter readings.	31/03/2019
5.7	Consideration should be given to undertaking regular reconciliations between expenditure recorded within Team Sigma system to information supplied to FMS.	31/03/2019
5.8	Consideration should be given to exploring the variance analysis functions within Team Sigma, as this may provide some additional management information of areas for further investigation or identify anomalies in energy consumption.	31/03/2019

4 Policy & Strategy

4.1 Scottish Government

4.1.1 Energy Efficient Scotland

Scottish Ministers announced in June 2015 that they would take long-term action to reduce building energy demand and decarbonise heat supply; designating energy efficiency as a national infrastructure priority.

In May 2018 the Scottish Government launched the Energy Efficient Scotland Route Map, a 20-year programme containing a set of actions aimed at making Scotland's existing buildings near zero carbon wherever feasible by 2050, and in a way that is socially and economically sustainable.

Energy Efficient Scotland has two main objectives:

- Removing poor energy efficiency as a driver for fuel poverty. (The Programme will be the primary mechanism by which this is achieved).
- Reducing greenhouse gas emissions through more energy efficient buildings and decarbonising our heat supply.

The Scottish Government has committed to invest more than half a billion pounds to Energy Efficient Scotland over the four years to 2020/21.

Amongst its objectives the Route Map aims for all public sector buildings to reach a relevant benchmark by 2040 and all non-domestic buildings to be improved for energy efficiency to the extent this is technically feasible and cost effective by 2040. At present new regulations are expected to come into force from 2021 on a phased basis.

Once fully implemented and operational, Energy Efficient Scotland is envisaged to be a whole system approach to delivering energy efficiency improvements and the provision of low carbon heat. A framework of energy efficiency standards, advice and funding would be applied to help create long-term consistency and confidence for consumers and industry, backed up by legislation where needed.

4.1.2 Scotland's Climate Change Plan and Proposals and Policies

The Scottish Government published the draft Climate Change Plan (CCP) 2017-2032 on 19 January 2017, which presents policies and proposals to meet

Scotland's annual targets until 2032. Based on the most recent Scottish greenhouse gas inventory (2014), it contains annual targets which represent an emissions reduction of 66% compared to baseline levels by 2032. This level of transformational change presents Scotland with significant challenges and opportunities, which are explored within the draft plan.

The principal target of the draft CCP is the "almost complete decarbonisation of Scotland by 2050", with what are considered to be transformational outcomes in transport, heat, electricity generation, and energy efficiency, along with increased natural carbon sinks and more efficient and profitable agricultural practices.

4.1.3 Scottish Energy Strategy

Published in December 2017, the Strategy is intended to guide the decisions of the Scottish Government, and also in working with partner organisations, which need to be made over the coming decades for a whole-system approach that considers both the use and the supply of energy for heat, power and transport.

The Strategy is designed to highlight the connections between the energy system and all parts of the economy, and its importance to sustainable, inclusive growth. It also makes a strong commitment to improving the Scottish Government's approach to public awareness-raising and engagement on energy issues.

4.1.4 Climate Emergency Declaration

On 28 April 2019, Scotland and Wales became the world's first national governments to declare Climate Emergencies.

4.2 Moray Council Policies and Strategies

4.2.1 Energy Policy & Strategy

The Council's current Energy Policy and Strategy (**APPENDIX V**) was first produced in 2005 and subsequent revisions have been agreed by this Committee and made available publicly via the Council's Energy Internet website. In accordance with the Carbon Trust Management guide CTC733 "An energy management best practice model for Scottish local authorities", the Policy and Strategy document is reviewed annually.

There is no explicit reference in the Moray Local Outcome Improvement Plan (LOIP) or Council's Corporate Plan to energy efficiency and nominal reference to other related aspects of sustainability such as climate change adaptation, carbon emission reduction etc.

It has been previously stated a corporate review should be undertaken to determine a Council wide carbon emissions reduction target, including waste, water and sewerage, business travel and fleet transport, in the context of the national legislative initiatives in this area, as detailed above. The review should consider consolidating individual targets and aspirations currently in place, including the Council's Corporate Asset Management Plan target of reducing CO₂ from building usage by 20% by 2023.

With the Council's declaration of a Climate and Ecological Emergency in June 2019 it is expected that the Energy Policy and Strategy will be reviewed/superseded by an expected Climate Change Strategy and action plan.

4.2.2 Corporate Heating Strategy

A Corporate Heating Strategy, containing guidelines on the use and responsibilities for heating at Council buildings, was agreed by this Committee at its meeting on 9 September 2014 (paragraph 4 of the Minute refers). This document gives clarity and advice to building occupiers, whilst allowing sufficient flexibility to facilitate local and/or changing circumstances.

The Energy Team monitor heating use and consumption and investigate any inconsistencies and discrepancies with the Heating Policy.

4.2.3 Strategic Energy Action Plan (SEAP)

As reported to the Policy and Resources Committee on 8 May 2018 Moray Council has been working with Aberdeen City, Aberdeenshire and Angus in preparing a Sustainable Energy Action Plan (SEAP) for the whole North East of Scotland entitled "Empowering the North East". The report advised that progress has been made in relation to the majority of actions identified within the SEAP. The projects that have the most significant impact in terms of emission reductions relate to large scale energy centres proposed by the private sector. The report also noted that the Council has limited staffing and financial resources to contribute significantly to reducing emissions.

The report advised that in addition to the North East SEAP there is a Moray specific SEAP which covers the time period 2015 to 2030. The target within this plan is for Moray to aim to achieve greenhouse gas (GHG) emission reductions of 35% by 2030 compared with the baseline year (2005).

4.2.4 Mandatory Carbon Reporting

The Energy Team contributed to the submission of the Council's Public Sector Climate Change report in November 2018.

5 **Building Energy Management Systems (BEMS)**

There are BEMS systems in 33 Council buildings and the Energy Team use them to regularly monitor temperatures in buildings, identify anomalies early and adjust heating settings accordingly.

BEMS are now being used to assist water safety management in producing concise information reports on hot water storage temperatures.

The recently introduced BEMS technical specification is improving consistency across the Council's properties, including new-build projects and refurbishments. Examples of the measures applied include performance dashboards, visibility of all set point & control parameters, interactive graphics of facilities and consistent representations of boiler system components and arrangements. This continues to be rolled out as and when the opportunity arises, however the current financial restrictions and the impact of the Make do and Mend programme are limiting development of the system.

6 Energy Initiatives

6.1 Energy Awareness

6.1.1 Energy Website

The Energy website on the internet and intranet continues to be reviewed and updated. The pages detail how to help the environment by following simple energy saving tips for your home, workplace or school. In March 2019 the Council supported the WWF's Earth Hour through switching off the electrical lighting to Landshut Bridge and statues in Elgin, as well as promoting a "no power for an hour" initiative in the Council's schools.

Copies of the Council's latest energy saving posters and the corporate heating strategy are also available on the website. Regular articles were included in the Connect magazine during 2018/19, covering a variety of energy issues, which are continuing in 2019/20.

6.1.2 Corporate Training

A total of 200 staff and 753 primary school pupils attended energy awareness events in 2018/19, this includes 3 staff induction sessions and 12 school visits (STEM, workshops and assemblies).

Energy Awareness briefings are incorporated as part of the Corporate Staff Induction Training programme. Since January 2019 this has been delivered on-line with new members of staff encouraged to work through the materials themselves. 22 visits to the on-line site page have been recorded.

6.1.3 Energy Team Training

The Energy Team have participated in training to improve the benefits provided by the TEAM Sigma energy monitoring & targeting system.

Energy Team staff regularly attend Scottish Energy Officers Network meetings.

6.2 Energy Surveys

In 2018/19 the Energy Team carried out surveys of the following sites:-

- Keith Grammar School
- Milne's High School
- Buckie High School
- Hythehill Primary School
- Milne's Primary School
- Lhanbryde Primary School

These audits resulted in the identification of energy saving projects/measures - a number have been implemented and others are being actively pursued. A series of follow up visits to gauge the progress of the measures recommended were carried out and showed that the majority of the recommendations were in the process of being implemented.

Both the initial findings and follow up reports are provided to the particular school and copied to the Educational Resources Manager and the Head of Schools and Curriculum Development.

Guidance is issued to all schools on procedures for minimising energy usage prior to each main holiday and summer shutdown inspections were undertaken at the following sites:-

- Elgin High School
- Elgin Academy
- St Gerardine's Primary School
- Greenwards Primary School
- Milne's Primary School

In total 300 items of electrical equipment were found to be left on, (excluding items in useful operation). This included 30 fridges, 36 smartboards and 182 PC monitors and televisions. Extrapolated across all schools this would represent a cost, just for the summer holiday period, of £6,916 with associated carbon emissions of 16,217 kgCO₂. These schools were subsequently advised of the inspection findings and asked to ensure items are switched off during holidays in future.

We would commend St Gerardine PS where no items were found to be left on anywhere in the school.

Planned audits and surveys to be undertaken in 2019/20 is as follows

- Botriphnie Primary School
- Aberlour Primary School
- DLO Unit 6, Mosstodloch
- Breechbrae Education Centre
- St Sylvesters Primary School
- Richmond Quarry Depot

The above properties were selected based upon their relative poor energy performance in 2018-19, and that they have not yet undergone a full energy survey.

6.3 Energy Projects

APPENDIX VI lists the energy saving projects carried out in 2018/19, including the anticipated savings in kWh and £'s for each. It also lists further energy saving projects being considered.

During 2018/19 lighting within 8 large school and sports halls was converted from an older inefficient type of lighting to LED. **APPENDIX VII** contains a graphical profile of energy consumptions pre and post project at Forres Academy Boy's Gym Hall which demonstrates the savings achieved. Based upon this measurement, the pre project predicted payback period of 3 years has been revised to 2.5 years.

A second phase of replacing older inefficient lighting with LED in large halls is being progressed in 2019/20. Properties currently being considered include Speyside

High School, Rothes Primary School, Mortlach Primary School, Lhanbryde Primary School, New Elgin Primary School and Bishopmill Primary School.

A programme of installing insulation within boilerhouses was also undertaken in 2018-19. **APPENDIX VII** contains before and after infra-red thermal pictures demonstrating the resultant reduction in heat loss.

An estate wide programme to install urinal controls across all applicable schools was undertaken in February and March 2019. Initial analysis of AMR data shows that a consumption reduction has been achieved, however it will take longer to assess the full impact of the project.

6.4 Future Energy Initiatives

Although significant progress has been made in recent years in reducing the Council's energy consumption it is considered that there is scope to achieve further significant reductions, principally as a result of:-

- (a) Further energy saving projects.
- (b) Rationalisation of the Council's property assets.
- (c) Raising corporate awareness and corporate training.
- (d) Targeting worst performing schools.
- (e) Better utilisation of BEMS and other systems to analyse accurate energy data and identify energy saving opportunities.

To achieve the target in the Climate and Ecological Emergency Declaration of carbon neutrality by 2030 it is essential to incorporate energy efficiency/carbon management as a prime consideration into all on-going work.

6.5 Funding

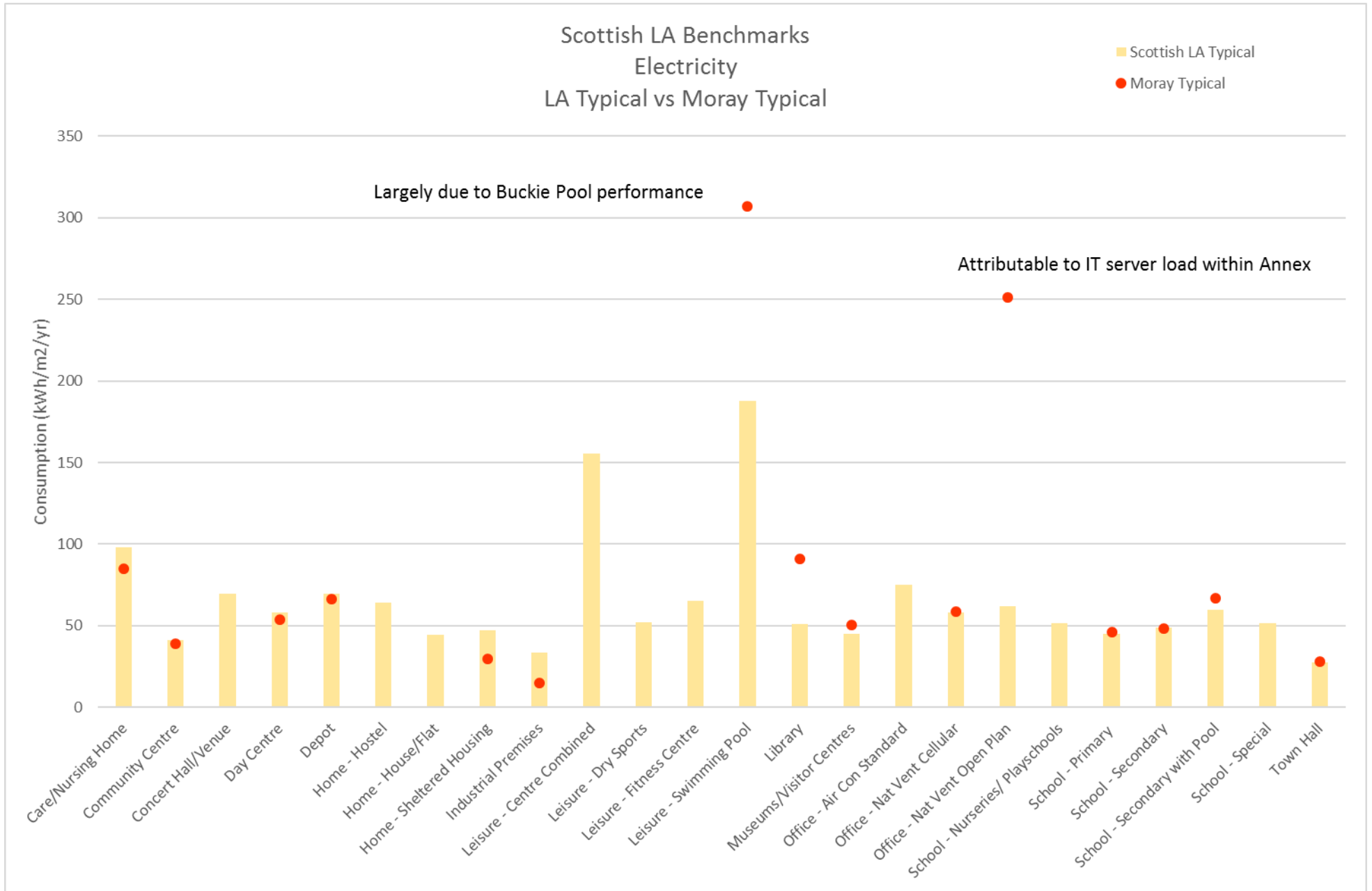
The revenue budgets for 2018/19 are as follows:-

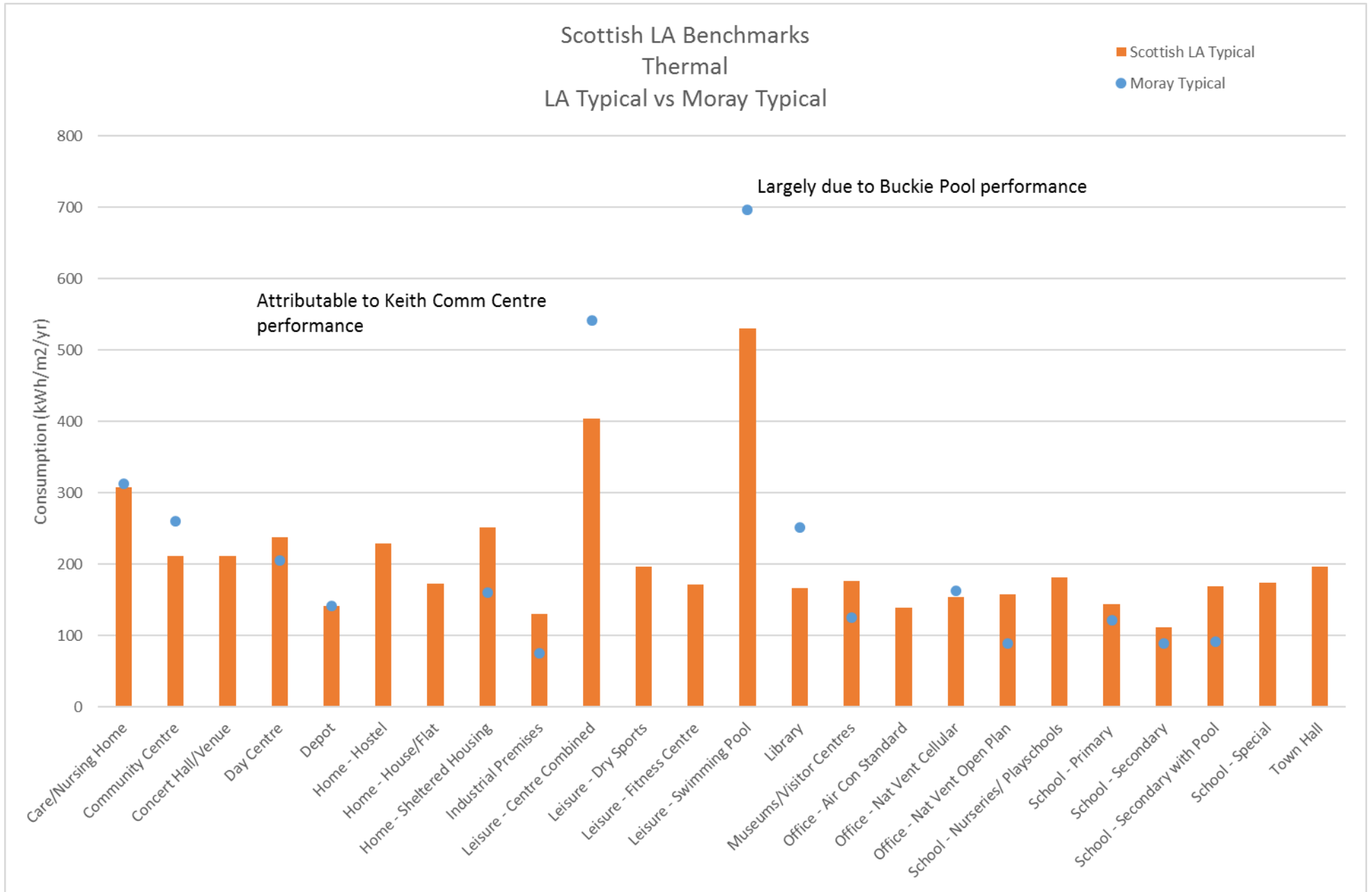
Awareness & Information	£ 3,200
Small Projects	£16,000

In addition a sum of £15,000 is allocated in the Council's 2018/19 capital plan for energy saving projects and the Energy Officer will also continue to take forward spend to save proposals.

With respect to Spend-to-Save proposals, the Council's policy is that projects must have projected payback periods of 5 years or less. This has reduced the number of projects potentially viable.

The limitations of current permissible payback periods would require to be reviewed if the Council is to achieve the target in the Climate and Ecological Emergency Declaration of carbon neutrality by 2030.





UTILITY INVOICE MANAGEMENT SAVINGS - 2018/19

Date raised	Summary	Financial Saving (£)	Comments
May-18	EDF Invoice Discrepancies - invoice dated 2 May 18	1,415	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Jun-18	EDF Invoice Discrepancies - invoice dated 15 June 18	792	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
ul-18	Water - Coularbank Business Centre Incorrect Water Charges	3,617	Units at Coularbank were being incorrectly charged. Visted site with Scottish Water to ascertain that one meter served the whole property and accounts were rebilled back to 2016.
Jul-18	Buckie Harbour Pier 1 - water meter reads misappropriated	7,626	Meter reads appropriated to the wrong meters resulting in invocie for £7626. Raised with Anglian and rebilled.
Aug-18	EDF Invoice Discrepancies - invoice dated 15 Aug 18	319	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Sep-18	EDF Invoice Discepancies - invoice dated 17 Sep 18	597	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Oct-18	EDF Invoice Discrepancies - invoice dated 15 Oct 18	684	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Nov-18	Removal of bronze charges from Gas AMR	350	5 months at £70 per month
Jan-19	9 West Road Water Meter	1,890	Water meter associated with 9 West Road actually served Brewery nearby. Investigated by Scottish Water and charges for incorrect meter refunded by Anglian Water dating back to 1.3.16
Mar-19	9 West Road Water Meter	686	See above. This is the amount paid back by Business Stream for charges dating back to 2014
Dec-18	EDF Energy zero consumption for Elgin Academy August and part Sept 2018	9,200	Issue with telephone line and HH meter at Elgin Academy resulted in zero consumption for Aug and part Sept 18
Dec-18	Water - 11 March Road East - Anglian double charge what we have already paid Business Stream for	800	Paid Business Stream for this vacant unit 2017 - 18 then Anglian charge from 2015 - 2018
Dec-18	EDF Invoice discrepancies - invoice dated 15 Dec 18	773	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Jan-19	EDF Invoice discrepancies - invoice dated Jan 19	907	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Jan-19	Faulty / Broken meter at Westerton Road South Keith not reading correctly	48,000	EDF Energy changed meter but invoiced to an erroneous reading. Challenged this with EDF providing the limited readings we had along with usage information from the site. EDF rebilled.
Jan-19	Balloch Road Keith unmetered water charges	1,235	Unmetered water charges at Balloch Road Keith refunded by Anglian Water dating back to 1.3.16. Unmetered account was found to refer to a Scottish Assessors VR Reference not at the property
Mar-19	EDF Invoice descrepancies - invoice dated 15 March 19	1,760	Sites identified within the invoice where meter reads did not follow. Raised with EDF and bills credited and rebilled.
Mar-19	Elgin High School Drainage Charges	7,369	Delays in disconnecting water meter resulted in overpayment of drainage charges for old Elgin High School
	Combined	£88,021	

INTERNAL AUDIT REVIEW - CARBON REDUCTION COMMITMENT AND ENERGY MANAGEMENT

No.	Audit Recommendation	Comments	Responsible Officer	Timescale for Implementation	Current Status
5.1	Consideration should be given to include a commitment within the Corporate Plan to reduce the Council's carbon footprint, with the aim of contributing to the long term national target established by the Scottish Government of a reduction in carbon emissions by 42% by 2020 and 80% by 2050.	This will be given due consideration when the Corporate Plan is next reviewed. A Climate Change Strategy is also currently being prepared for the council which will contain proposals for carbon reduction and related performance targets	Corporate Director (EDP&I)	31/03/2020	In May 2019 Moray Council declared a Climate Emergency and committed to producing a climate change strategy within 2019-20.
5.2	The Annual Report on Energy Strategy/ Actions should also report CO2 emissions, including comparisons with prior year figures to show the direction of travel for this key indicator.	Carbon emissions for non-domestic properties reported to Policy and Resources Committee on the 27th of November 2018	Energy Officer	Immediate	Complete
5.3	Consideration should be given to providing further analysis within the Annual Report on Energy Strategy/ Actions of the actual savings generated from each energy saving project.	The annual report will be expanded to include further analysis of carbon and financial savings from each energy saving project.	Energy Officer	With effect from Annual Report 2018/19	Complete
5.4	The Energy Supplier should be reminded to use actual meter readings wherever possible.	Actual readings are submitted monthly to suppliers by the Council. The Energy Supplier does not use the information consistently and regularly. Regular reminders will be sent to the Energy Supplier.	Energy Officer	28/02/2019	Complete

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5.5	Random sampling should be undertaken of the meter readings detailed on the Energy Supplier's Invoice to the actual recorded meter reading submitted to the Energy Section. Any concerns or queries should then be raised with the Energy Supplier.	Procedure to be developed and adopted	Energy Officer / Energy Technician	31/03/2019	Complete
5.6	The Energy Manual should be updated to include procedures for ensuring the regular checking and submission of energy consumption meter readings.	Procedure to be developed and adopted	Energy Officer / Energy Technician	31/03/2019	Complete
5.7	Consideration should be given to undertaking regular reconciliations between expenditure recorded within Team Sigma system to information supplied to FMS.	Monthly reconciliations between expenditure recorded within Team Sigma system to information supplied to FMS will be carried out.	Energy Officer / Energy Technician	31/03/2019	Complete
5.8	Consideration should be given to exploring the variance analysis functions within Team Sigma, as this may provide some additional management information of areas for further investigation or identify anomalies in energy consumption.	A study with report will be undertaken to consider the analysis functions within Team Sigma.	Energy Officer / Energy Technician	31/03/2019	Initiated and on-going during 19/20

APPENDIX V**THE MORAY COUNCIL****ENERGY POLICY AND STRATEGY – NON DOMESTIC OPERATIONAL PROPERTIES**Energy Policy – Statement of Commitment

The use of energy is vital in our operation and the provision of services to our community. The importance of controlling our energy consumption and associated carbon dioxide emissions has never been so high.

The Scottish Government set mandatory long-term targets to reduce the country's greenhouse gas emissions by 80% by 2050 in the Climate Change (Scotland) Act 2009. As a signatory to the Scottish Climate Change Declaration the Council has demonstrated its commitment to playing its part in mitigating the effects of climate change. To achieve this the Council will ensure that:-

- Energy management is fully integrated across all relevant decision making to reduce energy consumption, costs and carbon emissions in all buildings it occupies or operates.
- Sufficient resources are in place to meet the objectives of the policy.
- Energy awareness of all staff is raised and maintained within the Council.
- A Heating Policy document is used to provide guidance on the use of heating systems.
- This policy and strategy document is made public and that progress against its objectives is reported to Policy and Resources Committee on an annual basis.

Aims

- Reduce the Council's energy consumption by 2% per annum on a year to year basis.
- Ensure that the Council's position in respect of the Carbon Reduction Commitment Energy Efficiency Scheme is optimised.

Energy Strategy

Key to achieving our policy aims is to develop an Energy Strategy setting out how the policy objectives will be met.

This strategy applies to all energy use within buildings occupied or operated by the Council. The specific aims of the strategy are:-

1. To record energy and carbon consumption by using monitoring and targeting processes.
 - Energy consumption in Council buildings is monitored and the information recorded on a suitable database and reported back to the Site Responsible Person.
 - Consumption in buildings is analysed against benchmarks to identify those buildings with the best opportunities for savings.

- Energy audits will be targeted at inefficient buildings to determine what improvements can be made.
 - Energy invoices will be checked and approved by the Energy Officer for accuracy.
 - Review procedures for processing and checking energy invoices.
 - Ensure that high quality energy consumption data is collated to comply with Carbon Reduction Commitment Energy Efficiency Scheme requirements.
2. To increase awareness of energy efficiency measures.
- Improve Site Responsible Persons' and Council staffs' awareness of energy issues.
 - Provide training via internal and external advisers/experts to staff directly involved in energy saving activities.
3. Promote and develop new and innovative ways of saving energy/water.
- Include energy efficiency requirements in design briefs, planning permissions and building warrants.
 - Share information about projects with other organisations in order to spread best practice.
 - Consult an energy specialist when developing new build/refurbishment projects.
 - Implement energy efficiency projects/measures identified from site surveys and data analysis.
 - Improve use of Building Energy Management Systems.
 - Monitor compliance with corporate Heating Policy.
4. To reduce water consumption and costs and use water efficiently.
- Carry out site surveys to identify projects that will improve water efficiency and produce cost savings.
 - Implement water efficiency projects identified from site surveys.

Monitoring and Review

This policy and strategy will be reviewed annually by the Energy Officer and revisions reported to Committee for approval.

Approved by
Chief Executive

Date

ENERGY SAVING MEASURES

Projects completed 2018/19

SITE	PROJECT	APPROX COST (£)	ESTIMATED ANNUAL SAVINGS (kWh)	ESTIMATED ANNUAL SAVINGS (£)
Buckie High School	Boilerhouse Insulation	1,100	6,286	350
Mosstodloch PS	LED Lighting	496	1,650	198
Various Sites	Urinal Controls	21,000	8,000 m3	13,000
Burghead PS	Boilerhouse Insulation	2,300	20,175	605
Hythehill PS	BEMS Boiler Control	4,700	39,200	1,175
Buckie High School	External Doors Draughtproofing	1,050	14,000	420
Various Sites	LED Hall Lighting	70,000	208,300	25,000
Various Sites	Water AMR	1,855	n/a	n/a
Keith Grammar	Investigate and minimise Kitchen Ventilation	0	n/a	n/a
Keith Grammar	Optimise time settings for kitchen underfloor heating	0	2,920	350
Keith Grammar	Reduction of hours of operation of Bain-Marie's	0	667	80
Keith Grammar	Reduce temperature setting of main hall and gym halls	0	4,000	120
Keith Grammar	Undertake remedial works on dripping water taps	0	58	110
Buckie High School	Removal of supplementary electric heaters	0	580	70
Buckie High School	Substitution of uninsulated urn with hydroboil or equivalent	tbd	375	45
Buckie High School	Review and adjustment of programmed BEMS time settings	0	4,000	120
Hythehill PS	Convert Halogen lighting to LED	0	83	10
Hythehill PS	External Lighting automatic control	0	1,160	140

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Milne's HS	Removal of old inefficient lighting	0	83	10
Milne's HS	Removal of supplementary electric heaters	0	580	70
Milne's HS	Review External Lighting time control and partial conversion to LED	0	1,830	220
Milne's HS	Library spot lights converted to LED	0	83	10
Milne's HS	Review and adjustment of programmed BEMS time settings	0	3,200	95
Milne's PS	Review time and temperature settings of library AHU	tbd	2,500	300
Milne's PS	Reduction of hours of operation of Bain-Marie's	0	667	80
Milne's PS	Removal of supplementary electric heaters, repair radiant heating	0	580	70
Milne's PS	Conversion of inefficient corridor lighting with LED	0	83	10
Milne's PS	Re-Establishg pupil and staff Eco-Group	0	n/a	n/a
Various Sites	Good Energy House-keeping	0	n/a	n/a

Projects currently ongoing or in detailed feasibility stage:

SITE	PROJECT	APPROX COST (£)	ESTIMATED ANNUAL SAVINGS (kWh)	ESTIMATED ANNUAL SAVINGS (£)
Various Sites	Replacement of High bay lighting with LED	45,000	166,660	20,000
Elgin Library	Replace internal lighting	20,000	67,000	8,000
Multi-Storey Carparks	LED Lighting	30,000	150,000	18,000

Projects in planning – initial feasibility stage:

SITE	PROJECT
Elgin Library	Replace external lighting
Milnes PS	Upgrade BEMS
All sites	Valve and Pipe insulation
Hopeman PS	Roof Insulation
Llanbryde PS	External Lighting
Various Sites	Lever Taps on toilet sinks
Buckie High School	Insultion of roof space in technical block
Buckie High School	Conversion of lighting in technical block to LED

Boilerhouse Insulation – Before and After Thermal Images

Buckie HS

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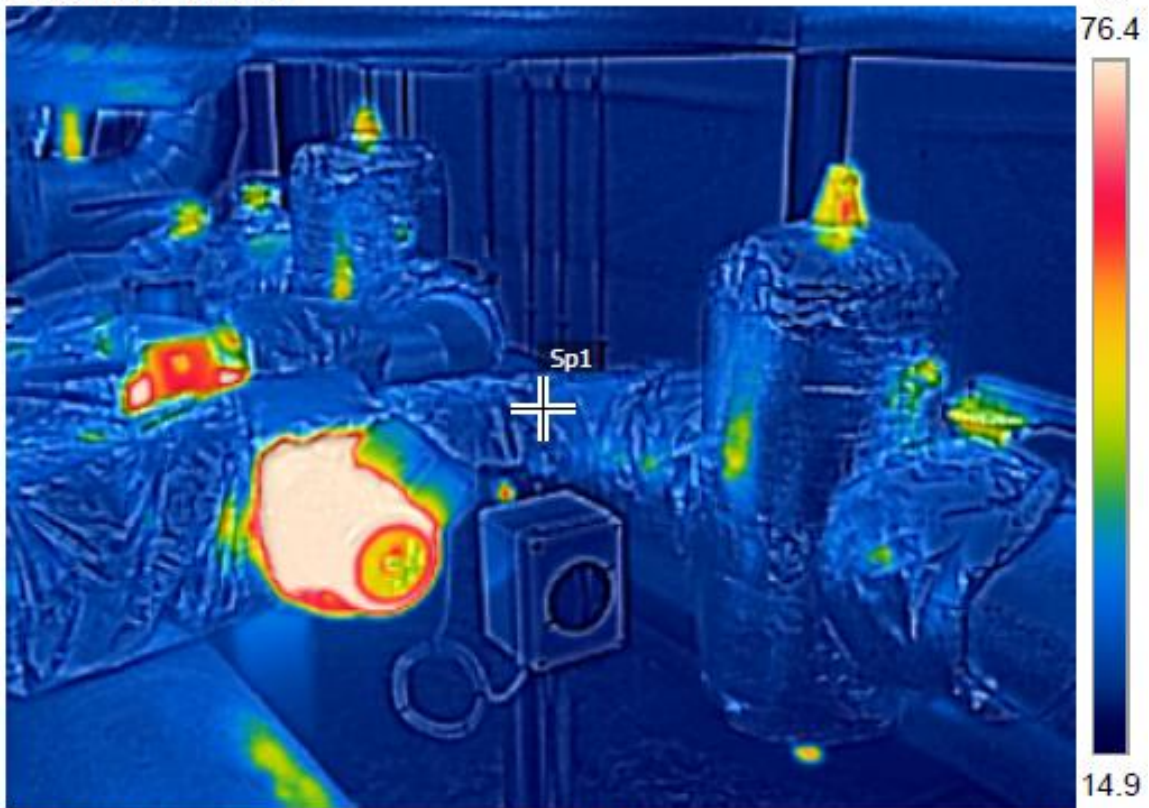
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Burghead PS



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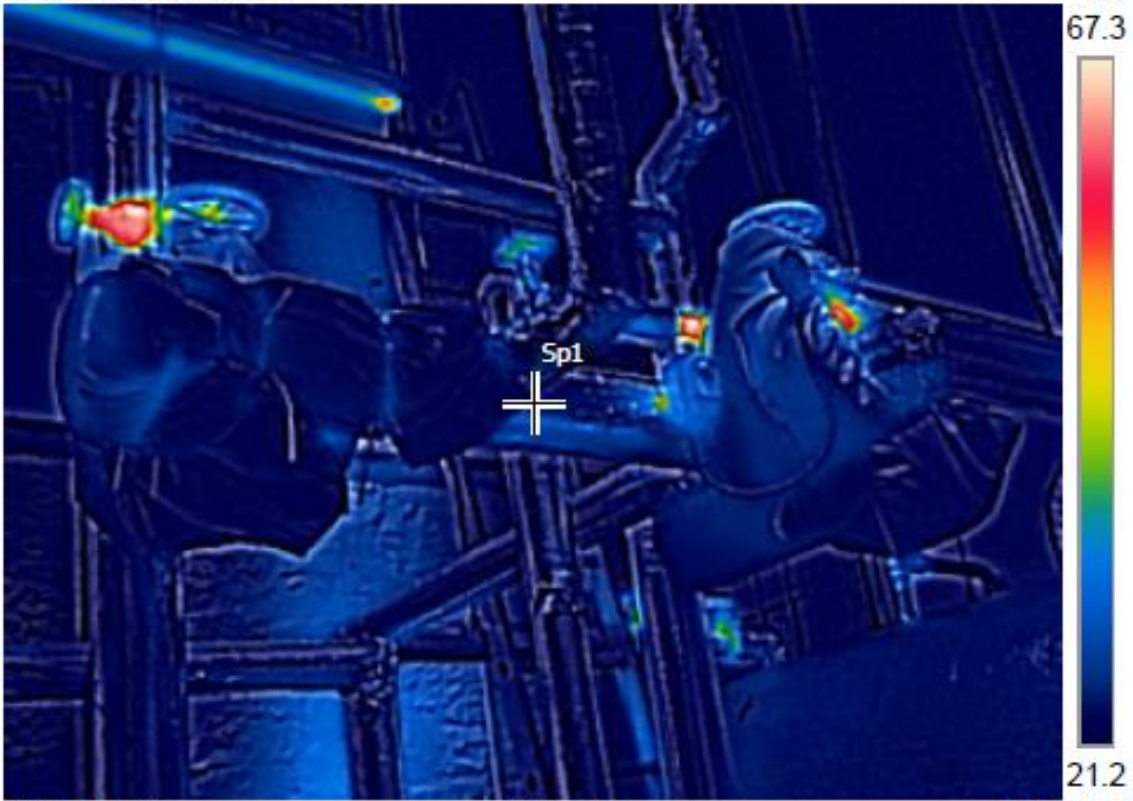


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REPORT TO: POLICY AND RESOURCES COMMITTEE 3 SEPTEMBER 2019

SUBJECT: UPDATE ON CHALLENGING BEHAVIOUR SURVEY

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To update the Committee on the results of the recent Challenging Behaviour survey undertaken in schools.
- 1.2 This report is submitted to Committee in terms of Section III (B) (27 (c)) and (30) of the Council's Scheme of Administration relating to the policy and practices of the Council for all employees, including teachers, in relation to the health, safety and welfare policies and practices of the Council.

2. RECOMMENDATION

2.1 The Committee is asked to:-

- (i) **consider the Challenging Behaviour Survey results from the survey of employees in schools; and**
- (ii) **note the next steps as outlined in the body of the report**

3. BACKGROUND

- 3.1 The Health and Safety at Work, etc Act 1974 is the primary legislation covering occupational health and safety and sets out the Council's responsibilities as an employer with regard to ensuring the health and safety of its workforce. The Council's Health and Safety Policy Statement sets out the Council's approach to the health and safety of its workforce and this is supplemented by a comprehensive Health and Safety Management System designed to ensure the Council conducts its operations safely for service users, employees and the public.
- 3.2 As part of the Health and Safety Management System there is an infrastructure of safety committees within departments. The Central Health and Safety Committee is a joint group with representation from senior managers and Trades Unions Health and Safety Officers and representatives, chaired by the Chief Executive. The group are responsible for the strategic oversight of health, safety and welfare matters within the Council. The purpose of the group is to promote co-operation between the Council and its

employees in defining health and safety priorities, then developing and instigating measures to ensure the health and safety of staff and the minimisation of loss.

- 3.3 One of the standing items on the Central Health & Safety Committee agenda is Violence and Aggression. This topic has more recently been dominated by an increase in the statistics of violent and aggressive incidents reported within schools as noted in the Council's Corporate Health and Safety Annual Reports over the last two years. These show that following an 18% reduction in 2017, the number of incidents within schools has risen by 48% within the last 12 month period.
- 3.4 Following a violent incident within a school, employees complete an Incident Report Form and these are used to formulate the statistics which are reported corporately on a quarterly and annual basis. In addition to the management review within schools where local action is taken as appropriate, the incident forms are sent to the central Education management team where each form is scrutinised and an assessment is made of any additional central support and follow up action that may be required which is then activated as necessary.
- 3.5 Each term the statistics are considered in depth by officers from the Violence and Aggression working group to ensure that appropriate supports and actions are in place both for the pupils concerned and the staff.
- 3.6 In order to investigate any underlying reasons for the increase in incidents the Central Health and Safety Committee conducted a survey of school employees (teaching and support staff) (**Appendix A**) into challenging behaviour within schools to start to quantify the scale and scope of the incidents. A joint sub group of officers and Trade Union representatives created the survey which was sent to all school staff that came into contact with pupils including Teachers, Support staff, schools catering and janitorial staff.
- 3.6 The results with initial analysis are attached as **Appendix B**. This information will now be considered by the Central Health and Safety Committee and the Violence and Aggression working group to identify appropriate areas for improved outcomes, the actions required to achieve these, resources and timescales.

4. SUMMARY OF IMPLICATIONS

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

This work supports the delivery of the priorities in the Corporate Plan and the Local Outcomes Improvement Plan in relation to providing a sustainable education service aiming for excellence and improved employee engagement and building a better future for our children and young people in Moray.

(b) Policy and Legal

The work on violence and aggression supports the council's legal responsibilities as an employer

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

The risks are as outlined in the staffing section of the report.

(e) Staffing Implications

There are risks to the mental and physical wellbeing of staff from the short and long term impact of having to deal with increasing volumes of violence and aggression from pupils. As referred to in section 3.1, as an employer the Council has a responsibility to ensure the health and safety of its workforce and this includes responding to the health and safety implications of trends highlighted within management information such as that contained within the violence and aggression statistics. To leave the situation unmanaged would mean the Council was not taking all reasonable steps to ensure the continued safety of staff coming into contact with pupils as a regular part of their day to day activities.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

The results of the survey indicate that a significant proportion of the violent and aggressive incidents that are reported arise from situations involving pupils with additional support needs either in schools with enhanced bases or within a mainstream setting.

(h) Consultations

The Central Health and Safety Committee, Violence and Aggression working group and Committee Services Officer have been consulted and comments incorporated within this report.

5. CONCLUSION

5.1 Following recent increases in the number of violent and aggressive incidents against staff reported in schools, a survey of challenging behaviour has been conducted. Initial analysis has been undertaken and improvement actions are now being considered.

Author of Report: Frances Garrow, Joint Acting Head of HR & ICT / OD Manager
Background Papers: Appendix A: Challenging Behaviour Survey
Appendix B: Initial Analysis of Survey
Ref: Annual Health & Safety Report and Appendix 1, and Appendices A and B (P & R 4 June 2019)

In order to help us better understand the types of situation you have to face, and to enable us to formulate supportive policies and staff development opportunities for you, we would like you to provide us with details of what you have to deal with in your normal day to day work. All responses will be treated in the strictest confidence and all data produced will be anonymised.

1. Please give your name. (Please note that no response will be attributed to a person or a school in any report produced.)

2. Where is your main work location?

3. What is your job ?

4. What age ranges of children do you normally work with?

Under 5s

All Primary

5 to 8

12-18

8 to 12

5. How would you describe the range of children you usually work with ?

Mainstream

Mainstream with some ASN

In a base or location specifically for ASN children

As outreach dealing mainly with ASN children

6. Have you had any training that would support your work with people exhibiting challenging behaviour?

- Yes
- No
- Please specify with rough dates.

7. Please tell us the physical behaviours children exhibit that you have to deal with and indicate how often they occur.

	Never	Rarely (every year)	Occasionally (every term)	Often (every week)	Regularly (every day)	Constantly (every hour)
Scratching	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nipping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grabbing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shoving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hair pulling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Slapping (body)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Slapping (face /head)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Butting (body)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Butting (head)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Punching (body)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Punching (face / head)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kicking (undirected)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kicking (aimed)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Biting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vandalism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Threatening use of an object to injure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using an object to injure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Threatening use of a weapon to injure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using a weapon to injure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. If you have to deal with children using objects or weapons, please specify the nature of such.

Objects

Weapons

9. Please tell us about any uses of abusive, threatening, disruptive or insulting language by children that you have to deal with and indicate how often this occurs.

	Never	Rarely (every year)	Occasionally (every term)	Often (every week)	Regularly (every day)	Constantly (every hour)
Arguing / Insolence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shouting Out / Screaming	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General swearing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insulting or sexualised swearing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Threatening Language	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making allegations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Please tell us about any situations where you need to hold or touch a child

	Never	Rarely (every year)	Occasionally (every term)	Often (every week)	Regularly (every day)	Constantly (every hour)
To stop them running off	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To prevent them from climbing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To protect them from traffic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To stop them injuring themselves in some other way	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To stop them from fighting or injuring other children	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To comfort them when distressed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To teach them a specific manual skill	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

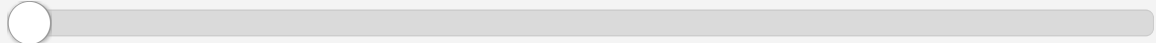
11. Please tell us of any behaviours not already mentioned that you find particularly disruptive or difficult to deal with

If you work mainly in a classroom environment, answer question 12 then miss question 13. If most of your work is outwith a classroom environment, go straight to question 13. If you often work in both environments, please answer both questions.

12. Class based staff only.

On average, what proportion of quality teaching time do you feel is lost because of having to deal with off-task behaviour ?

0% 50% 100%

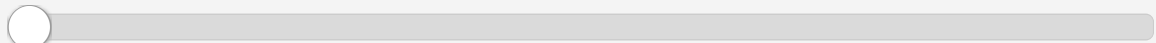


A horizontal progress bar with a white circle at the 0% mark. The bar is currently empty, indicating 0% completion.

13. Non class based staff only. (Management, Facilities etc.)

On average, what proportion of your available working time is taken up by dealing with challenging behaviour ?

0 % 50 % 100 %



A horizontal progress bar with a white circle at the 0% mark. The bar is currently empty, indicating 0% completion.

Please reflect on the behaviours you experience at work and give your thoughts on the following statements.

14. In general, I feel able to deal with the behaviours I experience?

Strongly Agree Agree Unsure Disagree Strongly Disagree



Strongly Agree Agree Unsure Disagree Strongly Disagree

A row of five radio buttons corresponding to the response options: Strongly Agree, Agree, Unsure, Disagree, and Strongly Disagree.

15. I believe that all behaviour is a form of communication

Strongly Agree Agree Unsure Disagree Strongly Disagree



Strongly Agree Agree Unsure Disagree Strongly Disagree

A row of five radio buttons corresponding to the response options: Strongly Agree, Agree, Unsure, Disagree, and Strongly Disagree.

16. I am able to analyse the behaviours I experience and change things to minimise the chances of reoccurrence.

Strongly Agree Agree Unsure Disagree Strongly Disagree



Strongly Agree Agree Unsure Disagree Strongly Disagree

A row of five radio buttons corresponding to the response options: Strongly Agree, Agree, Unsure, Disagree, and Strongly Disagree.

17. I am clear about the Council's policy on reporting incidents of work related violence.

Strongly Agree Agree Unsure Disagree Strongly Disagree



Strongly Agree Agree Unsure Disagree Strongly Disagree

A row of five radio buttons corresponding to the response options: Strongly Agree, Agree, Unsure, Disagree, and Strongly Disagree.

18. Where I work, the reporting of incidents is encouraged.

Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. I am clear about the Council's policy on physical intervention.

Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. I feel supported when dealing with challenging behaviours and we work as a team to minimise risks.

Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21. Please indicate which are the sources of support you have used when dealing with challenging behaviour. Then rate their usefulness on a scale of 1-5, 1 being the least useful and 5 being the most useful.

	Used This	Useful
Self study	<input type="text"/>	<input type="text"/>
Colleagues	<input type="text"/>	<input type="text"/>
Management	<input type="text"/>	<input type="text"/>
BSS Training	<input type="text"/>	<input type="text"/>
In Service Courses	<input type="text"/>	<input type="text"/>
Health & Safety input	<input type="text"/>	<input type="text"/>
Educational Psychology	<input type="text"/>	<input type="text"/>
ASN (School)	<input type="text"/>	<input type="text"/>
ASN (HQ)	<input type="text"/>	<input type="text"/>
ASN (Outreach)	<input type="text"/>	<input type="text"/>
Social Work	<input type="text"/>	<input type="text"/>
Medical	<input type="text"/>	<input type="text"/>
Other Pupils	<input type="text"/>	<input type="text"/>
Youth Justice	<input type="text"/>	<input type="text"/>
Parents / Guardians	<input type="text"/>	<input type="text"/>

Any other support used (please specify)

Thank you so much for taking the time to do this. Sorry for putting you through it, but hopefully from your responses we will be able to improve things for you and the children you support, and enable better teaching and learning to take place by better resource allocation.

Always remember that if at any time you are concerned about the behaviours you have to deal with, speak to your line manager or head teacher in the first instance. Your Union representative is also there to support you if required.

Challenging Behaviour Survey 2019

Respondent Data

The survey was sent to all school staff who came into contact with pupils including Teachers, Support staff, school catering and janitorial staff.

There were 443 responses across Education out of a possible 2250 which is a response rate of 20%.

Question 2 - Work locations of respondents were as follows:

Work Location	Count	Percentage
Primary (including nurseries)	229	51.69%
Secondary	206	46.50%
Beechbrae	3	0.68%
No response	5	1.13%
Total	443	100%

Question 3 - Job categories of respondents:

Job Title	Count	Percentage
Catering	13	2.93%
Janitorial	8	1.81%
Other (please specify)	37	8.35%
PSA	85	19.19%
School Admin	12	2.71%
School Management	25	5.64%
Teacher	258	58.24%
Teaching Assistant	4	0.90%
Blank	1	0.23%
Total	443	100%

“Others” included SFL teacher, Head Teacher, Principal teacher, Classroom assistants, General assistants, Home school link workers, nursery staff, Librarians and NQTs

The above have been grouped the following categories to provide more clarity as some who were teaching staff had ticked the ‘other’ category:

Teaching (all Teachers, NQTs and PTs with class time except Heads and deputes)

Classroom Support (PSAs, Classroom assistants, General Assistants, nursery staff, Teaching assistant)

School Management (Head teachers and Depute Heads)

Other (Janitorial, catering, HSLW, Librarians, school admin and technicians)

Question 4 - Range of children worked with

A higher total count was produced for this as some respondents ticked more than 1 option.

Range	Count	Percentage
Mainstream	70	15.49%
Mainstream with some ASN	330	73.01%
In a base	46	10.18%
As Outreach	6	1.33%
Total	452	100%

Question 6 - Respondents who have had training to support work with challenging behaviour

Yes – 48%, No – 51%, No response – 1%

Training per grouping of staff

Training given	Teachers	Classroom Support roles	School Management	Other school roles
Yes	35%	60%	70%	13%
No	65%	40%	30%	87%

Question 7 – Physical behaviours children exhibit and how often

The following physical behaviours were reported by respondents:

Behaviour	Percentages of behaviours dealt with and their frequency					
	Constantly	Regularly (every day)	Often (every week)	Occasionally (every term)	Rarely (every year)	Never
Scratching	0.25%	2.96%	8.13%	18.72%	21.92%	48.03%
Nipping	0%	4.39%	8.54%	19.27%	20.49%	47.32%
Grabbing	0.72%	9.18%	23.19%	24.88%	15.22%	26.91%
Shoving	1.18%	14.45%	29.38%	24.17%	14.45%	16.35%
Hair Pulling	0%	0.75%	2.99%	14.43%	26.87%	54.98%
Slapping (body)	0.73%	5.57%	16.46%	23.24%	20.1%	33.9%
Slapping (head)	0%	2.97%	10.15%	20.79%	22.28%	43.81%
Butting (body)	0%	1.74%	7.96%	18.91%	17.16%	54.23%
Butting (Face/Head)	0%	0%	2.76%	10.05%	23.37%	63.82%
Punching (Body)	0%	3.38%	13.04%	26.57%	23.67%	33.33%
Punching (Face/Head)	0%	2.02%	7.05%	17.13%	25.44%	48.36%
Kicking (undirected)	0.97%	6.81%	16.30%	27.74%	19.95%	28.22%
Kicking (aimed)	0.24%	5.12%	14.15%	28.78%	19.76%	31.95%

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Biting	0%	1.48%	2.71%	12.07%	21.18%	62.56%
Vandalism	1.19%	5.95%	21.67%	31.67%	23.10%	16.43%
Threatening use of an object to injure	0.24%	2.17%	7.25%	17.39%	25.60%	47.34%
Using an object to injure	0.25%	1.49%	4.22%	13.15%	24.31%	55.58%
Threatening use of a weapon to injure	0.25%	1.72%	1.48%	5.91%	17.98%	72.66%
Using a weapon to injure	0.25%	1.23%	1.23%	3.19%	11.52%	82.60%

Reports of behaviours exhibited **constantly** were low. Shoving and Grabbing appear to occur most commonly and frequently.

Question 8 - Objects and weapons used to injure

184 respondents listed objects that had been used to cause injury including stationary and other school equipment.

35 respondents listed weapons used as penknives, screwdrivers, scissors, and sticks and stones.

Question 9 - Most frequently exhibited use of abusive, threatening, disruptive or insulting language by children

	Use of abusive, threatening, disruptive or insulting language by children and their frequency in percentages					
Language used	Constantly	Regularly (every day)	Often (every week)	Occasionally (every term)	Rarely (every year)	Never
Arguing	11.39%	34.62%	28.25%	17.54%	6.15%	2.05%
Shouting out/screaming	14.16%	31.28%	27.85%	15.98%	7.08%	3.65%
General Swearing	6.83%	28.02%	26.42%	20.05%	13.21%	5.47%
Insulting or sexualised swearing	1.42%	10.61%	19.10%	24.53%	18.40%	25.94%
Threatening language	1.17%	10.05%	18.22%	25.70%	23.60%	21.26%
Making allegations	1.42%	5.92%	13.03%	20.62%	20.62%	38.39%

Question 10 - Situations when required to hold or touch a child

	Situations when staff needed to hold or touch a child and their frequency in percentages					
Situation	Constantly	Regularly	Often	Occasionally	Rarely	Never

		(every day)	(every week)	(every term)	(every year)	
To stop them running off	1.17%	5.36%	6.76%	11.42%	17.95%	57.34%
To prevent them from climbing	0.94%	4.71%	4.24%	8.24%	13.88%	68.00%
To protect them from traffic	0%	1.65%	3.07%	8.27%	15.60%	71.39%
To stop them injuring themselves in some other way	1.16%	4.19%	7.21%	15.12%	24.42%	47.91%
To stop them from fighting or injuring other children	0.46%	4.87%	6.96%	20.65%	28.31%	38.75%
To comfort them when distressed	0%	8.62%	17.72%	23.31%	13.29%	37.06%
To teach them a specific manual skill	0.71%	6.82%	11.53%	19.29%	15.06%	46.59%

Question 11 – Behaviours not already mentioned that respondents find particularly disruptive or difficult to deal with

Examples of themes here included:

Aggression or harm to other pupils

- “aggressive behaviours to other children and staff. threat of violence and harm to other children. ignorance and disrespect of children when asked to do something”
- “interrupting other children or teacher when they are talking”

Mental health including threats of Self-harm

- “It has been difficult when we have a child in the school that talks about wanting to kill himself because he is depressed”
- “Children in a highly agitated/distressed state putting themselves and others at significant risk of harm. Climbing out of upper storey windows, threatening to jump off fire escapes or climbing stairway.”
- “Behaviours and reactions in relation to mental health issues and concerns.”

Parents

- “Rude, abusive behaviours from parents. Parents colluding with children allowing them to behave in certain ways and creating smokescreens for their behaviour - usually blaming the school.”
- “Parental verbal threats / veiled threats. Expectations of colleagues that SLT should solve all the problems or remove pupils from their classes”
- “Aggression and abuse from parents/family members”

Spitting

- “Spitting. Behaviours change very much from year to year as they are very dependent on the current children in school. We manage our trickiest children as best we can but inevitably they go through ups and downs.”
- “Spitting, physical aggression”

Walking out of class and hiding

- “Walking out of class Walking away from a conversation”
- “hiding under tables and chairs, running off to hide in the bathrooms”
- “hiding under tables”

Question 12 & 13 – Proportion of time lost because of having to deal with off-task behaviour/challenging behaviour.

Type of staff	Respondents spending 50% or less time	Respondents spending more than 50% of time
Class-based	78%	22%
Non-class based	75%	25%

Questions 14-20 – Behaviours experienced at work and thoughts on particular statements

Statement	% Strongly agree	% Agree	% Unsure	% Disagree	% Strongly disagree
In general, I feel able to deal with behaviours I experience	13.83	56.01	17.01	11.56	1.59
I believe that all behaviour is a form of communication	23.76	46.15	15.16	12.90	2.04
I am able to analyse the behaviours I experience and change things to minimise the chances of reoccurrence	7.73	48.64	26.36	15.45	1.82
I am clear about the Council’s policy on reporting incidents of work related violence	18.95	49.77	18.26	10.73	10.73
Where I work, the reporting of incidents is encouraged	28.31	41.78	15.98	12.10	1.83
I am clear about the council’s policy on physical intervention	9.07	37.87	31.75	15.65	5.67
I feel supported when dealing with challenging behaviours and we work	15.91	45.23	15.91	17.27	5.68

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as a team to minimise risks					
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Question 21 - Sources of support

	All Staff			
	Yes %	No %	Unaware %	Useful % (Ratings of 4 + 5)
Self Study	78	15	7	46
Colleagues	98	1	1	81
Management	93	5	2	50
BSS Training	18	40	42	24
In Service Courses	54	36	10	21
H&S Input	29	53	18	25
Educational Psychology	45	46	9	28
ASN (School)	78	19	3	60
ASN (HQ)	14	70	16	25
ASN (Outreach)	22	62	16	31
Social Work	24	66	10	13
Medical	25	63	12	23
Other Pupils	45	51	4	31
Youth Justice	12	74	14	24
Parents/Guardians	67	30	3	22

Support sources broken down into the different employee groups

	Teaching			Management			Classroom Support			Others		
	Yes %	No %	Unaware %	Yes %	No %	Unaware %	Yes %	No %	Unaware %	Yes %	No %	Unaware %
Self Study	86	11	2	86	10	3	60	19	21	36	46	18
Colleagues	98	2	0	100	0	0	100	0	0	90	7	3
Management	96	3	1	96	4	0	88	12	0	89	4	7
BSS Training	9	41	50	50	38	12	34	36	30	10	35	55
In Service Courses	48	42	10	58	34	8	77	17	6	15	60	25
H&S Input	22	60	18	56	40	4	36	44	20	44	30	26

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Educational Psychology	46	46	8	88	12	0	30	54	16	20	55	25
ASN (School)	80	18	2	92	8	0	76	18	6	33	48	19
ASN (HQ)	9	78	13	79	21	0	14	62	24	0	70	30
ASN (Outreach)	19	69	12	80	20	0	12	57	31	22	50	28
Social Work	24	70	6	88	12	0	9	70	21	14	67	19
Medical	23	68	9	79	13	8	17	63	20	14	67	19
Other Pupils	47	51	2	76	24	0	37	55	8	14	72	14
Youth Justice	12	76	12	52	44	4	2	75	23	5	75	20
Parents/Guardians	72	26	2	100	0	0	47	47	6	50	36	14



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: MODERN APPRENTICESHIPS UPDATE

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To advise the Committee of the current situation in respect of apprenticeships within Moray council, current issues impacting on progress and consider options available.
- 1.2 To seek the Committee's decision on the progress being made towards the establishment of a council wide programme of work to support the employment of young people through apprenticeships and training posts with the council.
- 1.3 This report is submitted to Committee in terms of Section III (B) 27(c) of the Council's Scheme of Administration relating to the recruitment, training and development, health, safety and welfare policies and practices of the Council.

2. RECOMMENDATIONS

2.1 It is recommended that the Committee:-

- (i) **considers and notes the current situation in respect of apprenticeships within Moray Council, current issues impacting on progress and options available; and**
- (ii) **provides guidance as to the approach preferred, if any, to the employment of young people through apprenticeships.**

3. BACKGROUND

- 3.1 On 24 October 2017, this Committee agreed to endorse the establishment of a council wide programme of work to support the employment of young people through apprenticeships and training posts within the council, and that work should be undertaken to investigate the possibility of the expansion of the Council and extended community options (paragraph 5 of the minute refers).

3.2 The report to that Committee noted that whilst various levels of funding are available to support training, the costs of employment must be met by the Council and so the financial position limited what could be considered. There were also issues of capacity related to the additional pressure that on the job training and support requires for an employee in training would place on services and staff when resources are already stretched. However, it was recognised that the Council has experience in apprenticeships and training and so it was proposed to build on that and to adopt an incremental model to a council wide apprenticeship programme that could be reviewed and directed appropriately as it progressed. The following stages of development were identified for the work agreed by the Committee in October 2017:

- i) **Development of Current Apprenticeships:** continue with trade and other apprenticeships within each service to meet service requirements.
- ii) **Introduce New Apprenticeship frameworks:** designate existing posts in services as suitable for apprenticeships and establish new modern apprenticeships or other appropriate training arrangements. This would be undertaken as part of annual workforce planning activities and would be accommodated within existing budget and resources over a 5 year period.
- iii) **Expanded Council Apprenticeship and Training Programme:** Development of new apprenticeships that bring advantage to a) the council as an employer and b) the Moray local economy. There would be employment costs associated with any additional apprentice roles it was decided to create.
- iv) **Extended Community Apprenticeship and Training Programme** Consideration of the development of apprenticeships that would be excess to council requirements as an employer and so would provide a supply of skilled labour for the wider community.

4. **CURRENT POSITION**

- 4.1 The Council currently employs 20 apprentices, of which 9 are working as Modern Apprentices (MAs) within Early Years and Administration roles. The remaining 11 apprentices are working within Craft roles.
- 4.2 There are a number of apprenticeship frameworks that are relevant to Council services including Accounting, Care Services and Leadership, Childhood Practice, Social Services (Children and Young People), Construction (in different specialisms), Engineering, Facilities Services/Management, IT and Telecommunications, Payroll, Procurement, Youth Services. To date, the ones that appear to be most popular though, apart from the traditional Craft apprenticeships, are those related to administration.
- 4.3 Eligibility for MA funding has three main groupings: 16 – 24, 25+ and 20 – 29 years for disabled or care experienced young people.

- 4.4 As a result of the financial pressures within the council, further development work has been put on hold and limited progress has been made in implementing new apprenticeship frameworks as described above.
- 4.5 While there remains an appetite in services to support the engagement of further modern apprentices barriers including lack of budget to create new posts and capacity to invest time and training to develop the apprentice in the role have hampered progress. Additionally the lack of a central co-ordinator was also a factor as that would have been useful in managing any corporate programme.
- 4.6 Graduate Apprentice (GA) frameworks are considered to be of higher value by some departments with professional services as this investment would support the council to 'grow our own' in some of the hard to fill specialist and professional posts and to enable structured succession planning. The significant mentoring and support requirements required from the Council however are seen as challenging for services operating with already stretched resources. Combined with the limited range of GA frameworks that are available in this area that would be relevant to council services, it is anticipated that a significant investment in GAs is unlikely and that opportunities will be taken on an ad hoc basis rather than a planned programme.

5. OPTIONS FOR THE WAY FORWARD

- 5.1 Whilst the value in supporting the development of the young workforce is not in question, the practicalities of implementation have proven difficult in the climate of financial constraint and service pressures. It is unlikely that this position will change so that the project can be progressed effectively if there remains limited budget, capacity and resources. Committee are asked to consider the following options in relation to the delivery of the council's approach:
1. **No change:** continue current approach within resources and budget. No new action will be taken to develop or accelerate engagement of young people via Modern Apprenticeships (MA). However, services will continue to employ an MA and offer training positions when they have capacity and budget to do so.
 2. **Internal promotion of Modern Apprentice** opportunities for training to the current workforce. Apprenticeship options could be identified to employees in post and for vacant posts which may be able to be converted to an apprenticeship position or where there could be access to training via the apprenticeship scheme and would include graduate apprenticeships. This option would require some level of central coordination initially and a time limited financial investment would be required to enable this work to be undertaken and services set up to manage this individually moving forward. It is anticipated that a 0.5 fte Assistant HR Adviser post would be required to undertake this work for an initial 12 month period until the necessary infrastructure with regard to policy, practice and procedure were set up with a view to mainstreaming the work into the core HR resource thereafter. This would equate to approximately £19,000 in terms of budget required for the post.

3. **Implement a council wide Apprenticeship and Training Programme:** As described above in section 3. Review of the range of apprenticeship frameworks and other training options on offer to identify the advantage they offer in terms of a) the council as an employer and b) the Moray local economy. Based on this an assessment would be undertaken to determine the merits of funding additional apprenticeships for a council programme. There would be employment costs associated with any additional apprentice roles it was decided to create and additionally this would require some additional resource to enable and support delivery. It is anticipated that a full-time HR Adviser post would be required to undertake this work for an initial 12 month period with a review at 9 months to consider the progress and the future options and resources that would be required. This would equate to approximately £51,500 in terms of budget required for the post.

6. **SUMMARY OF IMPLICATIONS**

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

The proposals are supportive of the priorities in the current corporate plan and those emerging in the Loip in terms of developing the young workforce.

(b) **Policy and Legal**

None

(c) **Financial Implications**

There are no financial implications from continuing the current approach. However, this is having limited impact on the development of modern apprenticeships in the council. There would be costs associated with options 2 and 3 and guidance is sought on whether to proceed to explore these options and identify associated costs before proceeding.

Option 2: £19,000 0.5 fte Grade 7 Assistant HR Adviser temporary post for 12 months

Option 3: £51,500 1 fte Grade 9 HR Adviser temporary post for 12 months as initial costs with the likelihood that implementation of an apprenticeship programme would also require further budget allocation for new posts.

Corporate Management Team Additional Expenditure Warning

When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed. In making this determination the committee should consider:

- Is there a statutory requirement to incur the expenditure?

- Are there any alternative actions available to avoid or reduce the cost?
- Are there alternative ways in which the service could be provided?
- What are the risks and consequences of not allocating the funding?
- Does the expenditure contribute to long term financial stability?

If in light of these factors the spend is considered essential, Committees should consider how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should request be made to the Council for additional budget allocation.

If the additional spend recommended in this report is approved, this will increase the savings targets by £19,000 or £51,500 for 2020/21 and £51,500 for 2021/22 depending on what option is approved.

While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.

(d) Risk Implications

The workforce strategy and plan are based on assessment of the issues and risks anticipated in relation to the council's workforce and identify actions to address these. The engagement of a corporate approach to apprentices has been identified as a means to addressing some of the issues highlighted in relation to our commitments under supporting delivery of Moray 2026 Plan for the future and supporting the Developing Young Workforce initiative.

(e) Staffing Implications

There are no staffing implications arising from this report. However, dependant on the agreed way forward this may result in additional resources being requested and a follow up report would be submitted to Committee if option 2 or 3 was agreed.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

This report supports the employment of young people who are under-represented in the council workforce.

(h) Consultations

This report has been circulated to CMT-SMT and the Committee Services Officer and their comments are included within the body of the report.

7. CONCLUSIONS

- 7.1 The establishment of a council approach to apprenticeships and training for young people was agreed by the Policy and Resources Committee in October 2017. There have been difficulties in progressing this due to the Council's financial position, managing service pressures and the lack of specific resource for the project. Therefore, there has been limited progress made. This report seeks to clarify the priority to be given to the development of modern apprentices within the council and as a result the budget and resource that can be allocated to this work if an increased focus is identified.**

Author of Report: Anne Smith, Senior HR Adviser
Background Papers:
Ref: P & R 24 October 2017



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: ELGIN BUSINESS IMPROVEMENT DISTRICT – RENEWAL BALLOT

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)

1. REASON FOR REPORT

- 1.1 To inform Committee on the renewal ballot for the Elgin Business Improvement District (BID) and to seek the Committee's approval to support the proposals.
- 1.2 This report is submitted to Committee in terms of Section III (B) (7) of the Council's Scheme of Administration relating to dealing with the administration of the levy, collection and payments.

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- (i) agrees to approve the Elgin Business Improvement District (BID) proposal and business plan for 2020 – 2025 (APPENDIX II); and**
- (ii) vote in favour at the ballot stage for the minimum annual levy cost of £17,300, which is within the current budget for the levy**

3. BACKGROUND

- 3.1 As reported to the Economic Development & Infrastructure Committee on 19 February 2019 (paragraph 11 of the minute refers), Elgin BID became operational on 1 February 2010 with the establishment of the City of Elgin BID Ltd comprising of a board of 14 directors.
- 3.2 Building on the success of the previous and present Elgin BID, it is proposed to secure a further 5 year mandate through a re-ballot process. The request along with highlights of what has been achieved by the BID is enclosed as **APPENDIX I.**

- 3.3 The first two phases of Elgin BID focused on transformational infrastructure projects through the Town Centre Fund, Elgin CARS and Castle to Cathedral to Cashmere project with Council being the lead & delivery body for these partnership projects with Elgin BID having taken an active role in these initiatives.
- 3.4 Over the years Elgin BID has been delivering an evolving programme of various initiatives, events, marketing, promotion, business engagement and support alongside with offering a small grants scheme. As the Moray Council's contribution of £520,000 to cover all administration costs for 10 years enabling all levy payments to be invested in projects and services is coming to an end, it means for the next phase Elgin BID will be more limited in investments unless external funding can be secured.
- 3.5 Under the legislation, which governs the Scottish Business Improvement Districts, the Local Authority has to consider the proposal and business plan for a BID. A Local Authority has the right to veto, if for example it conflicts with any Planning Acts or for reasons such as the proposed levy would create disproportionate or unreasonable financial burden amongst rate payers. However any appeal against a veto will be decided by the Scottish Ministers.
- 3.6 The full details are contained in **APPENDIX II** and **APPENDIX III**.
- 3.7 A programme of business and community consultation has taken place over the past 12 months. In total, information was gathered from 147 different businesses, representing 36% of the membership with 21% stating their support so far. It was the outcome of these consultations that identified the business member's priorities and projects for Phase 3. In addition to the business members input, meetings, surveys and consultations were carried out with the following:
- **Independent Shoppers** - A team of 4 staff from North Highland Events and Promotions conducted surveys in the Out of Town Retail developments and in the City Centre. In total 200 surveys were carried out, 100 in each location.
 - **Young people** - 74 young people completed our "Your City, Your Views – Young Persons survey", this was achieved through links at Elgin Youth Café and Elgin Academy.
 - **Moray Council Elected Members** - A drop-in session was hosted by the Board of Directors for the Moray Councillors, providing an opportunity to ask questions, seek clarity and make suggestions about future activities. In total 13 Councillors took advantage of the opportunity, the equivalent of 50% of the elected members.
- 3.8 The proposal is to retain the 2015 – 2020 BID boundaries, the existing levy rate at 1.6% of the rateable value of non-domestic properties falling within the BID area alongside the management and operational arrangements.
- 3.9 A minimum levy of £60 is proposed, payable for all non-domestic properties liable to pay the non-domestic rate within the Elgin BID area, having a rateable value of up to £5,000. A maximum levy of £9,760 is proposed for

non-domestic properties liable to pay the non-domestic rate having the rateable value of £610,000 and above.

- 3.10 The annual levy will be linked after the first year to the Consumer Price Index (CPI) on the 1 of December of each year. Any increase in the CPI at that date will result in a corresponding increase in the following year's BID levy or any revaluation of the non-domestic rate during the term of the BID. The BID Board reserves the right not to implement the annual CPI increase should they deem it appropriate.
- 3.11 It is proposed to exempt lock-up garages, car parking, advertising stations and the city substation from the BID levy. Zero Rated properties will also be exempt in order to support their business owners as they develop their properties. As soon as these properties are liable for a Rateable Value, they will be eligible to pay the levy at a rate of 1.6%. Charitable status or mandatory charitable relief will not apply to the BID levy, as all will benefit from an improved environment, projects and services.
- 3.12 It will be the responsibility of Moray Council, as billing agent, to administer the billing process and the collection of the levy. It will deal with all enquiries concerning the payment of these demand-notices. All other enquiries concerning the demand-notices will require to be answered by a representative of the BID Company.
- 3.13 Elgin Bid will be liable to pay for the cost of the administration, collection and recovery cost of the levy. It consists of £6,098.13 annual cost for administration and £5,657.20 of annual cost for additional software requirement, subject to confirmation by the supplier.
- 3.14 The Taxation Team has previously made use of the council's corporate invoicing software to raise and administer BID's invoices. There have been a number of limitations in working in this way, which created inefficiencies and required a number of time consuming work arounds. The burden which resulted from working in this manner would be exacerbated if it was also necessary to administer the Tourism Bid.
- 3.15 The Taxation Team's software supplier now provides a module, which works in conjunction with the existing Non-Domestic Rates software suite. The use of this module would simplify administration of a single BID, and would make it possible to administer two BIDs within the staffing resources available to the Taxation Team.
- 3.16 The total annual cost to the Elgin BID is £11,755.33, however if the proposed Tourism BID is also successful with their ballot, the software charge would be shared and the cost will be reduced to £8,926.73.
- 3.17 **Key Dates and Ballot** – Under the legislation, 98 days' notice is required to the Scottish Government and Local Authority with the final BID business plan and proposal being submitted by 21 August 2019. The ballot procedure has been sub-contracted to the Electoral Reform Society, which has carried out the majority of BID ballots in the UK including the Elgin BID ballot in 2009 and 2014. The key dates are:

- Publish notice of the ballot by 2 October 2019
- Ballot papers to be issued by 16 October 2019
- Final day for voting papers to be received by 27 November 2019
- Announcement of ballot results by 28 November 2019

4. SUMMARY OF IMPLICATIONS

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

The Elgin BID renewal ballot proposal will contribute to the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

The legislations which implement BIDs in Scotland are:

- The Planning etc (Scotland) Act 2006 (Part 9)
- The Business Improvement Districts (Scotland) Regulations 2007
- The Business Improvement Districts (Ballot Arrangements) (Scotland) Regulations 2007 and
- The Planning etc (Scotland) Act 2006 (Business Improvement Districts Levy) Order 2007

Under the legislation where the local authority is of the view that the BID proposal or renewal and preliminary procedures conflict with a policy formally adopted and published by the authority, the authority shall notify the BID proposer in writing explaining the nature of that conflict.

A local authority can veto a detailed BID proposal if it conflicts with any of the above Acts or for reasons such as the proposed levy would create disproportionate or unreasonable financial burden amongst rate payers. However an appeal against a veto will be decided by the Scottish Ministers.

As in the present Elgin BID arrangements, any proposed improvement projects and services will be in addition to any existing provisions provided by Moray Council and Community Planning Partners. It is intended to continue the operational agreement between Moray Council and City of Elgin BID Company, which will be updated in consultation with Legal to reflect all changes.

(c) Financial implications

Corporate Management Team Additional Expenditure Warning
When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years . All financial decisions must be made in this context and only

essential additional expenditure should be agreed. In making this determination the committee should consider:

- *Is there a statutory requirement to incur the expenditure?*

Should the ballot be successful, Moray Council would be liable to pay a levy for its properties in the BID area. For the financial year 20/21 the levy liability is £17,300 for seven office buildings, one community centre, one library and one store. On the assumption of a 2.5% index linked annual increase, it could rise by year 5 to £19,095. There is a budget for the levy at its current level. Any inflationary increases will be an additional cost to the Council.

Are there any alternative actions available to avoid or reduce the cost?

Should the Council vacate or dispose of any of the buildings the levy liabilities would be reduced.

Are there alternative ways in which the service could be provided?

The Elgin BID proposal is offering a comprehensive Town Centre service for the businesses and it is unlikely that an alternative model could provide this.

- *What are the risks and consequences of not allocating the funding?*
The non-domestic rateable value of all the Council buildings in the Elgin BID area is £1,080,900. Should the Council decide to either not vote or vote no in the ballot, it would have a major impact on the likelihood of a successful outcome of the renewal ballot as the Council is the highest levy payer in the Elgin BID area in terms of non-domestic rateable value.
- *Does the expenditure contribute to long term financial stability?*
No

If in light of these factors the spend is considered essential, Committees should consider how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should request be made to the Council for additional budget allocation.

The present annual budget allocation for the Elgin BID consists of administration support of £55,000 and levy payment of £17,300, which comes to an end this financial year. Should the re-ballot process be unsuccessful, it would present a savings of levy payment.

If the savings recommended in this report are approved, this will reduce the savings target by a minimum of £17,300

Should the re-ballot process be successful, the budget allocation for the levy would be over a five year period for the Council properties in the Elgin BID area.

While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the Council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.

It is proposed that the levy would be paid for from the Council's Property Services for Corporate Buildings budget.

The annual administration charge for billing and recovery process of the levy is £6,098.13. The annual software charge is estimated to be £5,657.20 subject to confirmation by the supplier. The total annual cost to the Elgin BID is £11,755.33, however if the proposed Tourism BID is also successful with their ballot, the software charge would be shared and the cost will be reduced to £8,926.73.

(d) Risk Implications

There are no risk implications arising from this report. The Elgin City Centre BID Company will take steps to assess and minimise any risks whether financial or otherwise through its monitoring and evaluation systems. A contingency budget has been set aside in the financial table as outlined in the business plan to cover any unforeseen circumstances.

(e) Staffing Implications

The Economic Growth & Regeneration section will continue to work with the Elgin BID company to support any developments and external funding opportunities.

(f) Property

Moray Council would be liable to pay a levy for presently 10 properties within the Elgin BID area at a non-domestic rateable value of £1,080,900.

(g) Equalities/Socio Economic Impact

There are no equalities/social economic impacts arising from this report.

(h) Consultations

The Corporate Director (Economic Development Planning & Infrastructure), the Head of Development Services, the Head of Financial Services, the Legal Services Manager, the Equal Opportunities Officer, Head of Housing & Property, Taxation Manager and Tracey Sutherland, Committee Services Officer have been consulted and comments received have been incorporated into the report.

5. CONCLUSION

- 5.1 The Elgin BID has proven to be a sustainable regeneration model for the City Centre. It is democratic, time bound, accountable and provides a clear mandate for actions. It relies on a strong, committed and solution orientated partnership with a clear vision and leadership.**
- 5.2 The close partnership work has enabled to attract substantial additional investments into Elgin – none could have been achieved by a single organisation.**
- 5.3 A successful renewal ballot of the Elgin BID will enable implementation of further actions and priorities and ensures a vibrant future for the City Centre.**

Author of Report: Reni Milburn, Economic Growth & Regeneration Manager
Background Papers: Proposals, correspondence and reports on file in
Environmental Services
Ref:

Elgin BID is an independent, not for profit company which works for and with the businesses in Elgin City Centre.

A BID is not a replacement for statutory services, or investment by statutory authorities such as the Moray Council or Police Scotland, it provides additional investment and value, the work undertaken by the BID company is directed by the business members.

Scottish Government legislation ensures that the ballot process is democratic, fair and clearly governed.

Elgin BID are exceptionally grateful for the financial support provided by the Moray Council over the last 10 years. The Directors want to assure the elected members that our request for support does not include a request for grant funding. Tight operational and governance processes have ensured that going forward the company will be able to operate successfully within the budget generated by the BID levy.

What has been achieved

(small snapshot, for further details please see Annual reports available on BID website)

The vacant shop rate has dropped from 17.15% in November 2015 to 8.25% in May 2019, Elgin BID has directly contributed to this by -

- Marketing vacant properties
- Conducting viewings of buildings
- Supporting new start businesses looking for premises



Developed long term and strong working relationships with Business Gateway with ongoing collaboration and referrals between the two agencies, ensuring that new businesses are given a wide range of support, advice and information

Elgin BID Facebook profile has grown by 96% since May 2016, through greater engagement with the public. Elgin BID Social media platforms widely used to market the business members and City Centre, providing the only co-ordinated marketing for the BID area

The private sector investment of the Elgin businesses over the last 5 years has acted a catalyst for match funding, providing in excess of £4 million pounds of investment, and given work to trades people across Moray

Elgin Gift Card - accepted in 87 businesses, supporting the shop local message

Co-ordinate collective purchase to reduce members costs

BID provides grants for business members through our small grant scheme – since June 2017, 28 grant applications have been approved. Elgin BID has awarded £10,014 in grants with a total investment in excess of £28,500

Initiated a project in 2018 to reduce the number of seagulls nesting in the city, by proactively and humanely discouraging them from nesting on the rooftops - this has reduced the numbers of baby birds, protective parents and nesting debris blocking drains

Created a series of collaborative marketing materials have been created and funded utilising several platforms -

- Promotional video's – Explore the East End, Wander the West End, Celebrate the Centre, South Street the Wedding Street and Buzz on Batchen
- Business Map – digitally available covering all business members
- Food & Drink Guide – originally created via a partnership project with Moray Council
- Digital signage

Elgin is currently working towards Zero Waste Town status, when achieved we would be one of only 4 towns in Scotland who have achieved this accolade

Organise and fund the Elgin Christmas Lights

Prepare the cities festival of events each year including the Food & Drink Festival and the Christmas Lights Switch On

Organise and fund Green Elgin - street planters, hanging baskets, recycling and litter picks



Why does Elgin need to keep a BID

Elgin BID provides a democratically elected organisation whose sole remit is to work for and with the businesses and has provided a mechanism to focus on new and innovative ways to market, promote and drive up footfall across all business sectors. Having a strong and vibrant town centre has been proven to have wider economic impacts including employment opportunities and increased revenue for the local authority.

Elgin BID fully support the Moray Councils and Scottish Governments town centre first policies and are keen to support these wherever possible.

There are now 39 BID's in Scotland – with more emerging.

Elgin BID (Phase 3) would have more than 420 business members from a wide range of business sectors including Retail, Finance, Hospitality, Health and the Third Sector, generating approximately £170,500 annually. Over the five-year period of the BID, that would equate to a minimum £825,500 of investment from the business community.

What the businesses said

Consultations with the business members and stakeholders took place over a year long period. These were conducted at different times of the day and in different formats for example 1 – 1 meetings, business breakfasts, online surveys and evening consultations.

There were clear themes that were consistently raised and that the business members wanted to be at the heart of activity for the next 5 years;

- Marketing and promotion
- Cleanliness and appearance

Additionally, a drop-in session was hosted by the Board of Directors for the Moray Councillors, providing an opportunity to ask questions, seek clarity and make suggestions about future activities. In total 13 Councillors took advantage of the opportunity, the equivalent of 50% of the elected members.



The vacant shop rate has dropped from
17.15% in November 2015
to 8.25% in May 2019.
Elgin BID has directly contributed to this

What we have been asked to do

Our new business plan has at every stage been directed by the business members, it reflects their views, opinions and priorities. Our mission is to work on behalf of, and with, the business community in Elgin City Centre, to provide support and advice and to positively promote the city as a place to

“Embrace, Enjoy, and Explore”

The aim of the BID is to deliver services and support projects which will improve the commercial trading environment and be for the benefit of the Elgin BID business members, their staff, customers, the Moray Region and visitors.

Our objective is to have a:

Beautiful and diverse city centre with a positive, proactive, supportive and involved business community through delivery of projects which sit within one or more of the following themes;

- Explore and Enjoy Elgin City Centre through strong marketing and promotion
- Embrace Elgin's environment with pride and passion
- Embrace what we can achieve by working together through business engagement
- Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer
- Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre
- Enjoy and Embrace the diverse, high quality business, service and shopping offer within Elgin City Centre

Moray Council and Regional Support

Elgin BID can work in partnership providing a range of support including private sector investment that can be used as match funding for projects such as the Growth Deal or the Town Centre Capital Fund

Elgin BID now deliver "Business Watch" – Distributing monthly intelligence & information provided by Police Scotland across the Region via the Moray Towns Partnership Network (to representatives in Buckie, Forres, Lossiemouth & Keith), Federation of Small Businesses, Business Gateway and Moray Chamber of Commerce. Keeping the businesses safe and aware of campaigns and ongoing crime trends

Chaired the WorldHost Management Group that secured nationally recognised Regional WorldHost Destination Status for Moray

Regularly assist Moray Council departments by distributing information for example on Emergency Road Closures, Waste Management, Consultations (where the opinions of businesses were sought), Funding (for example by organising the information session regarding the Town Centre Capital Fund project)

Financially supported and attended the Visit Scotland Tourist Expo organised by Moray Speyside Tourism to promote the Moray Region to the National and International Tourist trade

Attend Moray Towns partnership to listen and share information with Moray Town partners in Buckie, Keith, Lossiemouth and Forres

Developing Young Workforce – sit on and contribute to the Business and Professional Sector Group, providing information and delivering workshops for young people across Moray

Open our free business workshops to the members of our partners in Business Gateway, Moray Chamber of Commerce and the Federation of Small Businesses, providing regional networking opportunities

Elgin Gift Card - Accepted in 86 local businesses

- £13,935 has been put onto cards
- £9047 redeemed
- 52 businesses have had cards used in their premises
- 501 transactions have taken place
- Average transaction of £18.05

Figures at 21st Aug. 2019



Elgin Bid assisted me in purchasing a commercial property in the town centre by giving me information about properties, grants and business rates, resulting in a large empty retail unit being brought back into use. I have also received support in promoting my business and being part of a working group set up by BID. I believe Elgin BID is an asset to the town centre.

Angharad Rodgers, owner, Angharad Bridal

I was not in favour of BID when they first started, but over the last few years I have completely changed my mind. They have helped me with funding and they have given me advice and information. If they are not voted back in, who will organise the street planters, events to keep people coming into town, extra street cleaning, Christmas Lights - the answer is no one, it will all just disappear.

Meg Murray, owner Aqua Hair and Beauty

Elgin BID genuinely care and look after our local business community. There is a real understanding of the challenges and opportunities which all businesses face. The events that are hosted by Elgin BID for members are expertly managed. I can honestly say that without the dedicated support of Elgin BID our small business would have struggled to grow and prosper in the way that it has.

Claire Beckley, Managing Director, Ordered Company Ltd

**For more information please
contact**

Gill Neill
Chief Executive
City of Elgin BID Ltd
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01343 550652



City of Elgin BID Ltd

Re-Ballot Business Plan

1ST FEBRUARY 2020 – 31ST JANUARY 2025



VOTE  YES



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WELCOME

I am proud to be welcoming you to the Business Plan for Phase 3 of Elgin's Business Improvement District. With almost a decade of work having been successfully achieved, we look forward to embracing the next five years.

Voting YES in the next ballot will allow our business community to continue to work, develop and showcase what we all have to offer. If you vote YES, Elgin BID will continue to be your voice, keep you updated, deliver projects, fight on your behalf, keep promoting Elgin businesses and the City Centre and help new businesses to get established.

Over the last 10 years Elgin BID has;

- Driven constant marketing campaigns for the Elgin BID members and the City Centre; delivered through Social Media platforms, radio, video, digital signage and printed press
- Reduced vacant property numbers by promoting vacant buildings, conducting viewings and helping new-start businesses
- Initiated a campaign to reduce the number of nesting seagulls in the City Centre
- Provided funding opportunities for our businesses and our environment through for example the Elgin BID business frontage grants, the Conservation Area Regeneration Scheme and our developing Zero Waste project
- Provided free workshops and training sessions in a wide range of topics delivered by subject matter experts including changes to pension regulations, data protection, anti-terrorism, safe working and waste management
- Provided additional street cleaning services
- Provided street planters, hanging baskets and weed management to enhance the cities appearance
- Provided new Christmas Lights

- Delivered an events programme such as the Christmas Light Switch on and Food & Drink Festival to draw footfall into the City Centre
- Been a single voice campaigning for the Elgin City Centre business community on issues like business rates relief
- Developed partnerships with the community and future work force

As an independent, not for profit company, Elgin BID has gone from strength to strength over the past two terms and we are proud of everything that has been achieved. As our members, you are the key to Elgin's success, so we asked what you want to see delivered in the next exciting chapter for our City Centre. It is clear being focused on the basics such as cleanliness, marketing and business engagement are of greatest importance. The key themes you have identified are achievable and we will focus on them so we can flourish in collaboration. A detailed list of the projects we intend to undertake can be found later in this Plan.



Over the last 10 years BID had worked successfully in partnership with businesses to improve the City Centre, to attract more people and investment. In the next 5 years, Bid will continue to provide a voice for members and deliver your priorities for our City Centre.
Delivering Improvement Together.

Richard Cumming
Chair (Sirology)

WHY ELGIN BID BENEFITS YOUR BUSINESS

Our mission is to work on behalf of, and with, the business community in Elgin City Centre, to provide support and advice and to positively promote the City as a place to –

"EMBRACE, ENJOY AND EXPLORE"

The aim of Elgin BID is to deliver services, support and projects which will improve the commercial trading environment within the City Centre for the benefit of the Elgin BID members, their staff, customers and visitors.

We have therefore spent the last year engaging with members in order to listen, gather information, clarify and identify opportunities, ensuring the services, support and projects we have proposed are of value and relevant.

We wanted to do this in a way that allowed maximum and convenient engagement, so we invited business members, shoppers, young people and local Councillors and elected representatives to take part in a series of consultations, one to one meetings and surveys over a 12-month period.

The information gathered was used to identify our key objectives and the resulting work themes, which will allow us to positively deliver in Phase 3.



Our objective is to have a;
Beautiful and diverse city centre with a positive, proactive, supportive and involved business community through delivery of projects which sit within one of the following themes;

- **Explore and Enjoy Elgin City Centre through strong marketing and promotion**
- **Embrace Elgin's environment with pride and passion**
- **Embrace what we can achieve by working together through business engagement**
- **Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer**
- **Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre**
- **Enjoy and Embrace the diverse, high quality business, service and shopping offer within Elgin City Centre**

The key finding of the consultations is that whilst a lot has been achieved over the last 10 years, businesses continue to face major pressures. Support is still required and Elgin BID as a co-ordinating body, is in the ideal position to represent the businesses and ensure that their views and opinions are heard.

Elgin BID will, on behalf of our business members, act in a clear and structured way in order to drive forward the projects outlined in the themes above by ensuring that we are meeting the business members priorities and responding to their desires.

"Business" or variations of the word "business" are used throughout this document. The word "business" in this context refers to property owners or tenants and occupiers of properties who are liable to pay the non-domestic rate (NDR), whether they pay business rates or not. This includes all properties listed on the Scottish Assessors Association Portal (website) with a non-domestic rateable value, many of whom may be a charitable organisation, public sector organisation, social enterprise or community group who may not consider themselves to be a business.

WHAT WILL BE LOST WITHOUT THE BID?

The last 10 years has seen a huge amount of work undertaken and substantial investment made. Without Elgin BID there will be no central body to co-ordinate and spearhead activity on a City-wide basis. The private sector investment that Elgin BID has been able to use, has resulted in investment in excess of £4 million pounds through projects such as the Conservation Regeneration Scheme, Castle to Cathedral to Cashmere and Scottish Government's Homecoming Scotland project and Community Food Funds grants.

VACANT PROPERTY NUMBERS HAVE REDUCED FROM 17.15% IN NOVEMBER 2015 TO 8.7% IN MAY 2019



Without Elgin BID there will be **NO**;

- Co-ordinated marketing campaigns for the Elgin BID members and the City Centre delivered through;
 - Social Media platforms – Facebook (grown by 93% since May 2016), Instagram and Twitter
 - Radio
 - Video
 - Digital signage
 - Printed press
- City wide co-ordinated activity to reduced vacant property numbers which have reduced from 17.15% in November 2015 to 8.7% in May 2019 by;
 - Helping new start businesses
 - Promoting vacant buildings
 - Conducting viewings
- Elgin Gift Card, which currently ensures money stays in the City Centre
- Additional cleaning services via the Elgin BID street sweeper
- Christmas Light display in the City
- Street planters, hanging baskets and weed management
- Facilitate joint procurement
- Events programme such as the Christmas Light Switch on and Food & Drink Festival to draw footfall into the City Centre
- Ongoing access to funding opportunities for your businesses through the Elgin BID business scheme
- Zero Waste Elgin project:
 - To identify joint procurement opportunities
 - Free accredited training materials, resources and information
 - Identify ways for business members to reduce costs
- Single voice campaigning for the Elgin City Centre business community on issues like business rates relief and planning applications that negatively impact on the City

This is not an exhaustive list, but it does give an indication of the benefits that the BID brings and what the resulting loss would be if it were no longer in place.

WHAT IS A BID AND WHY DOES ELGIN NEED ONE?

What is a Business Improvement District?

A Business Improvement District (BID), is created when businesses come together and agree to collaboratively invest in projects, support and services that will help the business environment within a set geographical area or sector.

A BID is not a replacement for statutory services or investment by statutory authorities, it does however, add additional investment and value. The work is undertaken by the BID company and it is directed by the business members and overseen by the Board of Directors.

OVER **200**
UK WIDE BIDS

39 BIDS
IN SCOTLAND

The voting on a BID is governed by legislation, with the proposal only being able to go ahead if there is a minimum turnout (the headcount) of 25% of eligible persons and of the rateable value with more than half of the businesses voting in favour; they must also represent more than half of the rateable value of the businesses that vote.

In Scotland the maximum duration of a BID is 5 years, after which it has to secure another mandate.

CELEBRATING SUCCESS

Below you will find a summary of some of the activities that have been undertaken and achieved by Elgin BID during the last 5 years in Phase 2. The Company's Annual Reports are available on the BID web site and provide supplementary information.

www.embraceelgin.co.uk

How we helped people explore and enjoy Elgin City Centre

- New Christmas Lights purchased and erected
- Food & Drink Guide introduced
- Achievement of WorldHost Destination Status
- Business Map, highlighting every business member within the city
- New Street signage – way finding signage to help people explore
- Ticket for Elgin –promoting all business members and issued to new military staff and new home owners
- Introduction of new Digital signage – 4 signs now placed within the City to keep the public informed, they are located in the St Giles Shopping Centre, Boots (High Street), IT Central (South Street) and Elgin Town Hall for the Community
- Creation of the Elgin App – underway summer 2019





Ways in which we embraced Elgin's environment

- Action started to reduce the number of gulls nesting in the city has seen tangible reduction in the number of baby birds in 2018 and 2019
- Removal of high level vegetation where business owners allowed access
- Introduction of hanging baskets and street planters to the City Centre and business premises
- Ongoing litter removal and reduction through additional street cleaning services, the Elgin BID sweeper is dispatched three mornings a week
- Zero Waste Elgin Initiative – working towards gaining Zero Waste status for Elgin – which would make us only the 4th Scottish town to achieve this, measures include;
 - Free Royal Environmental Health Institute of Scotland (REHIS) training for businesses in waste management
 - Free recycling bins for BID members
 - Work within schools to educate and inform
 - Shared procurement for waste positive packaging - underway
- Private sector investment was instrumental in securing the CARS project funding worth more than £3 million. The project carried out work to restore historic buildings.

What we achieved working together

- Offer of grant funding to business members to help them invest in their businesses
- Business Workshops – delivered directly by BID or in partnership with other agencies, covering topics as wide as Anti-Terrorism, Window Dressing/Promotion, Data Protection and GDPR, Pension Regulations & Waste Management
- Elgin BID on behalf of the business members liaised with Moray Council officers on a wide range of concerns e.g. planning applications and legal matters
- An updated business community through the Business Member Bulletin – Keeping all members updated with what is happening and activities they can get involved in
- Mediation for members – Where businesses have a problem and want a confidential source of support and advice
- Collaborative marketing for business sectors or geographical areas for example New Year, New Home and South Street the Wedding Street

Promoting our business offer

- Helping to fill vacant properties – by advertising properties, carrying out viewings and supporting new business starts has seen the vacant property rate drop from 17.15% in November 2018 to 8.25% in May 2019
- Creation of the Professional Services catalogue to encourage members to utilise services from neighbouring businesses and provided a promotional platform for new businesses
- Promotional films – Suite of generic films created highlighting what visitors can do in Elgin and surrounding area
www.embraceelgin.co.uk/citycentrevideos
- Social Media promotion – using a range of platforms – Facebook (grown by 93% since 2016), Twitter and Instagram
- What's on Calendar – promoted via the web site and on Digital screens encouraging the public to visit Elgin as a "destination"

- Elgin BID, Business Awards have generated in excess of 10,000 nominations from the public since its introduction, celebrating the city businesses and staff
- Elgin Gift Card – now accepted in more than 80 businesses and keeps money in the local area
- Embrace Elgin website offering information to the business members and visitors

Making Elgin a safer City

- Engaging with Police Scotland to deliver training for business members in Anti-Terrorism and “Know your Rights” and Crime Prevention
- Police liaison and activity – Business watch now introduced to inform businesses
- Moray Retail Crime Initiative – partnership with Police Scotland to educate businesses
- Purchase of 2 bicycles for Police Scotland – allowing easy and fast access to the city centre
- Help for the Elgin Street Pastors – supporting our evening economy

How we engaged our community

- Working with partners, we have helped to organise litter picks and cleaning
- Offering volunteering opportunities for young people from Elgin Youth Café, the Police Youth Volunteers and Army cadets – helping them build skills which will aid them in the workplace
- Delivering information sessions via the Developing Young Workforce programme for our young people and future workforce
- Fundraising for our charity members who provide services to the people of Elgin and Moray



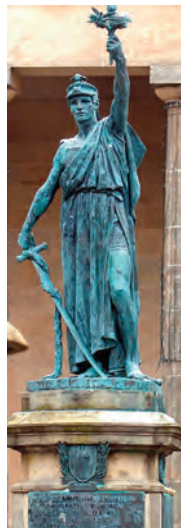
WHO BID WILL BE SUPPORTING

The BID area is focussed on the historic City Centre. Following discussions, the BID Board of Directors agreed to retain the 2015 – 2020 BID boundary as there was a concern that expansion would dilute the effectiveness of the work being undertaken.

It was also recognised that the existing BID members have financially committed to the BID for the last 10 years and it was felt that their support should be respected.

I was not in favour of Elgin BID when they first started, but over the last few years I have completely changed my mind. They have helped me with funding to keep my building in good shape and they have given me advice and information. If they are not voted back in, who will organise the street planters, events to keep people coming into town, extra street cleaning, Christmas lights – the answer is no one, it will all just disappear.

Meg Murray, owner, Aqua Hair and Beauty





The BID boundary incorporates the following streets: -

- | | | |
|-------------------------|--------------------------|-------------------------|
| Academy Street (Part) | Batchen Street | Blackfriars Road |
| Boroughbriggs Rd (Part) | Commerce Street | Cooper Park (Part) |
| Culbard Street | Cumming Street (Part) | Francis Place |
| Gordon Street | Greyfriars Street (Part) | Hall Place |
| Harrow Inn Close | Hay Street (Part) | High Street |
| Lossie Wynd | Lossie Wynd North | Masonic Close |
| Mayne Road (Part) | Moray Street | Moss Street (Part) |
| North College St (Part) | North Guildry Street | North Port |
| North Street | Northfield Terrace | South College St (Part) |
| South Street (Part) | Thunderton Place | Trinity Place (Part) |
| Trinity Road | | |

LOOKING AFTER YOUR INVESTMENT

Elgin BID is a Not for Profit organisation limited by guarantee and registered with Companies House. There are 2 paid members of staff who manage the day to day operations of the company and who report to the Board of Directors.

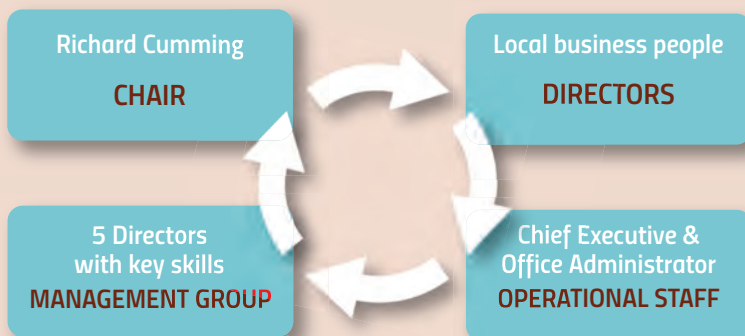
Board of Directors

Membership of the Board is open to BID levy payers, there is the capacity to have a Board of up to 14 Directors. These positions are not remunerated and are made up of local business owners, managers and/or stakeholders who have a vested interest in seeing Elgin flourish. The Board has the authority to co-opt additional members onto the Board if they have specific skills and spaces remain available. The BID Chair is elected by the Board of Directors and works closely with the Chief Executive.

The Board meets every quarter and all meetings are recorded with minutes being posted on the web site for the business member to see.

Performance & Governance

The Operational staff report directly to the Board of Directors and for organisational efficiency a Management Group which is made up of 5 Directors with wide ranging skills and experience can represent the Board when decisions need be made within tight time constraints.



The company holds its Annual General Meeting in Autumn and all BID members are invited to attend. In preparation for that meeting the Annual Report is prepared, this is posted on the web site following the AGM.

A full independent company audit is undertaken annually to ensure all finances and activities have been undertaken in accordance with the companies processes and procedures.

To help drive operational activity and to provide additional engagement opportunities for the BID members, a Working Group meets once every 8 weeks. The Working Group is made up of Directors, the Chief Executive, the Social Media and Office Administrator and BID members. Any BID member can get involved in the Working Group and they can attend meetings regularly or come along to present a specific "topic" which they would like the group to investigate.

Minutes from the Working Group are placed on the BID website to allow all BID members to review activity undertaken.

BOARD OF DIRECTORS

Richard Cumming

Chair - Sirology

Abigail Dempster

Vice Chair - Gairland LLP

Ali Simpson

Ritsons Chartered Accountants

David Patterson

Moray College

Ian Urquhart

The Elgin Fund

John Divers

Moray Council

Katherine Mackintosh

Robertson Group

Mark Angus

Gordon and MacPhail

Greg Robertson

Grigor and Young LLP

Stephen Young

St Giles Shopping Centre

Stuart Huyton

Elgin Museum

Tracy Sellar

Clan Cancer Support

YOUR PRIORITIES

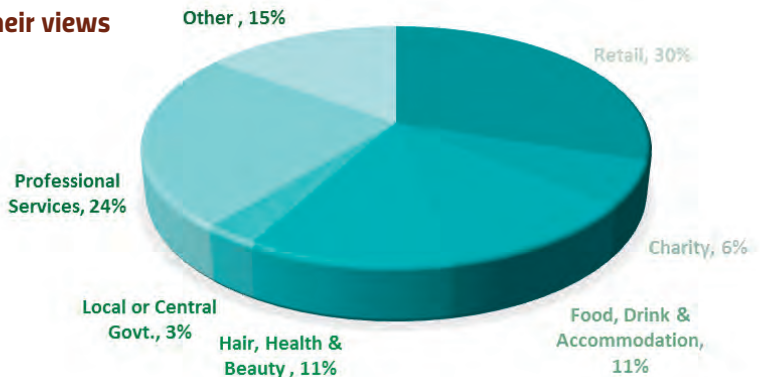
Due to its importance, consultation with BID members took place over a year long period in several different ways and at varying times of the day, in order to ensure the greatest opportunity for engagement by members and stakeholders.

The views and opinions expressed throughout these engagements have formed the basis of the key themes and projects presented in 2020 – 2025 Business Proposal, please refer to “How priorities will be delivered ” for more detail.

Consultations/Engagements

Meet the Business Breakfast	April 2018 (launch of the consultation process)
Annual General Meeting and Business Awards	October 2018
Meet the Board event	November 2018
First Business Survey	December 2018
Business Lunch	January 2019
Breakfast Consultation	April 2019
Focus Group – Increasing Footfall	
Focus Group – Crime Reduction	
1 – 1 meetings and discussions	(April – 18 – May – 19)

Who gave us their views



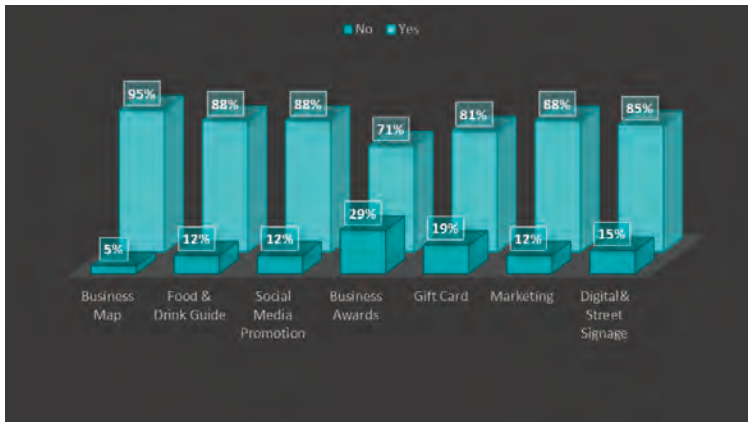
*Professional Services includes – Financial institutions, Estate Agents, Legal Services
Other includes – Property owners, developers and religious buildings*

The business members priorities

We asked the businesses to identify their priorities – Marketing and Promotion and Cleanliness, Safety and Appearance were rated as the top two priorities for businesses. This message came across consistently throughout our engagements, providing a clear focus from the membership on their desired way forward.



We asked the businesses direct questions about the activities that we currently undertake and if we should continue with activities in Phase 3, the breakdown summarises the views put forward.



Independent Shoppers Survey

An independent shoppers survey was commissioned and carried out by North Highland Events and Promotions in Spring of 2019. A team of 4 staff conducted surveys in the Out of Town Retail developments and in the City Centre. In total 200 surveys were carried out, 100 in each location.

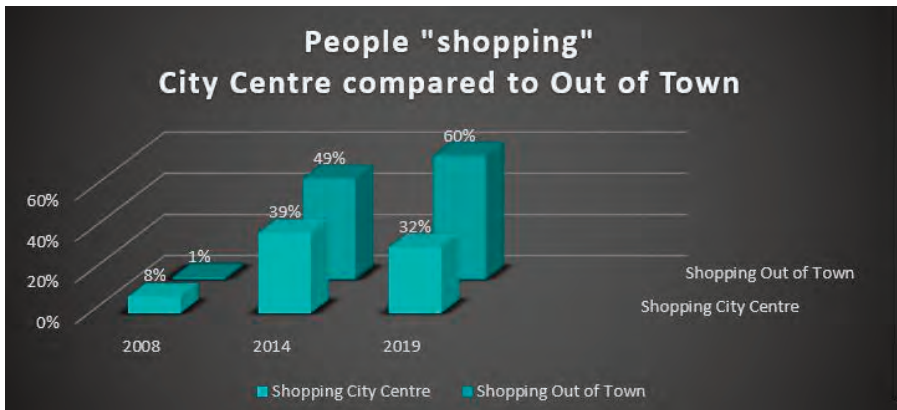
The questions echoed those asked in 2008 and 2014, in order to provide comparable data and intelligence.

There was praise and positive feedback regarding the new range of independent and niche businesses that have opened in the City Centre in the last five years.

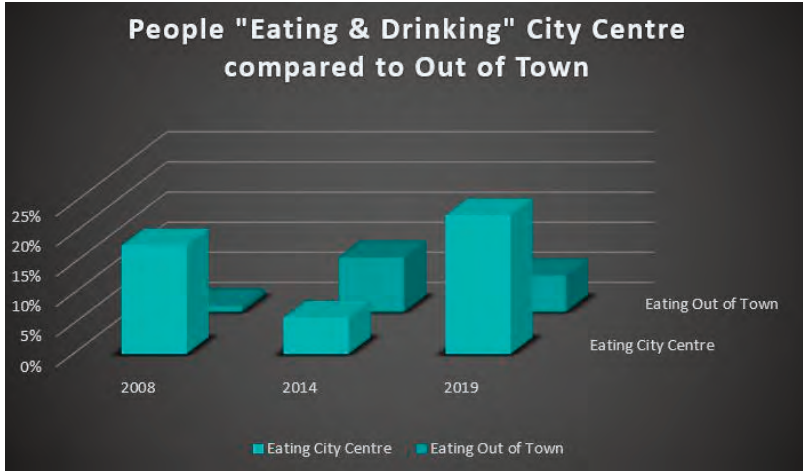
There was however a desire noted for “big name shops” to return to the City Centre. Given current trends across the country it is unlikely this will happen.

The chart below shows that of the people surveyed, there has been a slight drop in the number of people shopping in the City Centre while the Out of Town Developments continue to increase its share of the market. Sadly, this is in line with National trends.

The free parking available at the Out of Town Developments was sighted on multiple occasions as a critical factor when people were deciding which location to use.



Interestingly there was a positive increase in the numbers surveyed who stated that they use the City Centre when "Eating or Drinking". The rise in independent caf  s, restaurants and bars within the City Centre will have supported this positive trend.



Our Young People

We wanted to find out from our young people what they think of the City Centre, how they use it, how it compares to their use of the Out of Town Retail developments and what else they would like to see here.

Overall, the young people continue to use the City Centre regularly, but as expected there is a leakage of "business/trade" to the internet. Almost 90% of the young people who completed the survey said they shop online with clothing identified as a top purchase.

Moray Councillors

Additionally, we hosted a drop-in session for the Moray Councillors, inviting them along to find out what we had been doing and what the businesses priorities are.

It also allowed an opportunity for them to ask questions, seek clarity and make suggestions about future activities, 50% of the elected members took advantage of the session.

HOW PRIORITIES WILL BE DELIVERED

The information gathered throughout the consultation process clearly identified the priorities of the Elgin BID business members. These were then categorised into six key “Themes” listed below, these themes are underpinned by several projects which will be used to drive activity and ensure Phase 3 is a success.

- **Explore and Enjoy Elgin City Centre through strong marketing and promotion**
- **Embrace Elgin’s environment with Pride and Passion**
- **Embrace what we can achieve by working together through business engagement**
- **Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer**
- **Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre**
- **Enjoy and Embrace the diverse, high quality business and shopping offer within Elgin City Centre**





KEY THEMES & UNDER PINNING PROJECTS 2020 – 2025

Explore and Enjoy Elgin City Centre through strong marketing and promotion

- Continue to develop and promote the Elgin brand through cohesive promotion of the warm welcome and high-quality business offer spanning all sectors
- Raise the profile of Elgin's rich and fascinating history, culture and tourist attractions by promoting them through quality marketing
- Enter civic competition(s), which will result in recognition of success and or acknowledgement of the work that has or is being undertaken
- Develop and promote a selection of marketing materials delivered via a range of media for example video, social media, web marketing, leaflets, radio and printed press
- Showcase the high quality and diverse range of businesses operating within the Food and Drink sector
- Continue to identify opportunities for collective and collaborative marketing through routes including a geographical, themed or sectoral approaches
- Research new technologies that can be utilised for innovative, collective, high quality marketing of the City Centre and the BID business members
- Collaborate with Moray Speyside Tourism to maximise promotional opportunities internationally

Embrace Elgin's environment with Pride and Passion

- Enhance the statutory cleaning provision of the Moray Council, by providing additional cleaning services within the BID area
- Spearhead a city wide "Green" project by upgrading the large city planters, expanding the use of hanging baskets and individual business planters
- Remove ground level weeds to ensure they provide a positive impression of the city
- Continue to work in partnership with the Elgin Benevolent Trust to ensure the city has a Christmas Light display each year
- Encourage the business members and selling agents to clean/maintain the areas adjacent to their properties ensuring pride in the business environment
- Improve appearance of empty shops by creating positive marketing materials that promote the wider city welcome and business offer
- Support those seeking to convert vacant space above commercial units for residential use, in order to improve appearance and make the most of the wider economic benefits that will result



Embrace what we can achieve by working together through business engagement

- Support and provide information for our established business members including details of grant funding, changes to legislation, opportunities for marketing and networking with their peers
- Organise a programme of workshops and training activities led by subject matter specialists
- Hold and promote the Elgin BID Business Awards annually, engaging the public of Moray and providing a platform for recognition of excellent service
- Support and assist individuals and companies keen to locate to the City Centre, by providing information and advice, liaise with stakeholders and landlords on their behalf during the set-up stage
- Organise and work with partners to arrange networking events, within the BID area and across the Moray Region
- Provide ongoing updates and information (min 12 per annum) via the Elgin BID Member Bulletin which ensures members are made aware of our activities, know how to get involved and have the opportunity to promote themselves to other BID businesses
- Identify and secure money saving initiatives for the businesses through for example bulk buying or collaborative tendering

Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer

- Work in partnership with Police Scotland to distribute intelligence and information to Elgin BID members and across the Moray Region through "Business Watch"
- Continue to support the work of Elgin's Street pastors as they assist the night time economy and keep customers safe
- Identify opportunities for "Safety Initiatives" across the UK that could be replicated or adapted for use in Elgin

Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre

- Continue to work with the Strategic Partnership for Improvement of the City of Elgin (SPICE) on environmental projects which positively impact on the City
- Continue to develop links with schools and youth groups through a wide range of activities including delivering talks in schools, providing volunteering opportunities and supporting the Developing Young Workforce programme
- Research and identify opportunities for collaboration with the Art and Cultural sectors which provide ideas/projects to be explored for new and creative uses for the City Centre.
- Research and engage local groups such as the Elgin Men's Shed in activities which enhance the City Centre and public realm
- Work with Moray College to provide engagement opportunities with the local business community, through activities such as volunteering and showcasing their skills

Enjoy and Embrace the diverse, high quality business and shopping offer within Elgin City Centre

- Continue to provide the Elgin Gift Card to BID members free of charge, registering businesses to accept it quickly and at a convenient time
- Carry out an ongoing marketing campaign for the Elgin Gift Card to highlight it as a strong and credible gift choice that supports the Shop Local message
- Develop the Elgin App as an additional marketing platform for the City Centre and City Businesses
- Utilise a series of promotional platforms including Facebook, Instagram, Twitter, video, radio, digital signage, leaflets and printed materials to promote the high-quality business and shopping offer in Elgin

HOW BID IS FUNDED

There are approximately 422 commercial properties in the Elgin BID area, which will generate an estimated income of £170,500 per annum, the equivalent of an estimated £852,500 over 5 years.

The Elgin BID levy has been calculated at 1.6% of the rateable value of non-domestic properties falling within the BID area. This figure was reached by the BID Board of Directors following detailed discussions.

A minimum levy of £60 is proposed, payable for all non-domestic properties liable to pay the non-domestic rate within the Elgin BID area, having a rateable value of up to £5,000. A maximum levy of £9,760 is proposed for non-domestic properties liable to pay the non-domestic rate having the rateable value of £610,000 and above.

The annual levy will be linked after the first year to the Consumer Price Index (CPI) on the 1st of December of each year. Any increase in the CPI at that date will result in a corresponding increase in the following year's BID levy or any revaluation of the non-domestic rate during the term of the BID. The BID Board reserves the right not to implement the annual CPI increase should they deem it appropriate.



Who Will Pay the Levy

Eligible business owners, of eligible properties, operating within the BID boundary are liable to pay the BID Levy.

Eligible occupiers (of eligible properties) are the people liable to pay the non-domestic rate that are listed on the Local Assessors Valuation Role on the day of ballot and thereafter will be liable to pay the levy. The levy payments are not linked to what the businesses actually pay in rates, but are based on the rateable value of the property.

If a property is empty on the date of issue of the levy invoice, the property owner will be liable to pay the full levy amount. Any property which is currently exempt from its liability to pay non-domestic rates due to an award of rates relief will still be liable to pay the full levy amount.

Following discussion, the BID Board of Directors agreed to retain the existing exclusions (those which applied in Phase2), for continuity and clarity.

Any change to a property's ownership and/or occupancy during the year will result in an adjustment to the levy payable. The levy will be recalculated on the date on which liability for the payment of non-domestic rates was established or terminated.

Any additional rateable property formed during the lifetime of the BID (for example new build developments) will be liable to pay a proportion of the levy based on the date on which liability for the payment of non-domestic rates was established.

Exclusions

Following discussions, the BID Board of Directors agreed to retain the existing exclusions (those which applied in Phase 2), for continuity and clarity. It is proposed to exempt lock-up garages, car parking, advertising stations, and the city substation from the BID levy. Zero Rated properties will also be exempt, in order to support their business owners as they develop their properties. As soon as these properties are liable for a Rateable Value, they will be eligible to pay the levy at a rate of 1.6%.

Charitable status or mandatory charitable relief will not apply to the BID levy, as all will benefit from an improved environment, projects and services.

The Levy Table

The BID Board of Directors have made the decision to keep the BID levy at the same rate as Phase 2, this is in recognition of the pressures faced by their members.

Rateable value up to	Weekly cost	Proposed annual levy
Up to £5,000	£1.15	£60
£10,000	£3.07	£160
£25,000	£7.69	£400
£50,000	£15.83	£800
£200,000	£61.54	£3,200
£500,000	£153.85	£8,000
£610,000 and above	£187.69	£9,760

Collection of the Levy

Following a successful 'YES' vote, invoices for the levy will be issued at the beginning of each financial year with the following payment options as standard practice: -

- Properties with a levy fee of up to £100 per annum will receive one invoice, to be paid within one month of the date of the levy demand notice.
- All other levy payments (those over £100) will be paid in two instalments - one instalment payable within one month of the date of issue of the levy demand-notice and the second payable six months later.

Enforcement

The Moray Council on behalf of Elgin BID will make all reasonable efforts to gather the BID levy from business members. Arrangements have been made to allow businesses to pay on a monthly basis as opposed to an annual or biannual basis if this will assist with cashflow. This will be organised in consultation with the BID operational staff.

Should all efforts to gather BID levy fail, the Moray Council will attempt to secure the payment through formal debt collection processes, this action would only be undertaken as a last resort if all other efforts have failed.



HOW THE BALLOT WORKS

The vote will be a confidential postal vote conducted by Moray Council's appointed Electoral Reform Services and in line with Scottish Government BID legislation. Prior to the ballot papers being issued, a "Notice of Ballot" will be sent to all eligible persons (the person liable to pay the non-domestic rate) within the BID area.

Pre-Ballot

The BID must submit to the Chief Executive of the Moray Council, the Scottish Ministers and the Billing Body at least 98 days (21st August 2019) in advance of the ballot date a copy of the BID Proposal and Business Plan. The Local Authority then has 28 days in which to veto, or not, the BID proposal. Providing the Local Authority does not exercise the right of veto, then at least 56 days (2nd October 2019) prior to the proposed ballot date the BID Board of Directors will request the Moray Council to hold the ballot.

Prior to the ballot taking place, a Notice of Ballot will be issued to non-domestic properties in the BID area. A full copy of the BID proposal will be made available to any person who is eligible to vote on the BID proposals. Prior to, or on the date the ballot papers are issued, the BID Proposer will provide all those eligible to vote in the proposed BID area with a detailed Business plan.

The Ballot

Ballot papers will be issued to every business in the BID area 42 days (16th October 2019) before the final ballot date.

- Ballot papers, together with a copy of the Elgin BID Business Plan will be posted to the person responsible for casting a vote within their business. In the case of national companies, the responsibility for voting may lie with head office.
- The BID ballot is a confidential postal ballot conducted by the Moray Council on behalf of the City of Elgin BID Ltd and in line with Scottish BID legislation.
- Where a property is vacant the voting papers will be sent to the property owner.

- Voting papers will be issued on the 16th October 2019.
- The final date for all ballot papers to be returned is 5pm on the 27th November 2019. Ballot papers received after this time and date will be null and void.
- Voting papers will be easy to complete, businesses simply place a cross on either "Yes" or "No" to the question "are you in favour of a BID?" The ballot paper must then be signed by the person eligible to vote and returned in the pre-paid envelope.
- For the ballot to be successful, there must be a minimum of 25% "turn-out" (the headcount) by number of eligible persons and by combined rateable value.
- Of those who vote, over 50% by number and 50% by combined rateable value must vote in favour of the BID.
- All eligible persons (i.e. those persons liable to pay non domestic rates) will have one vote for each of the properties that they occupy. Where a person is liable to pay the non-domestic rate for more than one property, that individual shall be eligible to cast more than one vote. However, they will also be required to pay the levy for each of the properties that they occupy. Each paper counts as one vote. It is important that every paper received is completed and returned.
- The announcement of the Ballot Result will take place on Thursday 28th November 2019.
- Following a successful ballot the City of Elgin BID Ltd will commence on 1st February 2020 and will run for a period of five years until the 31st January 2025.

KEY DATES

2nd October 2019	Publication notice of the ballot
16th October 2019	Ballot papers to be issued
27th November 2019	Final day for voting papers to be received (before 5.00pm)
28th November 2019	Announcement of ballot results

EMBRACING PARTNERSHIP

The Moray Council has provided a wide range of support over the last ten years, including direct financial support. Strong relationships with Councillors in other areas, sharing information and project ideas.

Elgin BID regularly work with and has strong mutually beneficial relationships with Heads of Services and Department staff in; -

Legal	Waste management
Taxation	Drug and Alcohol
Roads	Community Engagement

The BID also works closely with Business Gateway, regularly referring existing business members and business start-ups for specialist support. This is a reciprocal arrangement with the BID receiving referrals on an ongoing basis.

Other key strategic and operational partners include Moray Speyside Tourism, Scotland's Towns Partnership, the Elgin Benevolent Trust and SPICE - Strategic Partnership for Improving the City of Elgin.

Statutory (Baseline) Services

Public bodies are providing a range of services for the City Centre. To ensure that any investments by a BID provide additionality to existing services, an updated Operating Agreement will be drawn up between Moray Council and City of Elgin BID Ltd.

This baseline services information does not detail the full range of services provided by Moray Council or Police Scotland but is instead limited to the Elgin BID related services.

The baseline information described is those provided in the current financial year (2019 / 2020) and is a mix of statutory duties, permitted and / or discretionary activities.

Service levels provided in future financial years will depend on the level of funding available to Moray Council and may be varied in line with budgetary constraints. However, Moray Council will not disproportionately vary services in the City of Elgin BID area because of the existence of the BID.

The Council provides the following:

STREET CLEANSING

- Provision of free-standing litter bins throughout the BIDS area and, their routine servicing
- Annual cleaning of litter bins
- Litter picking (Manual)
- Road Channel Sweeping
- Fly Posting removal
- Removal of dog fouling

WASTE MANAGEMENT

- Refuse Collections from non-domestic rate payers at a minimum collection frequency of once weekly (chargeable)
- Recycling Collections from non-domestic rate payers at a minimum collection frequency of once weekly (chargeable)

COMPLIMENTARY/REQUESTED SERVICES

- Fly Tipping Removal
- Advice and assistance to non-domestic rate payers relating to effective waste management practices
- Provision of waste/recycling services for ad hoc events (chargeable)
- Emergency cover available from on call staff to manage issues that arise with relation to provision

ENVIRONMENTAL HEALTH

- Food safety – advice and enforcement
- Health and Safety at Work – advice and enforcement
- Public Health including food or water related infectious disease – investigation and enforcement
- Empty Homes Assistance

HORTICULTURAL/GROUND CARE

- Provision and maintenance of seating
- Design and maintenance of grass plots and street trees
- Treatment of ground level weeds

STREET LIGHTING

- Maintenance of streetlights, signs and beacons
- Design and implementation of new lighting schemes
- Technical advice on street and exterior lighting
- Repairs to lighting faults

A COUNCIL RESOURCE TO UNDERTAKE ENFORCEMENT - ACTION ON ENVIRONMENTAL CRIMES, FOR EXAMPLE

- Fly posting
- Abandoned vehicles

PLANNING AND REGULATORY FUNCTIONS

- Planning control
- Building control
- Transportation planning
- Policy and strategy
- Major developments
- Environmental sustainability

ECONOMIC GROWTH & REGENERATION

- Develop and deliver tasks & projects as part of the Moray Economic Strategy Action plans, Moray Growth Deal, Employability Strategy & the Local Outcome Improvement Plans.
- Develop & deliver place partnership projects such as Castle to Cathedral to Cashmere Heritage Experience & Elgin CARS and Discover Moray's Great Places
- Develop, administrate & co-ordinate across all Council Departments the Town Centre Capital Fund grant schemes and initiatives.
- Provide Film Liaison Service – free advice & support for permissions, locations & facilities.
- Co-ordination in consultation with other Council departments, Police, Fire and Ambulance Services for major events. It includes providing a wide range of advice and expertise for organisers such as licensing, road closure to environmental health etc., to ensure that events are both safe and enjoyable.
- Co-ordination, booking & support for markets and other non-commercial events on Elgin's Plainstones.

BUSINESS SUPPORT & EXTERNAL FUNDING

- Provide first point of contact for the development & support of Business Improvement Districts.
- Provide a comprehensive Business Gateway Service for start-up and exciting businesses, which includes advice and practical guidance; one to one support, specialist advice, business skills workshops and networking events. It includes access to finance, recruitment, digital business skills, expanding into overseas markets.
- Supplier Development Programme - a public sector partnership which delivers a variety of free tender training, workshops, webinars and a range of online resources to connect businesses with the Scottish public sector.
- Provide advice and assistance on the wide range of funding streams to all Council services and partnerships. It includes funding initiatives and programmes with the European Union, Scottish Government, Lottery and Trust funding to maximise opportunities to assist the local economy and community. It includes regular free funding seminars for organisations & individuals from across all sectors.

LICENSING - THE COUNCIL LICENSE

- Taxis and private hire operators
- Market operators and street traders
- Public entertainment and miscellaneous events within the Elgin BID area

TRADING STANDARDS

- Free advice to business on Trading Standards matters
- Free Consumer Advice
- Enforcing Trading Standards criminal legislation
- Preventing underage sales
- Provision of a Money Advice Service
- Weights and measures
- Product safety

TRANSPORT

- Management of all traffic and road safety functions
- Street works co-ordination
- Active and sustainable travel
- Transport planning and strategies
- Off street car parks
- Public transport unit PTU
- Public transport unit

ROAD MAINTENANCE

- Co-ordinating works on public roads to minimise disruption and improve safety
- Carrying out road safety measures and repairs on public roads and footpaths
- Maintaining of road marking
- Repairing traffic lights
- Cleaning gullies on public roads and footpaths
- Carrying out safety inspections of public roads

PARKING TRAFFIC ENFORCEMENT

- The Council employs a team of car park attendants to enforce parking

CCTV

- There is 24/7 Police cover of key Elgin city centre locations.

POLICING - POLICE SCOTLAND PROVIDE

- Local Police Officers undertake a community role as part of their operational work with partner agencies, groups and businesses to address local issues
- A roads policing department based in Elgin
- School Liaison Officer (SLO'S) who attend Elgin schools and deliver sessions including youth ASB within city centres



KEEPING YOU UPDATED

Communication

A Members Information Bulletin is prepared and distributed to every BID member and to key stakeholders on a monthly basis. Additional information is circulated as appropriate.

This provides details about ongoing activities, opportunities to engage with the BID Board and other business members, new projects, funding and promotional opportunities.

The bulletin in combination with the Annual General Meeting, Annual and Mid-Term Reviews ensures that all BID members are supplied with easy to access information about the BID company and activities undertaken.

Measuring the Success of the BID

Throughout Phase 3, Elgin BID will continue to operate in a transparent and robust manner, using well established governance processes to ensure accountability. Being fully accountable to our members is a key element of the company's ethos and every effort is taken to ensure members are kept up to date with

activities and given the opportunity to engage and put forward suggestions and ideas.

The BID Chief Executive will report to the Board of Directors on a quarterly basis through the BID Chief Executive Report. This will ensure the Board of Directors are fully aware of activity and performance against the Business Plan Projects.

An Annual Report will be prepared and presented to the BID members at the Annual General Meeting, prior to being posted online on the BID website, this will provide details of progress against Business Plan projects. At the mid-term point – Autumn 2023 a Mid-Term Review will be prepared which will incorporate the Annual Report.

Additionally, a full company audit will be carried out annually by an independent auditor ensuring that all processes and procedures are being appropriately followed and identifying areas for development.

PROTECTING YOUR INVESTMENT

APPROX **422**
COMMERCIAL
PROPERTIES ARE
WITHIN THE ELGIN
BID AREA
GENERATING AN
ESTIMATED
£170,500
THE EQUIVALENT
OF **£825,500** OVER
5 YEARS

Additional sources of funding e.g. Grants and Trusts, Sponsorship, Donations and Voluntary contributions from within and out with the BID boundary will be sought throughout Phase 3.

Any income generated will be in addition to investment from the BID business members. While additional funding from any of the above sources will allow the delivery of extra services, projects and activities, it has not been included in the financial details at this stage.

Thorough and robust governance processes are in place within the company ensuring that the company's finances are carefully and professionally managed.


Levels of delegated authority are in place to ensure that the Board of Directors are fully aware of spend. Two Directors are required to authorise cheque payments and the ongoing financial management is overseen by the company accountant.

The Chief Executive prepares a draft budget for the forthcoming year annually, this is presented to and authorised by the Directors and Chair.

A full company independent audit is completed each year following preparation of the annual accounts and provides an additional layer of accountability. Once audited an extract of the accounts is presented to the BID members at the Annual General Meeting before being posted online as part of the Annual Report.

INCOME AND EXPENDITURE TABLE

Income						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£170,500	£170,500	£170,500	£170,500	£170,500	£825,500
Expenditure						
Key Development Themes						
Explore and Enjoy Elgin City Centre through strong marketing and promotion	£35,585	£33,770	£31,974	£31,181	£29,903	£162,413
Embrace with Pride and Passion, Elgin's environment	£23,500	£24,000	£24,480	£23,750	£23,500	£119,230
Embrace what we can achieve by working together through business engagement	£5,500	£5,600	£5,600	£5,500	£5,500	£27,700
Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer	£2,215	£2,175	£2,150	£2,125	£2,000	£10,665
Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre	£2,000	£2,050	£2,050	£1,900	£1,900	£9,900
Enjoy and Embrace the diverse, high quality business and shopping offer within Elgin City Centre	£7,700	£7,500	£7,325	£7,500	£7,425	£37,450
Operational costs, including staffing, auditing, BID levy collection, Insurance, Utility bills, monitoring and evaluation	£85,000	£87,125	£89,303	£91,535	£93,823	£446,786
Contingency	£9,000	£8,280	£7,618	£7,009	£6,449	£38,356



Elgin BID genuinely care and look after our local business community. There is a real understanding of the challenges and opportunities which all businesses face. The events that are hosted by Elgin BID for members are expertly managed. I can honestly say that without the dedicated support of Elgin BID our small business would have struggled to grow and prosper in the way that it has.

**Claire Beckley,
Managing Director,
Ordered Company Ltd**

HOW TO GET IN TOUCH WITH THE BID OFFICE

Gill Neill

Chief Executive

City of Elgin Business Improvement District
13 Harrow Inn Close
Elgin
IV30 1BP

Gill.neill@elginbid.co.uk

01343 550652





City of Elgin BID Ltd

(Business Improvement District)

Proposal

Term 3

1st February 2020 – 31st January 2025

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Appendix Summary

Appendix 1	Support for Elgin BID Ltd
Appendix 2	Summary of business member consultations – supportive information can be found below
Appendix 2 A	Members Bulletin – November 2018 – Update on views to date
Appendix 2 B	December 2018 – Business member survey
Appendix 2 C	December 2018 – Invitation to Meet the Board event
Appendix 2 D	Business Member Bulletin - March 2019 – Collated survey results
Appendix 2 E	April 2019 – Business member survey
Appendix 2 F	Business Member Bulletin – April 2019 – link to business survey
Appendix 2 G	Business Member Bulletin – July 2019 – Draft Business Plan for comment
Appendix 3	Your City, Your Views – Young person’s survey
Appendix 4	Business Plan 2020 – 2025
Appendix 5	Draft Database
Appendix 6	Elgin BID Board meeting note – 18 th Feb 2019
Appendix 7	Elgin BID Board meeting note – 13 th May 2019
Appendix 7 A	2019/20 Budget proposal approved by Board of Directors
Appendix 8	Formal Notification to put BID Proposals to Ballot (Draft)
Appendix 9	Moray Council – Baseline Information provided to Elgin BID

BID Proposal - Compliance with Legislation

In accordance with Business Improvement District (Scotland) legislation we acknowledge that as the Proposer, we must submit to The Moray Council (TMC) and Scottish Ministers the following in respect of BID proposals, Renewal Proposals and Alteration Proposals: -

- 1. A document which demonstrates a cross section of at least 5% of the electorate, within the BID area supports the BID Proposal.**

Details of the support shown for Elgin BID can be found in Appendix 1.

To date 88 eligible people have confirmed their support which is the equivalent of 21% of the Elgin BID businesses able to vote.

The information has been gathered in several ways in order to maximise opportunities for engagement, including one to one meetings, surveys and consultation discussions with the Board of Directors.

- 2. A summary of the consultation the proposer has undertaken with those persons eligible to vote.**

A wide variety of consultations were undertaken with those eligible to vote including Meet the Board events, Member Consultations, One to One meetings, Online and hard copy Surveys. For further details please refer to Page 21 of this Proposal and Appendix 2 – Summary of Business member consultations, as well as

- Appendix 2 A Members Bulletin – November 2018 – Update on views to date
- Appendix 2 B December 2018 – Business member survey
- Appendix 2 C December 2018 – Invitation to Meet the Board event
- Appendix 2 D Business Member Bulletin - March 2019 – Collated survey results
- Appendix 2 E April 2019 – Business member survey
- Appendix 2 F Business Member Bulletin – April 2019 – link to business survey
- Appendix 2 G Business Member Bulletin – July 2019 – Draft Business Plan for comment

The Elgin BID Chief Executive oversaw the consultation process, ensuring the Board of Directors were fully briefed on plans and updated with the information gathered. The Board of Directors were involved in all consultation sessions. The BID businesses were updated on the opportunities to become involved via the monthly Business Member bulletin, E mails, face to face discussions and telephone calls.

Consultations with the Elgin BID businesses have been undertaken in several different ways and at different times of the day in order to be as accessible and flexible as possible.

Business Breakfasts were held in April 2018 – to launch the consultation process and again in April 2019. Meet the Board – “Drop In” sessions were organised in November 2018 and January 2019, allowing members to call in discuss priorities and highlight future opportunities. The Annual General meeting held in October 2018 also presented the opportunity to update and survey those attending, and to ask for opinions.

Additionally, surveys (online and in hard copy) were sent to all BID members in December 2018 and again in April 2019 asking for their views, opinions and ultimately their priorities for future development.

One to One meetings with members took place on an ongoing basis with the Chief Executive and Directors, these meetings allowed further discussion and the opportunity to gather more information.

Stakeholder Surveys and Consultations

In March 2019, the Board of Directors invited the Moray Councillors and Council officers to meet them at a drop-in session, held within the Council building.

This allowed questions to be asked, to find out more about what had been taking place and to present their views, suggestions and ideas. Thirteen Councillors from across the political parties took advantage of the opportunity, this is the equivalent of 50% of the elected membership.

Through long established links with Elgin Youth Development Group (Elgin Youth Café) and Elgin Academy, we asked Elgin’s young people to give us their views about the city, tell us where, how and why they shop in the ways they do and to give us their thoughts on how they would like to see the city develop.

Finally, an independent shopper survey was carried out in Spring 2019 to capture the views of shoppers in the City Centre and in the Out of Town Retail developments.

- Appendix 2 – Summary of business member consultations
- Appendix 3 - Your City, Your Views – Young person’s survey

3. The Proposed Business Plan.

A copy of the Business Plan will be issued to all the BID electorate. See Appendix 4 for proposed the Business Plan.

4. The financial management arrangements of the BID body.

Once the BID is operational, any variations within budgets will be reported to the BID Board of Directors.

The Board will agree on an annual basis how funds for subsequent years will be allocated. A full list of the Board of Directors is available on page 20 of this Proposal document. This will be based on business feedback during the previous year and priorities for the coming year, this allows the BID the flexibility to respond to changing business needs and requirements.

The Moray Council will collect the levy payments on behalf of the BID and will retain these funds in a separate account until the BID Board calls these funds down. The BID Board will manage the levy funds that are collected by the Council. This arrangement will ensure that projects are delivered, and any financial liabilities of the BID are transparent.

This budget is reconciled on a monthly basis to ensure good governance and financial management. At the end of the operational year a full set of accounts are prepared and presented to the Board of Directors.

They are then passed to an accredited independent auditor for review and approval. The Audited accounts are presented to the BID members at the Annual General Meeting, a summary of the accounts is published in the Annual Report which is displayed on the Elgin BID web page – <https://eee.embraceelgin.co.uk/information-bulletins-company-reports/>

5. The arrangements for periodically providing The Moray Council and billing body with information on the finances of the Elgin BID.

Thorough and robust management of the BID finances are integral to the company's operation. Detailed procedures are in place which cover all aspects of the company's finances and financial processes, the independent auditor reviews all processes and financial transactions as part of the annual audit.

The Chief Executive ensures that the BID Board of Directors are updated on the company's financial situation at the quarterly Board meetings, this Directorship includes representatives and observers from The Moray Council.

The Chief Executive, Chair and company accountant have ongoing correspondence relating to the budget and project spend.

6. The names and addresses of all those eligible to vote and a description (address) of each relevant property.

Please refer to the Database – provided as Appendix 5. The Database will continue to be updated as necessary until it is ready to be submitted to ERS, prior to the ballot.

The database is being updated and monitored on a weekly basis as canvassing continues throughout the Re Ballot campaign.

7. A notice in writing requesting that The Moray Council instruct the Ballot Holder to hold a ballot

In accordance with legislation, Formal Notification to put BID Proposals to Ballot (draft) are attached in Appendix 8.

8. Provide the Moray Council and the Billing Body with such information as they shall reasonably require, to satisfy themselves that the BID proposer or, as the case may be, the BID body, has sufficient funds to meet the costs of the BID Ballot.

The BID Company set aside sufficient funds to meet the cost of the BID Renewal Ballot for the 2020/2025 period.

This budget was approved by the BID Board at the Quarterly Board meeting on the 13th May 2019. Appendix 7

The costs will be met in full by the City of Elgin BID Ltd and will not be met by the Moray Council. Please refer to Appendix 7A – the budget approved by the Board (details can be found in Operational Budget section).

9. A statement of the works or services to be provided, the name of the person responsible or body for the implementation (delivery) of these works and services and the status of such person/s. Both on and after the date of the BID proposals come into effect.

The company's Chief Executive – Gill Neill, has the responsibility for delivering the projects and services detailed within Proposed Improvements page 25 of this Proposal document, the Chief Executive reports directly to the Board of Directors.

The Board of Directors will continue to monitor and oversee all works and services that are provided. The Directors meet with the Chief Executive on a quarterly basis. Please refer to Elgin BID Management page 19 of this proposal for further details.

10. A statement of existing baseline services provided by the Local Authority, Police Scotland and other agencies

Please refer to page 31 of this Proposal – Public Sector Involvement for details of the works and services to be provided and Appendix 9 – Baseline services for information supplied by the Moray Council.

11. A precise description of the geographical area of the BID, including a map, which defines the boundaries of the BID area.

A detailed map and description of the BID boundary and the streets within it, The BID Area can be found on page 19 of this proposal.

12. A statement providing details of any additional financial contributions or additional actions, for the purposes of enabling projects specified in the BID Proposals i.e. where a BID project is expected to cost £X and the proposed levy raises a smaller amount £Y, then the BID Proposals must state how that funding gap £X - £Y is to be met and by whom.

The BID income and expenditure is outlined in the Finance section – page 40 of this Proposal. The Income and Expenditure table can be found on page 41 & 42 of this proposal.

The BID income and expenditure has been calculated to deliver all the activities as defined in the Proposed Improvements section – page 25 of this Proposal, without the requirement for additional financial contributions.

The BID will aim to attract additional funding from other sources over and above the levy during Phase 3. This will allow the delivery of additional services and enhanced quality; however, this has not been included within the financial details as the amount and source of these funds cannot be guaranteed at this stage.

13. A statement of which aspects of the BID Proposals and or Business Plan may be altered without the need for an alteration ballot to be undertaken.

The Board of Directors will have the authority to adapt or alter the projects and services from year to year to reflect any change in economic circumstances or to make the most of any new opportunities that may arise.

This will be in the best interests of the businesses and without recourse to an alteration ballot.

This will be done in consultation and following recommendation from the Elgin BID Working Group and or Chief Executive.

14. A statement of the proposed start and end dates of the BID arrangements and the term of the BID. The BID arrangements must commence no later than a year after the date of the statement.

Following a successful ballot, Elgin BID will commence activities on the 1st February 2020.

As the BID will be for a term of 5 years, it will cease its activities on 31st January 2025.

15. BID Proposals shall specify the apportionment of BID levy in respect of relevant properties and who will be liable to pay the levy: - proprietors, tenants, occupiers or if appropriate a specific business sector or sectors of businesses who will participate.

The BID levy will be paid by the occupier (the eligible person liable to pay the non-domestic rate), however, the property owner will pay the levy where a property is vacant or empty on the day the levy invoice is issued and for all the period thereafter when the property is vacant.

A minimum levy of £60 is proposed as an entry level contribution, for all properties based within the BID boundary, with a non-domestic rateable value of up to £5,000.

A maximum levy of £9,760 is proposed for non-domestic properties liable to pay the non-domestic rate having the rateable value of £610,000 and above.

Please refer to page 27 – The BID Levy of this proposal, for further details.

16. Confirmation that the levy is to be calculated as a % of the RV or how the charge was arrived at.

Following extensive discussion by the BID Board of Directors, at the Board meeting dated 18th February 2019, it was formally agreed to set the levy rate at 1.6% of the non-domestic rateable value of eligible businesses, if the Renewal Ballot is successful, this will come into force from the 1st February 2020. See Appendix 7 – Elgin BID Board Meeting Note 18th February 2019 for further details.

17. Confirmation that the % levy or fee is to be calculated on the RV of the property on the date of the ballot, or, if not, another date and that is the date, which will be used to calculate the levy or fee of the BID (BIDS handbook).

Following a successful Renewal Ballot the 1.6% levy will come into effect on the 27th November 2019, the date of ballot.

18. The apportionment of the levy between proprietors, tenants and occupiers – providing the BID is including tenants and proprietors in its proposals.

The BID Proposal does not include proprietors (property owners) except where the eligible property is vacant or empty when the property owner will be liable for the payment of the levy. The occupier (the eligible person liable to pay the non domestic rate) will be liable for the payment of the levy. Please refer to The BID Levy - page 27, of this proposal for full details.

19. A statement as to how the Elgin BID arrived at who will pay the levy, the % levy, and how the levy will be split between proprietors, tenants and occupiers (BIDS Handbook)

The Elgin BID Board of Directors set the geographical boundary for the Business Improvement District following extensive discussion in the lead up to the Re Ballot. In addition, after equal discussion a decision was made by the Board about who will pay and the % of the non domestic rateable value liable for levy.

Discussion took place at the Elgin BID Board Meetings on 18th February 2019 and the Meeting Note from the Board of Director Renewal Ballot meeting is attached. Appendix 6.

The discussions were aided by the information gathered at the Business Consultations outlined above.

It was decided by the Board that the Boundary should not be altered or expanded as there was a danger that efforts within the town centre would be diluted.

20. Whether any future re assessment of the RV of the property by the Rates Assessors will or will not be taken into account in the calculation of the levy (BID's Handbook).

The BID Board of Directors have agreed that if there is a rates revaluation during Phase 3, the new rateable values set by the Scottish Assessors Association will apply and the BID levy re calculated to reflect the new rate.

21. A statement on why groups or individual businesses are exempt or receive a levy discount

Following extensive discussion at the BID Board meeting on the 13th May 2019, the Elgin BID Board of Directors have chosen to maintain the exemptions set in the Phase 2, 2015 – 2020 Business Plan in order to show consistency with the previous policy, these are - lock-up garages, car parking, the City Substation and advertising stations.

Zero Rated properties will continue to be excluded, in order to support their business owners as they develop their properties. As soon as these properties are liable for a rateable value, they will be eligible to pay the levy at a rate of 1.6%. Please refer to Appendix 7 Renewal Ballot for a summary of the discussion.

22. A statement on whether the levy will be index linked (BIDS) Handbook

The levy which is charged will be linked after the first year to the Consumer Price Index (CPI) on the 1st of December of each year.

Any increase in the CPI at that date will result in a corresponding increase in the second year's BID levy. This is subject to approval by the BID Board who reserve the right not to implement the annual CPI increase.

23. A statement on whether any of the costs incurred in developing the proposals holding of the ballot or implementing the BID arrangements are due to be covered through the BID levy.

The development of the proposal, business plan and holding the ballot will be met through the existing Elgin BID budget.

Funds have been set aside to meet these costs and approved by the Board of Directors.

24. The constitution of the BID Company to be formed and its legal status. A statement on who will administer the BID, the details regarding the BID Board and the BID body, and who drew up the BID proposal and Business Plan (BIDS) Handbook.

Following a successful 'YES' vote in the BID Re ballot, the City of Elgin BID company will continue to be the legal entity and administrative arm of the BID from 1st February 2020.

Elgin BID is a not for profit company limited by guarantee, administered by the BID staff and overseen by the Board of Directors.

Please refer to page 19, Elgin BID Management within this proposal for further details.

25. The methodology for BID Levy payers to nominate themselves or others to the Board of Directors (BOD) and the proposed makeup of the BID Board, (BIDS) Handbook.

Membership of the company is open to all BID levy payers and a Board of up to 14 Directors (the positions will not be remunerated) is created from this membership. A Chairperson is nominated from the elected Directors. The Board has the power to co-opt additional members onto the Board should there be vacant places and if they deem it to be in the best interest of the company. It is possible for members to nominate themselves for the Board of Directors. Should there be more nominations than places available, an election will be held.

While the Moray Council will not be investing financially in Phase 3, given their importance as a Stakeholder an Elgin Councillor will be invited to join the Board. The Elgin Fund has similar rights reflecting their civic leadership role and charitable status. This situation also applies to Moray College.

All details relating to the Board are outlined within the company's Articles of Association and Memorandum of Understanding readily available through Companies House.

Please refer to Elgin BID Management – Page 19 within this proposal for additional information

26. A statement on how the BID Proposals will be published prior to the ballot (BIDS) Handbook

“Business” or variations of the word “business” are used throughout this document. The word “business” in this context refers to property owners or tenants and occupiers of properties who are liable to pay the non-domestic rate (NDR), whether they pay the business rate or not. This includes all properties listed on the Scottish Assessors Association Portal (website) with a non-domestic rateable value, many of whom may be a charitable organisation, public sector organisation, social enterprise or community group who may not consider themselves to be a business.

The proposer shall send a copy of the BID Business Plan to all persons eligible to vote on the proposal.

The Elgin BID Business Plan and this Proposal will be featured on the Elgin BID website – www.embraceelgin.co.uk, which is within the public domain. Should a hard copy of the Proposal be requested, this will be provided. In line with Data Protection and GDPR the Database will not be publicised.

Forward by the Chair of the Board of Directors

I am proud to be welcoming you to the Business Plan for Phase 3 of Elgin's Business Improvement District. With almost a decade of work having been successfully achieved, we are looking forward to embracing the next five years.

Voting YES in the next ballot will allow our business community to continue to work, develop and showcase what we all have to offer.

If you vote YES, Elgin BID will continue to be your voice, keep you updated, deliver projects, fight on your behalf, keep promoting Elgin businesses and the City Centre and help new businesses to get established.

Over the last 10 years Elgin BID has;

Can we re order the list – please insert the new order below, 2 extra ones have been added –

- Driven constant marketing campaigns for the Elgin BID members and the City Centre; delivered through Social Media platforms, radio, video, digital signage and printed press
- Reduced vacant property numbers by promoting vacant building, conducting viewing and helping new-start businesses
- Initiated a campaign to reduce the number of nesting seagulls in the City Centre
- Provided funding opportunities for our businesses and our environment through for example the Elgin BID business frontage grants, the Conservation Area Regeneration Scheme and our developing Zero Waste project
- Provided free workshops and training sessions in a wide range of topics delivered by subject matter experts including changes to pension regulations, data protection, anti-terrorism, safe working and waste management
- Provided additional street cleaning services
- Provided street planters, hanging baskets and weed management to enhance the City's appearance
- Provided new Christmas Lights
- Delivered an events programme such as the Christmas Light Switch on and Food & Drink Festival to draw footfall into the City Centre
- Been a single voice campaigning for the Elgin City Centre business community on issues like business rates relief
- Developed partnerships with the community and future work force

As an independent, not for profit company, Elgin BID has gone from strength to strength over the past two terms and we are proud of everything that has been achieved.

As our members, you are the key to Elgin's success, so we asked what you want to see delivered in the next exciting chapter for our City Centre. It is clear being focused on the basics such as cleanliness, marketing and business engagement are of greatest importance.

The key themes you have identified are achievable and we will focus on them so we can flourish in collaboration. A detailed list of the projects we intend to undertake can be found later in this Plan.

Over the last 10 years BID had worked successfully in partnership with businesses to improve the City Centre, to attract more people and investment. In the next 5 years, Bid will continue to provide a voice for members and deliver your priorities for our City Centre. Delivering Improvement Together.

A handwritten signature in black ink, appearing to read 'Richard Cumming', written in a cursive style.

Richard Cumming – Chair (Sirology)

Executive Summary

Mission Statement of City of Elgin BID Ltd

Our mission is to work on behalf of, and with, the business community in Elgin City Centre, to provide support and advice and to positively promote the City as a place to –

“Embrace, Enjoy, and Explore”.

Aims of Elgin Business Improvement District

The aim of Elgin BID is to deliver services, support projects which will improve the commercial trading environment within the City Centre for the benefit of the Elgin BID members, their staff, customers and visitors.

We understand that ensuring the services, support and projects we are proposing must be relevant in order to ensure success. We have therefore spent the last year engaging with members in order to listen, gather information, clarify and identify opportunities, ensuring the services, support and projects we have proposed are of value and relevant.

We wanted to do this in a way that allowed maximum and convenient engagement, so we invited business members, shoppers, young people and elected representatives to take part in a series of consultations, one to one meetings & surveys over a 12 month period.

The information gathered was then used to identify our key objectives and resulting work themes, which will allow us to positively deliver in Phase 3.

Our objective is to have a:

Beautiful and diverse city centre with a positive, proactive, supportive and involved business community through delivery of projects which sit within one or more of the following themes;

- Explore and Enjoy Elgin City Centre through strong marketing and promotion
- Embrace Elgin’s environment with pride and passion
- Embrace what we can achieve by working together through business engagement
- Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer
- Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre
- Enjoy and Embrace the diverse, high quality business, service and shopping offer within Elgin City Centre

Key Findings

The Elgin BID Board of Directors supported by the office staff has undertaken a wide range of engagement with the Business members and stakeholders.

This work identified the businesses priorities, that the Board will address through the themes listed above, and the projects outlined later in this Proposal.

The key finding of the consultations is that whilst a lot has been achieved over the last 10 years, businesses continue to face major pressures. Support is still required and Elgin BID as a coordinating body, is in the ideal position to represent the businesses and ensure that their views and opinions are heard.

Elgin BID will, on behalf of our business members, act in a clear and structured way in order to drive forward the projects outlined in the themes above by ensuring that we are meeting the business members priorities and responding to their desires.

Introduction

What is a Business Improvement District?

A Business Improvement District (BID), is created when businesses come together and agree to collaboratively invest in projects, support and services that will help the business environment within a set geographical area or sector.

BIDs are developed, managed and paid for through a compulsory levy by businesses who have a non-domestic rateable value. In line with legislation, each eligible person liable to pay the levy will be able to vote on whether the BID goes ahead. Should the BID be approved, all eligible businesses within the boundary are then liable to pay their levy.

A BID is not a replacement for statutory services or investment by statutory authorities, it does however add additional investment and value. While the work is undertaken by the BID company it is directed by the business members.

The voting on a BID is governed by legislation, with the proposal only being able to go ahead if there is a minimum turnout (the headcount) of 25% of eligible persons and of the rateable value with more than half of the businesses voting in favour; they must also represent more than half of the rateable value of the businesses that vote.

In Scotland the maximum duration of a BID is 5 years, after which it will have to secure another mandate.

Background to BID's

BIDs were first started 40 years ago in Bloor West Village, Toronto, Canada, by the town's business community who were placed under increasing pressure from the new shopping centres, which were pulling shoppers away from the traditional town centre out to the new shopping malls.

They successfully lobbied for legislation for all the businesses in the proposed BID area to pay a levy. The levy money was then used to improve the physical appearance of the town, and promote the town centre as a vibrant, attractive and safe place to work, shop and live. The strategy paid off, as shoppers started to return to the town centre in large numbers.

The success paved the way for future BIDs, not only in Toronto; but spreading throughout Canada, and the USA in the late 1960's and 1970's. Today there are BIDs located worldwide.

In Scotland, there are now more than 40 BIDs, and, of those that are operational, some have successfully renewed their mandate for second or third terms demonstrating that the businesses value the projects and services delivered.

BIDs can support regeneration, grow local economies, create local employment and provide a cleaner and safer trading environment. A key element to their success is that the local businesses take ownership and responsibility for their trading environment, identifying the projects necessary to resolve common problems and issues, and overseeing their implementation, whilst also contributing to the future direction of the town and its future development.

BID legislation was passed in Scotland in 2006 with the Scottish Government funding 6 pilot projects in March 2006. The Scottish Government fully supports the development of BIDs in Scotland.

Elgin's Position

Why does Elgin need a BID?

Elgin like all Town and City Centres has faced pressures caused by the worldwide economic slump, this coupled with high rateable values on commercial properties and the reduction of the number of "national" high street stores has been a catalyst for town centres to evolve and think in new and innovative ways. Business owners have also experienced increased operational costs, for example wages and pensions, all of which have made the last 10 years a difficult trading environment.

Elgin through the BID model has however allowed the businesses to shape the direction and promotion of the BID area. Having an elected organisation whose sole remit is to work for and with the businesses has provided a mechanism to combat these pressures and focus on new and innovative ways to market, promote and drive up footfall across all business sectors.

The history of Elgin BID

In 2009, following a business led campaign Elgin BID went to ballot, having successfully achieved a mandate by the businesses Phase 1 began in February 2010. In Autumn 2014, the company undertook the Re Ballot campaign and having secured a second mandate Phase 2 began in Feb 2015.

How will Elgin benefit from a BID

Over the last 10 years a huge amount has been achieved, which has helped to secure more than £4 million of investment in the City Centre. Businesses have been supported to apply for funding to maintain their historic buildings and business frontages.

A suite of marketing materials utilising a wide range of medium including film, radio, paper and Social Media has been created to promote Elgin as a destination of choice.

Many of the business members have sought out the confidential support, advice and help offered by Elgin BID, as an independent body with access to subject matter experts, the Local Authority departments and other business members when they have experienced a problem.

Local Authority support

The Moray Council has provided a wide range of support over the last ten years, including direct financial support.

The Moray Councillors have been particularly helpful and supportive throughout that time, additionally we have built strong relationships with elected members from other areas within the Region, sharing information and project ideas.

Elgin BID regularly work with and has strong mutually beneficial relationships with Heads of Services and Department staff in several departments.

Elgin BID on behalf of business members regularly liaise with Moray Council officers on a wide range of concerns e.g. planning applications, waste management and legal matters.

Other key strategic and operational partners include Moray Speyside Tourism, Scotland's Town Partnership, the Elgin Benevolent Trust, the "Northern BID's" and the SPICE Group – Strategic Partnership for Improving the City of Elgin.

What Has Been Achieved

Phase 2 Update

Below you will find a summary of some of the activities that have been undertaken and achieved by Elgin BID during the last five years in Phase 2.

The company's Annual Reports are available on the BID web site and provide supplementary information. All annual reports from 2012 are available online.

The 2017 Mid Term Review can be found at <https://www.embraceelgin.co.uk/wp-content/uploads/2018/06/Mid-Term-Review-Final-for-web-site.pdf>

The 2018 Annual review at <https://www.embraceelgin.co.uk/wp-content/uploads/2018/10/Annual-Report-2018.pdf>

For further information please go to - www.embraceelgin.co.uk

How we helped people explore and enjoy Elgin City Centre

- New Christmas Lights purchased and erected
- Food & Drink Guide introduced
- Achievement of WorldHost Destination Status
- Business Map, highlighting every business member
- New Street signage – way finding signage to help people explore the City
- Ticket for Elgin – generic marketing – promoting all business members through the Business Map and Food & Drink Guide
- Introduction of new Digital signage – 4 signs now placed within the City to keep the public informed located in the St Giles Shopping Centre, Boots (High Street), IT Central (South Street) and Elgin Town Hall for the Community
- Creation of the Elgin App – underway summer 2019

Ways in which we embraced Elgin’s environment

- Action started to reduce the number of gulls nesting in the city – tangible reduction in the number of baby birds in 2018 and 2019
- Removal of high-level vegetation where business owners allowed access
- Introduction of Hanging Baskets and planters to the City Centre and business premises
- Ongoing litter removal and reduction through additional street cleaning services, the Elgin BID sweeper is dispatched three mornings a week
- Zero Waste Elgin Initiative – working towards gaining Zero Waste status for Elgin – Elgin would be the 4th Scottish town to achieve this, a package of measures are being introduced including -
 - Free Royal Environmental Health Institute of Scotland (REHIS) training for businesses in Waste management
 - Free recycling bins for BID members
 - Work within schools to educate and inform
 - Shared procurement for waste positive packaging - underway
- Private sector investment was instrumental in securing the CARS project funding worth more than £3 million. The project carried out work to restore historic buildings.

What we achieved working together

- Offer of grant funding to business members to help them invest in their businesses
- Business Workshops – delivered directly by BID or in partnership with other agencies, covering topics as wide as Anti-Terrorism, Window Dressing/Promotion, Data Protection and GDPR, Pension Regulations & Waste Management
- Acted as a central point of contact between the Moray Council departments for people keen to invest or alter a building
- Updated business community through the Business Member Bulletin – Keeping all members updated with what is happening and activities they can get involved in
- Mediation for members – Where businesses have a problem and want a confidential source of support and advice

- Collaborative marketing for business sectors or geographical areas for example New Year, New Home and South Street the Wedding Street

Promoting our business offer

- Helping to fill vacant properties – by advertising properties, carrying out viewings and supporting new starts – vacant properties have dropped from 17.15% in November 2015 to 8.25% in May 2019
- Creation of the Professional Services catalogue to encourage members to utilise services from neighbouring businesses and to provide a promotional opportunity for new businesses
- Promotional films – Suite of generic films created highlighting what visitors can do in Elgin and surrounding area – www.embraceelgin.co.uk/citycentrevideos
- Social Media promotion – using a range of platforms – Facebook (grown by 93% since 2016), Twitter and Instagram
- What’s on Calendar – promoted via the web site and on Digital screens
- Promotional films – Suite of generic films created highlighting what visitors can do in Elgin and surrounding area
- Elgin BID, Business Awards have generated in excess of 10,000 nominations from the public since its introduction – celebrates the city businesses and staff
- Elgin Gift Card – now accepted in more than 80 businesses and keeps money local
- Introduction of 4 large digital display signs within the City Centre
- Embrace Elgin website offering information to the business members and visitors

Making Elgin a safer City

- Engaging with Police Scotland to deliver training for business members in Anti-Terrorism and “Know your Rights & Crime Prevention”
- Police liaison and activity – Business watch now introduced to inform businesses
- Moray Retail Crime Initiative – partnership with Police Scotland to inform & educate businesses
- Purchase of 2 bicycles for Police Scotland – allowing easy and fast access to the city centre
- Help for the Elgin Street Pastors – supporting our evening economy

How we engaged our community

- Working with partners, we have helped to organise litter picks and cleaning
- Offering volunteering opportunities for young people from Elgin Youth Café, the Police Youth Volunteers and Army cadets – helping them build skills which will aid them in the workplace
- Delivering information sessions via the Developing Young Workforce programme for our young people and future workforce
- Fundraising for our charity members who provide services to the people of Elgin and Moray

The BID Area

The BID area is focussed on the historic City Centre. Following discussions, the BID Board of Directors agreed to retain the Phase 2, 2015 – 2020 BID boundary as there was a concern that expansion would dilute the effectiveness of the work being undertaken.

It was also recognised that the existing BID members have financially committed to the BID for the last 10 years and it was felt that their support should be respected.

The BID map and streets



The BID boundary incorporates the following streets: -

Academy Street (Part)	Batchen Street
Blackfriars Road	Boroughbriggs Rd (Part)
Commerce Street	Cooper Park (Part)
Culbard Street	Cumming Street (Part)
Francis Place	Gordon Street
Greyfriars Street (Part)	Hall Place
Harrow Inn Close	Hay Street (Part)
High Street	Lossie Wynd
Lossie Wynd North	Masonic Close
Mayne Road (Part)	Moray Street
Moss Street (Part)	North College St (Part)
North Guildry Street	North Port
North Street	Northfield Terrace

South College St (Part)	South Street (Part)
Thunderton Place	Trinity Place (Part)
Trinity Road	

Elgin BID Management

Management and Operation of the BID

Elgin BID is a Not for Profit organisation limited by guarantee and registered with Companies House.

There are 2 paid members of staff who manage the day to day operations of the company and who report to the Board of Directors.

BID Board of Directors

Membership of the Board is open to BID levy payers, there is the capacity to have a Board of up to 14 Directors.

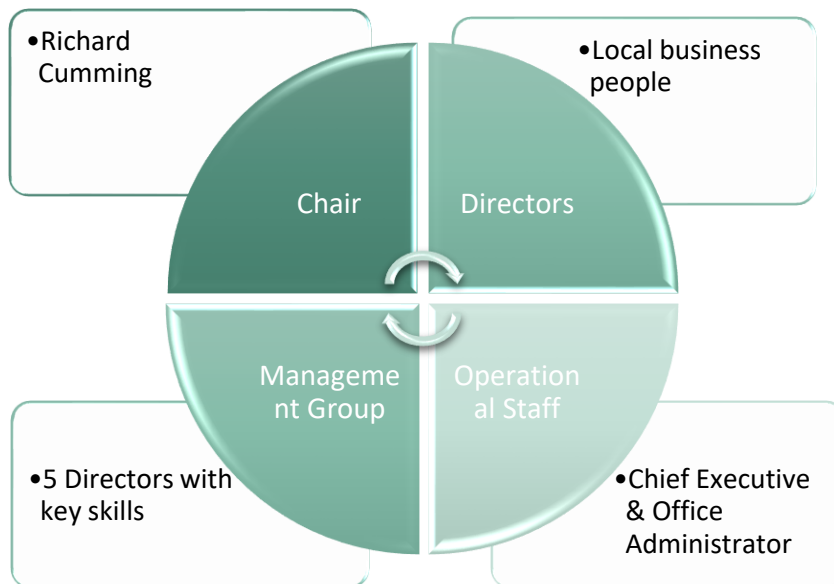
These positions are not remunerated and are made up of local business owners, managers and/or stakeholders who have a vested interest in seeing Elgin flourish. The Board has the authority to co-opt additional members onto the Board if they have specific skills and spaces remain available. The BID Chair is elected by the Board of Directors and works closely with the Chief Executive. The Board meets every quarter and all meetings are recorded with minutes being posted on the web site for the business member to see.

Board of Directors

Richard Cumming – Sirology – Chair
 Abigail Dempster – Gairland LLP – Vice Chair
 Ali Simpson – Ritsons Chartered Accountants
 David Patterson – Moray College
 Ian Urquhart – The Elgin Fund
 John Divers – Moray Council
 Katherine Mackintosh – Robertson Group
 Mark Angus – Gordon and MacPhail
 Greg Robertson – Grigor and Young LLP
 Stephen Young – St Giles Shopping Centre
 Stuart Huyton – Elgin Museum
 Tracy Sellar – Clan Cancer Support

Performance & Governance

The Operational staff report directly to the Board of Directors and for organisational efficiency a Management Group which is made up of 5 Directors with wide ranging skills and experience can represent the Board when decisions need be made within tight time constraints.



The company holds its Annual General Meeting in Autumn and all BID members are invited to attend. In preparation for that meeting the Annual Report is prepared, this is posted on the company's web site following the AGM.

A full independent company audit is undertaken annually to ensure all finances and activities have been undertaken in accordance with the companies processes and procedures.

To help drive operational activity and to provide additional engagement opportunities for the BID members, a Working Group meets once every 8 weeks.

The Working Group is made up of Directors, the Chief Executive, the Social Media and Office Administrator and BID members. Any BID member can get involved in the Working Group and they can attend meetings regularly or come along to present a specific "topic" which they would like the group to investigate.

Minutes from the Working Group are placed on the BID website to allow all BID members to review activity undertaken.

The Consultation Process

Introduction to the Consultation Process

Due to its importance, consultation with BID members took place over a year long period, in several different ways and at varying times of the day, in order to ensure the greatest opportunity for engagement by members and stakeholders.

Consultations/Engagements

Meet the Business Breakfast – April 2018 (launch of the consultation process)

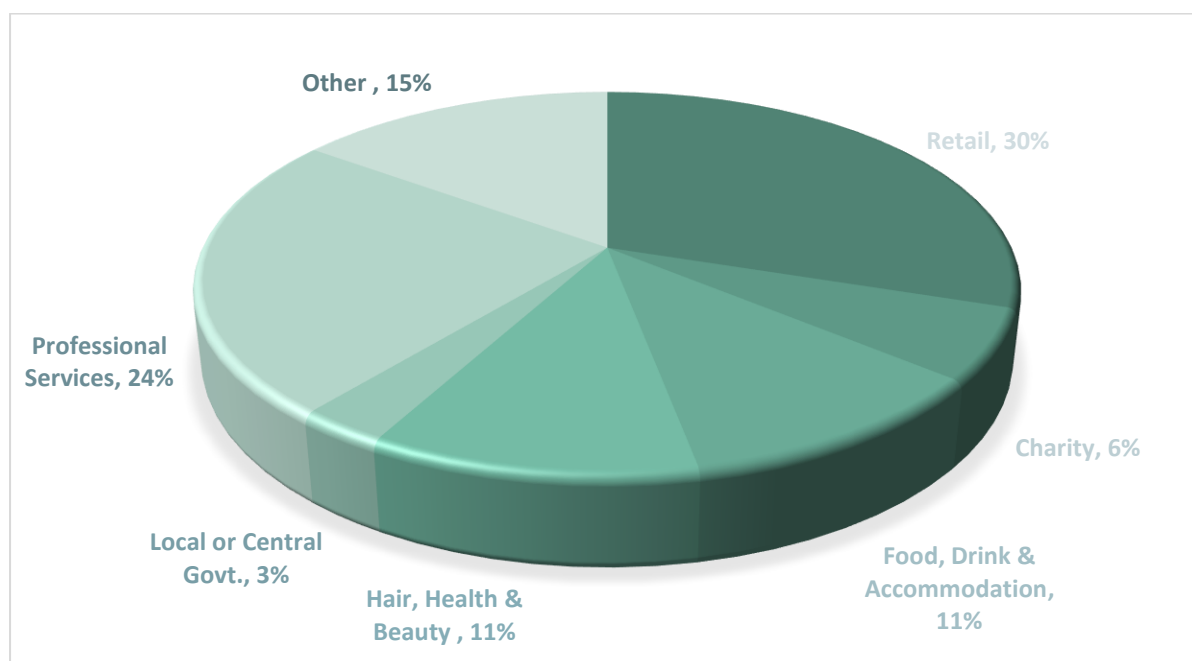
Annual General Meeting and Business Awards – October 2018

Meet the Board event – November 2018

First Business Survey – December 2018
 Business Lunch - January 2019
 Breakfast Consultation – April 2019
 Focus Group – Increasing Footfall
 Focus Group – Crime Reduction
 1 – 1 meetings and discussions (April – 18 – May – 19)

The views and opinions expressed throughout these engagements have formed the basis of the key themes and projects presented in 2020 – 2025 Business Proposal, please refer to “Proposed Improvements” for more detail.

In total, information was gathered from 147 different businesses, representing 36% of the membership, the sectoral breakdown of those who contributed can be found below.



Professional Services includes – Financial institutions, Estate Agents, Legal Services
 Other includes – Property owners, developers and religious buildings

What the Businesses Said

Throughout discussions with the business members there were key themes that were consistently raised and highlighted as being critical to the future success of the City, full details can be found in Appendix 2 – Summary of Business Member Consultations.

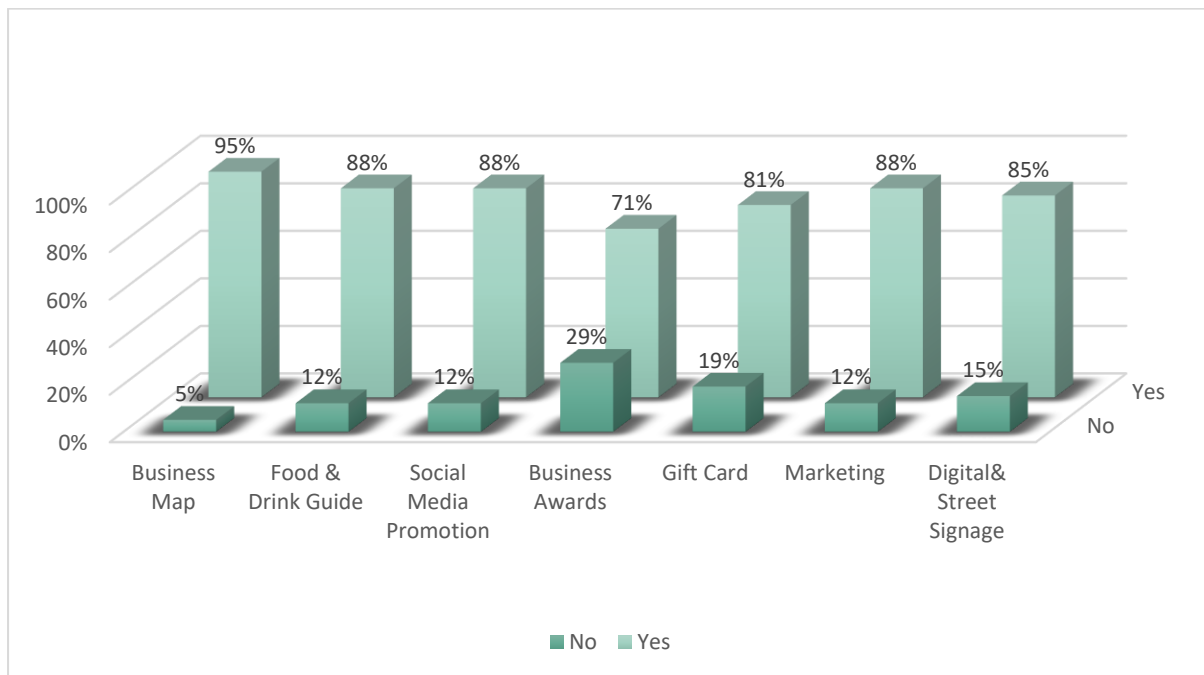
Marketing and Promotion and Cleanliness and Appearance ranked highest in the businesses priorities and as can be seen in Proposed Improvements emphasis has been placed on these areas to reflect this.

The businesses were asked about a wide range of topics and ultimately asked to identify their top 3 priorities, equally important they were asked how they saw these being achieved.

Members Priorities



We asked the businesses direct questions about the activities that we currently undertake and if we should continue with activities in Phase 3, the breakdown summarises the views put forward.



Appendix 2 provides additional information.

Independent Shoppers Survey

An independent shoppers survey was commissioned and carried out by North Highland Events and Promotions in Spring of 2019. A team of 4 staff conducted surveys in the Out of Town Retail developments and in the City Centre. In total 200 surveys were carried out, 100 in each location.

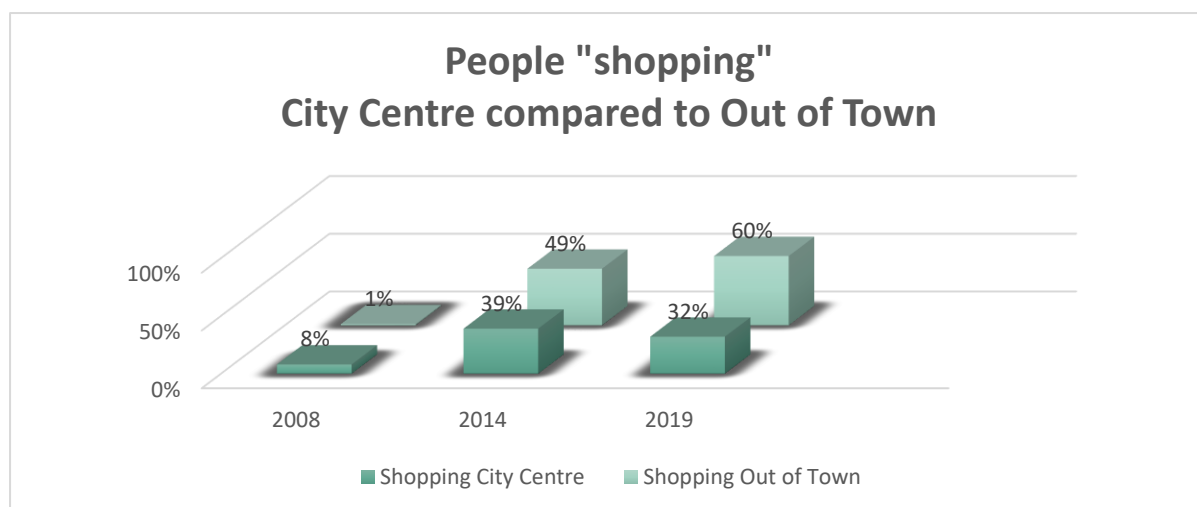
The questions echoed those asked in 2008 and 2014, in order to provide comparable data and intelligence.

There was praise and positive feedback regarding the new range of independent and niche businesses that have opened in the City Centre in the last five years.

There was however a desire noted for “big name shops” to return to the City Centre. Given current trends across the country it is unlikely this will happen.

The chart below shows that of the people surveyed, there has been a slight drop in the number of people shopping in the City Centre while the Out of Town Developments continue to increase its share of the market. Sadly, this is in line with National trends.

The free parking available at the Out of Town Developments was sighted on multiple occasions as a critical factor when people were deciding which location to use.



Interestingly there was a positive increase in the numbers surveyed who stated that they use the City Centre when “Eating or Drinking”. The rise in independent café’s, restaurants and bars within the City Centre will have supported this positive trend.

Our Young People

Moray as a Region has traditionally suffered from our Young People leaving the area to go to higher education and not returning. Retaining this vibrant, young workforce is critical for our businesses and the wider economy.

We wanted to find out from them what they think of the City Centre, how they use it, how it compares to their use of the Out of Town Retail developments and what else they would like to see here.

The information gathered will be shared with the business members. 74 young people completed our survey, this was done through our links at Elgin Youth Café and Elgin Academy. The full survey results can be seen in Appendix 3 – Your City, Your Views – Young Persons survey

Overall, young people continue to use the City Centre regularly, but as expected there is a leakage of “business” to the internet.

Almost 90% of the young people said they shop online with clothing identified as a top purchase.

Moray Councillors

Additionally, we hosted a drop-in session for the Moray Councillors, inviting them along to find out what we had been doing and what the businesses priorities are. It also allowed an opportunity for them to ask questions, seek clarity and make suggestions about future activities. In total 13 Councillors took advantage of the opportunity, the equivalent of 50% of the elected members.

The Key Findings

Throughout the consultation process we gathered a lot of information and ideas, interestingly the same key issues and priorities were raised repeatedly. These have therefore formed the basis of the themes and resulting plans that will drive activity in Phase 3. More detailed information can be found below.

Proposed Improvements

The information gathered throughout the consultation process clearly identified the priorities of the Elgin BID business members.

These were then categorised into six key “Themes” listed below, these themes are underpinned by several projects which will be used to drive activity and ensure Phase 3 is a success.

- Explore and enjoy Elgin City Centre through strong marketing and promotion
- Embrace with pride and passion, Elgin’s environment
- Embrace what we can achieve by working together through business engagement
- Enjoy a safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer
- Enjoy and embrace the diverse, high quality business and shopping offer within Elgin City Centre
- Embrace our community by providing opportunities for local people to get involved and celebrate the City Centre

Key Themes & Under Pinning projects 2020 – 2025

Explore and enjoy Elgin City Centre through strong marketing and promotion

- Continue to develop and promote the Elgin brand through cohesive promotion of the warm welcome and high-quality business offer spanning all sectors
- Raise the profile of Elgin’s rich and fascinating history, culture and tourist attractions by promoting them through quality marketing
- Enter civic competition(s), which will result in recognition of success and or acknowledgement of the work that has or is being undertaken

- Develop and promote a selection of marketing materials delivered via a range of media for example video, social media, web marketing, leaflets, radio and printed press
- Showcase the high quality and diverse range of businesses operating within the Food and Drink sector
- Continue to identify opportunities for collective and collaborative marketing through routes including a geographical, themed or sectoral approaches
- Research new technologies that can be utilised for innovative, collective, high quality marketing of the City Centre and the BID business members
- Collaborate with Moray Speyside Tourism to maximise promotional opportunities internationally

Embrace Elgin’s environment with pride and passion

- Support those seeking to convert vacant space above commercial units for residential use, in order to improve appearance and make the most of the wider economic benefits that will result
- Encourage the business members and selling agents to clean/maintain the areas adjacent to their properties ensuring pride in the business environment
- Enhance the statutory cleaning provision of the Moray Council, by providing additional cleaning services within the BID area
- Spearhead a city wide “Green” project by upgrading the large city planters, expanding the use of hanging baskets and individual business planters
- Remove ground level weeds to ensure they provide a positive impression of the city
- Continue to work in partnership with the Elgin Benevolent Trust to ensure the city has a high quality Christmas Light display each year
- Improve appearance of empty shops by creating positive marketing materials that promote the wider city welcome and business offer

Embrace what we can achieve by working together through business engagement

- Support and assist individuals and companies keen to locate to the City Centre, by providing information and advice, liaise with stakeholders and landlords on their behalf during the set-up stage
- Support and provide information for our established business members including details of grant funding, changes to legislation, opportunities for marketing and networking with their peers
- Organise a programme of workshops and training activities led by subject matter specialists
- Hold and promote the Elgin BID Business Awards annually, engaging the public of Moray and providing a platform for recognition of excellent service
- Organise and work with partners to arrange networking events, within the BID area and across the Moray Region
- Provide ongoing updates and information (min 12 per annum) via the Elgin BID Member Bulletin which ensures members are made aware of our activities, know how to get involved and have the opportunity to promote themselves to other BID businesses

- Identify and secure money saving initiatives for the businesses through for example bulk buying or collaborative tendering

Enjoy a safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer

- Work in partnership with Police Scotland to distribute intelligence and information to Elgin BID members and across the Moray Region through “Business Watch”
- Continue to support the work of Elgin’s Street pastors as they assist the night time economy and keep customers safe
- Identify opportunities for “Safety Initiatives” across the UK that could be replicated or adapted for use in Elgin

Enjoy and embrace the diverse, high quality business and shopping offer within Elgin City Centre

- Continue to provide the Elgin Gift Card to BID members free of charge, registering businesses to accept it quickly and at a convenient time
- Carry out an ongoing marketing campaign for the Elgin Gift Card to highlight it as a strong and credible gift choice that supports the Shop Local message
- Develop the Elgin App as an additional marketing platform for the City Centre and City Businesses
- Utilise a series of promotional platforms including Facebook, Instagram, Twitter, video, radio, leaflets and printed materials to promote the high-quality business and shopping offer in Elgin
- Maximise use of the Digital media screens throughout the City Centre

Embrace our community by providing opportunities for local people to get involved and celebrate the City Centre

- Continue to work with the Strategic Partnership for Improvement of the City of Elgin (SPICE) on environmental projects which positively impact on the City
- Continue to develop links with schools and youth groups through a wide range of activities including delivering talks in schools, providing volunteering opportunities and supporting the Developing Young Workforce programme
- Research and identify opportunities for collaboration with the Art and Cultural sectors which provide ideas/projects to be explored for new and creative uses for the City Centre.
- Research and engage local groups such as the Elgin Men’s Shed in activities which enhance the City Centre and public realm
- Work with Moray College to provide engagement opportunities with the local business community, through activities such as volunteering and showcasing their skills

The BID Levy

There are approximately 422 commercial properties in the Elgin BID area, which will generate an estimated income of £170,500 per annum, the equivalent of an estimated £852,500 over 5 years.

The Elgin BID levy has been calculated at 1.6% of the rateable value of non-domestic properties falling within the BID area. This figure was reached by the BID Board of Directors following detailed discussions.

A minimum levy of £60 is proposed, payable for all non-domestic properties liable to pay the non-domestic rate within the Elgin BID area, having a rateable value of up to £5,000. A maximum levy of £9,760 is proposed for non-domestic properties liable to pay the non-domestic rate having the rateable value of £610,000 and above.

The annual levy will be linked after the first year to the Consumer Price Index (CPI) on the 1st of December of each year. Any increase in the CPI at that date will result in a corresponding increase in the following year's BID levy or any revaluation of the non-domestic rate during the term of the BID. The BID Board reserves the right not to implement the annual CPI increase should they deem it appropriate.

Who Will Pay the Levy

Eligible business owners, of eligible properties, operating within the BID boundary are liable to pay the BID Levy.

Eligible occupiers (of eligible properties) are the people liable to pay the non-domestic rate that are listed on the Local Assessors Valuation Role on the day of the ballot and thereafter will be liable to pay the levy.

The levy payments are not linked to what the businesses actually pay in rates but are based on the rateable value of the property.

If a property is empty on the date of issue of the levy invoice, the property owner will be liable to pay the full levy amount. Any property which is currently exempt from its liability to pay non-domestic rates due to an award of rates relief will still be liable to pay the full levy amount.

Any change to a property's ownership and/or occupancy during the year will result in an adjustment to the levy payable. The levy will be recalculated on the date on which liability for the payment of non-domestic rates was established or terminated.

Any additional rateable property formed during the lifetime of the BID (for example new build developments) will be liable to pay a proportion of the levy based on the date on which liability for the payment of non-domestic rates was established.

Exclusions

Following discussion, the BID Board of Directors agreed to retain the existing exclusions (those which applied in Phase2), for continuity and clarity.

It is proposed to exempt lock-up garages, car parking, advertising stations, and the city substation from the BID levy. Zero Rated properties will also be exempt, in order to support their business owners as they develop their properties. As soon as these properties are liable for a Rateable Value, they will be eligible to pay the levy at a rate of 1.6%.

Charitable status or mandatory charitable relief will not apply to the BID levy, as all will benefit from an improved environment, projects and services.

The Levy Table

The BID Board of Directors have made the decision to keep the BID levy at the same rate as Phase 2, this is in recognition of the pressures faced by their members.

Rateable value up to	£5,000	£10,000	£25,000	£50,000	£200,000	£500,000	£2,000,000
Proposed annual levy	£60	£160	£400	£800	£3,200	£8,000	£9,760
Weekly cost	£1.15	£3.07	£7.69	£15.83	£61.54	£153.85	£187.69

Enforcement

The Moray Council, on behalf of Elgin BID will make all reasonable efforts to gather the BID levy from business members. Arrangements have been made to allow businesses to pay on a monthly basis as opposed to an annual or biannual basis if this will assist with cashflow. This will be organised in consultation with the BID operational staff. Should all efforts to gather BID levy fail, the Moray Council on behalf of the BID company will attempt to secure the payment through formal debt collection processes, this action would only be undertaken as a last resort if all other efforts have failed.

Collection of the Levy

Following a successful 'YES' vote, invoices for the levy will be issued at the beginning of each financial year with the following payment options as standard practice: -

- Properties with a levy fee of up to £100 per annum will receive one invoice, to be paid within one month of the date of the levy demand notice.

- All other levy payments (those over £100) will be paid in two instalments - one instalment payable within one month of the date of issue of the levy demand-notice and the second payable six months later.

The Voting Process

The vote will be a confidential postal vote conducted by Moray Council’s appointed Electoral Reform Services and in line with Scottish Government BID legislation. Prior to the ballot papers being issued, a “Notice of Ballot” will be sent to all eligible persons (the person liable to pay the non-domestic rate) within the BID area.

Pre-Ballot

The BID must submit to the Chief Executive of the Moray Council, the Scottish Ministers and the Billing Body at least 98 days (21st August 2019) in advance of the ballot date a copy of the BID Proposal and Business Plan. The Local Authority then has 28 days in which to veto, or not, the BID proposal. Providing the Local Authority does not exercise the right of veto, then at least 56 days (2nd October 2019) prior to the proposed ballot date the BID Board of Directors will request the Moray Council to hold the ballot.

Prior to the ballot taking place, a Notice of Ballot will be issued to non-domestic properties in the BID area. A full copy of the BID proposal will be made available to any person who is eligible to vote on the BID proposals. Prior to, or on the date the ballot papers are issued, the BID Proposer will provide all those eligible to vote in the proposed BID area with a detailed Business plan.

The Ballot

- Ballot papers will be issued to every business in the BID area 42 days (16th October 2019) before the final ballot date.
- Ballot papers, together with a copy of the Elgin BID Business Plan will be posted to the person responsible for casting a vote within their business. In the case of national companies, the responsibility for voting may lie with head office.
- The BID ballot is a confidential postal ballot conducted by the Moray Council on behalf of the City of Elgin BID Ltd and in line with Scottish BID legislation.
- Where a property is vacant the voting papers will be sent to the property owner.
- Voting papers will be issued on the 16th October 2019.
- The final date for all ballot papers to be returned is 5pm on the 27th November 2019. Ballot papers received after this time and date will be null and void.
- Voting papers will be easy to complete, businesses simply place a cross on either “Yes” or “No” to the question “are you in favour of a BID?” The ballot paper must then be signed by the person eligible to vote and returned in the pre-paid envelope.

- For the ballot to be successful, there must be a minimum of 25% “turn-out” (the headcount) by number of eligible persons and by combined rateable value.
- Of those who vote, over 50% by number and 50% by combined rateable value must vote in favour of the BID.
- All eligible persons (i.e. those persons liable to pay non domestic rates) will have one vote for each of the properties that they occupy. Where a person is liable to pay the non-domestic rate for more than one property, that individual shall be eligible to cast more than one vote. However, they will also be required to pay the levy for each of the properties that they occupy. Each paper counts as one vote. It is important that every paper received is completed and returned.
- The announcement of the Ballot Result will take place on Thursday 28th November 2019.
- Following a successful ballot the City of Elgin BID Ltd will commence on 1st February 2020 and will run for a period of five years until the 31st January 2025.

BID timetable

2nd October 2019 - Publication notice of the ballot

16th October 2019 - Ballot papers to be issued

27th November 2019 - Final day for voting papers to be received (before 5pm)

28th November 2019 - Announcement of ballot results

Public Sector Involvement



Moray Council

Elgin BID Area - Baseline Information

Introduction

Moray Council provides a range of services to the Elgin City Centre. To ensure that any investments by a BID are additional to existing services, an updated Operating Agreement will be drawn up between Moray Council & City of Elgin BID. Regular reviews of the services will be provided and their contribution to achieving Elgin's BID objectives will be assessed.

This baseline services information does not detail the full range of services provided by Moray Council but is instead limited to the Elgin BID related services.

The baseline information described is those provided in the current financial year (2019 / 2020) and is a mix of statutory duties, permitted and / or discretionary activities.

Service levels provided in future financial years will depend on the level of funding available to Moray Council and may be varied in line with budgetary constraints. However, Moray Council will not disproportionately vary services in the City of Elgin BID area because of the existence of the BID.

Please see below for further details and refer to Appendix 9.

The Council provides the following:

Street Cleansing

- Provision of free-standing litter bins throughout the BIDS area and their routine servicing
- Annual cleaning of litter bins
- Litter picking (Manual)
- Road Channel Sweeping
- Fly Posting removal
- Removal of dog fouling

Waste Management

- Refuse Collections from non-domestic rate payers at a minimum collection frequency of once weekly (chargeable)
- Recycling Collections from non-domestic rate payers at a minimum collection frequency of once weekly (chargeable)

Complimentary/Requested Services

- Fly Tipping Removal
- Advice and assistance to non-domestic rate payers relating to effective waste management practices.
- Provision of waste/recycling services for ad hoc events (chargeable)
- Emergency cover available from on call staff to manage issues that arise with relation to provision

Horticultural/Ground care

- Provision and maintenance of seating
- Design and maintenance of grass plots, and street trees
- Treatment of ground level weeds

Street lighting

- Maintenance of streetlights, signs and beacons
- Design and implementation of new lighting schemes
- Technical advice on street and exterior lighting
- Repairs to lighting faults

A Council resource to undertake enforcement - Action on environmental crimes, for example -

- Fly posting
- Abandoned vehicles

Planning and Regulatory Functions

- Planning control
- Building control
- Transportation planning
- Policy and strategy
- Major developments
- Environmental sustainability

Economic Growth & Regeneration

- Liaison with the business sectors through developments, projects etc.
- Business Gateway service – advice, support & training
- Regeneration through partnership initiatives & funding schemes

Licensing - The Council license

- Taxis and private hire operators
- Market operators and street traders
- Public entertainment and miscellaneous events within the Elgin BID area.

Trading Standards - for a fair and safe trading environment includes

- Free advice to business on Trading Standards matters
- Free Consumer Advice
- Enforcing Trading Standards criminal legislation
- Preventing underage sales
- Provision of a Money Advice Service
- Weights and measures
- Product safety

Transport

- Management of all traffic and road safety functions
- Street works co-ordination
- Active and sustainable travel
- Transport planning and strategies
- Off street car parks
- Reviewing the suitability of on-street and off-street parking in partnership with the community and other partners
- Public transport unit

Road maintenance

- Co-ordinating works on public roads to minimise disruption and improve safety
- Carrying out road safety measures and repairs on public roads and footpaths
- Maintaining of road marking
- Repairing traffic lights
- Cleaning gullies on public roads and footpaths
- Carrying out safety inspections of public roads

Parking traffic enforcement

- The Council employs a team of car park attendants to enforce parking



Local and Regional Police Scotland Contacts

Elgin BID has regular meetings with Police Scotland, from within Elgin and on a Regional basis, contact details are below.

Chief Inspector – Strategic Contact – Norman Stevenson -
Norman.Stevenson@scotland.pnn.police.uk

Inspector – Strategic and Operational contact - Graeme Allan
Graeme.Allan@scotland.pnn.police.uk

Local contact for daily issues – Constable Jad Leach
Jarrod.Leach@scotland.pnn.police.uk

Constable Brian Milne – Regional contact for events programme
brian.milne@scotland.pnn.police.uk

Police - Police Scotland provide

- Local Police Officers undertake a community role as part of their operational work with partner agencies, groups and businesses to address local issues
- A roads policing department based in Elgin
- School Liaison Officer (SLO'S) who attend Elgin schools and deliver sessions including youth ASB within city centres

In addition to Police Scotland's statutory duties a substantial amount of partnership working takes place. Regularly meetings take place to share intelligence, provide guidance and agree projects.

Police Scotland have delivered training to Elgin BID members in safety and crime reduction, they have also delivered training (co-ordinated by Elgin BID) with event organisers across Moray in Anti Terrorism.

Local Police Scotland contacts provide monthly updates which are distributed within the Elgin BID member bulletin, this Business Watch section is then distributed by Elgin BID across Moray through business networks and partnerships reaching of approximately 8,000 businesses.

Measuring success

Measuring the Success of the BID

Throughout Phase 3, Elgin BID will continue to operate in a transparent and robust manner, using well established governance processes to ensure accountability. Being fully accountable to our members is a key element of the company's ethos and every effort is taken to ensure members are kept up to date with activities and given the opportunity to engage and put forward suggestions and ideas.

The BID Chief Executive will report to the Board of Directors on a quarterly basis through the BID Chief Executive Report. This will ensure the Board of Directors are fully aware of activity and performance against the Business Plan Projects. Additionally, the Report includes details of the members the BID Chief Executive has engaged on a one to one basis throughout the quarter. On completion of the meeting, the Meeting Notes are posted online on the BID web site for access by the BID members.

An Annual Report will be prepared and presented to the BID members at the Annual General Meeting, prior to being posted online on the BID website for easy access.

At the mid-term point – Autumn 2023 a Mid-Term Review will be prepared which will incorporate the Annual Report and provide details of progress against Business Plan projects. This will be posted online in the same way as the Annual Report.

Additionally, a full company audit will be carried out annually by an independent auditor ensuring that all processes and procedures are being appropriately followed and identifying areas for development.

Marketing, Communication and Social Media

A Members Information Bulletin is prepared and distributed to every BID member and to key stakeholders at least once per month. This provides details about ongoing activities, opportunities to engage with the BID Board and other business members, new projects, funding and promotional opportunities.

The bulletin in combination with the Annual General Meeting, Annual and Mid-Term Reviews ensures that all BID members are supplied with easy to access information about the BID company and activities undertaken.

Finance

Estimated Income & Expenditure

Additional sources of funding e.g. Grants and Trusts, Sponsorship, Donations and Voluntary contributions from within and out with the BID boundary will be sought throughout Phase 3.

Any income generated will be in addition to investment from the BID business members. While additional funding from any of the above sources will allow the delivery of extra services, projects and activities, it has not been included in the financial details at this stage.

Financial Management Arrangements

Thorough and robust governance processes are in place within the company ensuring that the company's finances are carefully and professionally managed.

Levels of delegated authority are in place to ensure that the Board of Directors are fully aware of spend. Two Directors are required to authorise cheque payments and the ongoing financial management is overseen by the company accountant.

The Chief Executive prepares a draft budget for the forthcoming year annually and this is presented to and authorised by the Directors and Chair.

A full company independent audit is completed each year following preparation of the annual accounts and provides an additional layer of accountability. Once audited an extract of the accounts is presented to the BID members at the Annual General Meeting before being posted online as part of the Annual Report.

Elgin BID Projected Expenditure & Income

While planning for the Phase 2 Re ballot, Elgin BID approached the Moray Council to ask if they would continue to pay a grant towards operational costs. This was granted, and we ensured it was put to good use, but the Moray Council committee members made it clear that this would not be available should we attempt to secure a third term.

Having this knowledge from such an early stage has proved invaluable in allowing the BID to carefully plan and ensure sustainability going forward. Phase 2 allowed substantial investments in major capital projects such as the Conservation Area Regeneration Scheme and the Castle to Cathedral to Cashmere Heritage Experience. Moving forward we have positioned ourselves to allow careful management and operation of the business while still undertaking key projects identified as priorities by the businesses.

Income and Expenditure Table

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£170,500	£170,500	£170,500	£170,500	£170,500	£825,000
Key Development Themes	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Explore and Enjoy Elgin City Centre through strong marketing and promotion	£35,585	£33,770	£31,974	£31,181	£29,903	£162,413
Embrace with Pride and Passion, Elgin's environment	£23,500	£24,000	£24,480	£23,750	£23,500	£119,230
Embrace what we can achieve by working together through business engagement	£5,500	£5,600	£5,600	£5,500	£5,500	£27,700
Enjoy a Safe City Centre, where businesses, staff members and the public can enjoy all that Elgin has to offer	£2,215	£2,175	£2,150	£2,125	£2,000	£10,665
Embrace our Community by providing opportunities for local people to get involved and celebrate the City Centre	£2,000	£2,050	£2,050	£1,900	£1,900	£9,900
Enjoy and Embrace the diverse, high quality business and shopping offer within Elgin City Centre	£7,700	£7,500	£7,325	£7,500	£7,425	£37,450
Operational costs, including staffing, auditing, BID levy collection, Insurance, Utility bills, monitoring and evaluation	£85,000	£87,125	£89,303	£91,535	£93,823	£446,786
Contingency	£9,000	£8,280	£7,618	£7,009	£6,449	£38,356

Contact Information

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Elgin
IV30 1BP

Gill.neill@elginbid.co.uk

01343 550652





REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: PARTICIPATION REQUESTS ANNUAL REPORT 2018/19

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

1.1 To present to Committee the Participation Requests Annual Report 2018/19 (**Appendix 1**)

1.2 This report is submitted to Committee in terms of Section III (B) (45) to deal with matters relating to public reporting.

2. RECOMMENDATION

2.1 It is recommended that Committee:-

- i) considers and approves the Participation Requests Annual Report 2018/19 for submission to the Scottish Government; and**
- ii) agrees that the Participation Requests Policy is amended to include the Cairngorms National Park Authority as a Public Service Authority.**

3. BACKGROUND

3.1 Part three of The Community Empowerment (Scotland) Act 2015 (the Act), implemented on 1 April, 2017, introduced a new means by which community groups can request to have involvement in, and influence over, decisions and services which affect communities. This involvement is described as an outcome improvement process and is initiated by a Participation Request.

3.2 Participation Requests are a framework for initiating dialogue and are not intended to replace good quality existing community engagement or participation processes and do not replace the Council's current complaint procedures. During the period, departments within the council continued to work closely with and support a wide range of community based groups and organisations on the development of two locality plans, based on identified community need, whilst working in collaboration to address issues such as

the closure of some town halls (Community Asset Transfers), public toilets, grass cutting etc.

- 3.3 The Committee approved the Participation Request Policy on 8 May 2018 (para 9 of the Minute refers) and, as required by the Act, has put in place a process which allows consideration of any requests made by community bodies.
- 3.4 The Act requires Public Service Authorities to publish an annual report on Participation Requests (part 3. s.32).
- 3.5 An interim evaluation on the use of Participation Requests across Scotland highlighted that public services should consider how to promote Participation Requests to marginalised groups.
- 3.6 The Council's Participation Request Policy was approved by Policy and Resources Committee on 8 May 2018. To ensure the Policy is up-to-date, it is proposed to add the Cairngorms National Park Authority as a Public Service Authority. No other changes are proposed to the policy.

4. **PARTICIPATION REQUESTS TO MORAY COUNCIL 2018/19**

- 4.1 During 2018/19, Moray Council did not receive any formal Participation Requests.

5. **SUMMARY OF IMPLICATIONS**

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

Participation Requests can support the 10 Year Plan (LOIP) aim of creating stronger, more resilient, influential, inclusive and sustainable communities. The process will encourage greater community participation in all areas of the Moray Corporate Plan and develop relationships and innovation in future years.

(b) **Policy and Legal**

On 8 May 2018, the Policy and Resources Committee approved the following policy statement in relation to Participation Requests.

*The Moray Council welcomes **Participation Requests** from local community groups who believe they could help the Council to better meet the needs of **service** users, to offer volunteers to support a **Service** or even propose to **take** over the delivery of the **Service under the terms of the Community Empowerment (Scotland) Act 2015 and the Participation Request (procedure) (Scotland) regulations 2017.***

(c) **Financial Implications**

There are no financial implications arising directly from this report.

(d) **Risk Implications**

Changes in government policy, legislation and regulation: the Scottish Government is currently undertaking a review of local governance. It is anticipated that central to any changes brought forward through the

Local Democracy Bill will be the principles of subsidiarity and participation.

Reputation management: a Participation Request applicant may not be satisfied with the decision of the Council or the outcome of the process which could generate negative views.

Community Empowerment: without appropriate advice, applicants may have unrealistic expectations of what can be achieved through Participation Requests.

(e) Staffing Implications

There are no staffing implications arising directly from this report. Future staff capacity should be commensurate with (a) the requirement to deal appropriately and timeously with Participation Requests, (b) the requirement to promote and raise awareness of the process and (c) the provision of support offered to community groups.

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required as the report is to approve the submission of the annual report to the Scottish Government. There will be no differential impact, as a result of the report, on people with protected characteristics.

In future, in light of the expectation by Government that Participation Requests should be promoted to marginalised groups, an Equality Impact Assessment will form part of the Annual Report.

(h) Consultations

Consultation has taken place with the Legal Services Manager, Lissa Rowan, Committee Services Officer and Equal Opportunities Officer and any comments have been incorporated into this report.

7. CONCLUSION

- 7.1 This report meets the reporting requirements of the Community Empowerment (Scotland) Act 2015 for the period from 1 April 2018 to 31 March 2019.**
- 7.2 The report provides details of the actions to be taken to promote the use of Participation Requests.**

Author of Report: Jill Sowden, Community Support Officer
Background Papers: Held by author



PARTICIPATION REQUESTS ANNUAL REPORT 2018/19

The Community Empowerment (Scotland) Act 2015, introduced a new means by which community groups can request to have involvement in, and influence over, decisions and services which affect communities. This involvement is described as an outcome improvement process and is initiated by a Participation Request.

There are several possible purposes for which Participation Requests can be used, including

- To help people start a dialogue about something that matters to their community, through highlighting needs, issues or opportunities for improvement.
- To help people have their voice heard in policy and service development, through contributing to decision-making processes.
- To help people to participate in the design, delivery, monitoring or review of service provision, through contributing to service change or improvement.
- To help people to challenge decisions and seek support for alternatives which improve outcomes

REPORT FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Number of Participation Requests received	0
Number of Participation Requests validated	0
Number of Participation Requests agreed to	0
Number of Participation Requests refused	0
Number of Participation Requests resulting in service improvement	0

No Participation Requests, expressions of interest or enquiries were received by Moray Council in the period 1 April 2018 to 31 March 2019.

Promotion of Participation Requests

Steps to be taken to promote Participation Requests in Moray in 2019/20 include

- Publishing guidance on the Council's website
- Promoting through Social Media
- Promoting through community newsletters
- Issuing advisory leaflets to Community Councils and community organisations
- Displaying advisory leaflets in public buildings
- Arranging a briefing session for Directors and Service Managers
- Providing a central point of contact for enquiries
- Offering support to develop Participation Requests



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 3 SEPTEMBER 2019

SUBJECT: POVERTY STRATEGY AND ACTION PLAN

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 To inform the Committee of the amended Moray Community Planning Partnership (MCP) Poverty Strategy and associated Moray Poverty Action Plan endorsed from the Moray Community Planning Partnership Board.
- 1.2 This report is submitted to Committee in terms of Section III (B) (51) of the Council's Scheme of Administration relating to the Council's strategy, policy, budgetary and monitoring arrangements for third sector.

2. RECOMMENDATION

2.1 It is recommend that the Committee endorse:-

- i) the Poverty Strategy and Moray Poverty Action Plan (APPENDIX 1 and 2); and**
- ii) the Fairer Moray Forum's (FMF) continued delivery against these on behalf of Moray CPP.**

3. BACKGROUND

- 3.1 FMF have developed the MCP) Poverty Strategy and associated Moray Poverty Action Plan as agreed at the MCP) officers' group meeting on 29 March 2018.
- 3.2 The draft Moray Poverty Strategy was submitted to the MCP) Board meeting on 8 November 2018, where it was supported subject to agreed minor amendments.
- 3.3 The draft Strategy was submitted following the agreed amendments to the MCP) Board meeting on 18 April 2019 where the Board endorsed the Strategy and Plan and also endorsed the FMF continued delivery against these on behalf of the Moray CPP.

- 3.4 FMF have developed terms of reference (**APPENDIX 3**) detailing the arrangements for delivering the Moray Poverty Action Plan under the auspices of Moray CPP.

4. SUMMARY OF IMPLICATIONS

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

The Corporate Plan is presently under review. The Strategy and Action Plan relate where appropriate to the priorities and outcomes for the Moray Community Planning Partnership Moray 10 Year Plan (Local Outcomes Improvement Plan).

(b) Policy and Legal

Any policy and legal implications are addressed into the Strategy and Action Plan.

(c) Financial Implications

There are no direct financial implications. To address any associated financial implications, existing and planned activities across the Moray Community Planning Partnership have been aligned with the Strategy and Plan.

(d) Risk Implications

Non compliance with the statutory duties placed upon the Council and NHS Grampian by the Poverty (Scotland) 2017.

(e) Staffing Implications

There are no direct staffing implications. Existing and planned activities across the Moray Community Planning Partnership have been aligned to address any such implications associated with the Strategy and Plan.

(f) Property

There are no property implications associated with this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed.

(h) Consultations

Consultations carried out during the formulation of the Strategy and Action Plan are as detailed throughout the Strategy and Plan.

5. CONCLUSION

- 5.1 The MCPP Poverty Strategy (APPENDIX 1) and associated Moray Poverty Action Plan (APPENDIX 2) is fully compliant with the statutory duties placed upon The Moray Council and NHS Grampian by the Child Poverty (Scotland) Act 2017. Together they will inform the annual Child Poverty Action Report required by the legislation.**

Author of Report: Roddy Burns, Chief Executive
Background Papers:
Ref: SPMAN-1108985784-78



A strategy for preventing, mitigating and undoing poverty in Moray

2018 – 2021

FOREWORD

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EXECUTIVE SUMMARY

Moray is a great place to live with relatively low unemployment, an enviable natural environment, low levels of crime and good public services. On average Moray's population experiences a good standard of living, skills and wellbeing.

However, Moray also has:

- a low wage economy and a reliance on a small number of industries, reducing economic diversity
- noticeable variation in attainment at school
- young people who leave for higher education and don't return
- less favourable outcomes in some smaller communities in Moray
- challenges in making all services accessible due to its rurality
- public sector financial constraints

Moray Community Planning Partnership (MCP) is the multi-agency strategic partnership that brings together public agencies, the third sector and community representatives to work together to improve the lives of the people of Moray.

This MCP strategy sets out its agreed approach to tackling poverty and meeting the statutory duties set out in the Child Poverty (Scotland) Act 2017 through the *Local Outcomes Improvement Plan* (LOIP).

The strategy draws on work by the Joseph Rowntree Foundation and the Scottish Government to set out an 'ideal' vision of the future – what Moray would be like if poverty was prevented. Local research is then presented in contrast to this, allowing the strategic "gaps" between vision and reality to be identified. This allows for the development of a framework by which a practical action plan will be developed and implemented across Moray.

The framework consists of identified priority population groups (e.g. lone parents), cross-referenced against a set of priority actions (e.g. affordable childcare), and acknowledges the role of a range of existing strategic groups for leading change.

The framework will be used to co-produce the practical action plan, with progress reporting through MCP officers group, and informing the statutory child poverty annual reporting to Scottish Government.

Chapter 1 INTRODUCTION

Poverty is when a person's resources are well below their minimum needs, including the need to take part in society
– The Joseph Rowntree Foundation

Moray Community Planning Partnership (MCP)

Moray Community Planning Partnership (MCP) is the multi-agency strategic partnership that brings together public agencies, the third sector and community representatives to work together to improve the lives of the people of Moray.

Moray

For many people, Moray is a great place to live with relatively low unemployment, an enviable natural environment, low levels of crime and good public services. On average Moray's population experiences a good standard of living, skills and wellbeing.

However, Moray also has:

- a low wage economy and a reliance on a small number of industries, reducing economic diversity
- noticeable variation in attainment at school
- young people who leave for higher education and don't return
- less favourable outcomes in some smaller communities in Moray
- challenges in making all services accessible due to its rurality
- public sector financial constraints

MCP therefore recognises the existence of inequality, deprivation and poverty in Moray and agreed the strategic importance of addressing these through the *Local Outcomes Improvement Plan* (LOIP).

Poverty

Poverty is defined against the reasonable expectation that everyone should be able to meet their basic needs, which includes the need to be able to participate as a citizen and member of society. The Joseph Rowntree Foundation (JRF) identifies six forms of poverty:

1. child poverty
2. working age poverty
3. later life poverty
4. poverty in those living with additional challenge

Chapter 1 INTRODUCTION

5. poverty associated with rising costs (including food and fuel poverty)
6. geographical poverty

People can move in and out of poverty over time, or they can remain in persistent poverty over time. Between 2011 and 2015, almost one in ten people in Scotland were in poverty for three or more of the last four years.¹ Living with financial poverty can create a poverty of hope, a poverty of expectation, and a poverty of aspiration.

JRF has further defined **destitution** as lacking two or more of shelter, food, heating, lighting, clothing and footwear, or basic toiletries during the past month due to an inability to afford them. In 2015, over 1.25 million people in the UK were destitute and a quarter of these were children.²

Not everyone is equally at risk of experiencing poverty. Some groups of people are more protected against poverty than others. Children have no choice over the wealth of the family they are born in to. Poverty is therefore unfair. Poverty is bad for children, bad for health, bad for educational attainment, bad for crime, bad for safety, bad for civic participation, bad for public services and bad for economic growth.

In short, poverty costs us all in the long-term.

Strategic context

The Child Poverty (Scotland) Act 2017³ places statutory duties on Local Authorities and Health Boards to reduce child poverty across Scotland. The Act sets out interim and final targets to be achieved by 2023 and 2030 respectively:

- less than 18% / 10% of children will be living in relative poverty;
- less than 14% / 5% of children will be living in absolute poverty;
- less than 8% / 5% of children will be living with combined low income and material deprivation; and
- less than 8% / 5% of children will be living in families living in persistent poverty

¹ Scottish Government, *Persistent Poverty in Scotland 2010-2015*

² Joseph Rowntree Foundation, *Destitution in the UK - 2016*

³ <http://www.legislation.gov.uk/asp/2017/6/enacted>

Chapter 1 INTRODUCTION

Definitions of these terms are set out in the Act (see appendix 1). The MCPP poverty strategy is fully aligned with the statutory duties placed on The Moray Council and NHS Grampian.

Taking a strategic approach to tackling poverty in Moray

This document sets out the strategic approach MCPP will take to prevent, mitigate and undo poverty in Moray. It has been developed by the *Fairer Moray Forum* with and on behalf of MCPP.

Chapter two sets out an ‘ideal’ vision of the future – what Moray would be like if poverty was prevented.

Chapter three sets out the current situation in Moray.

Chapter four draws out the “gaps” between chapters two and three, identifies the key strategic areas requiring attention, and how the actions in the Scottish child poverty delivery plan⁴ align to these.

Chapter five sets out a clear framework by which a practical action plan will be developed and implemented across Moray.

Chapter six sets out how success will be measured.

⁴ <https://www.gov.scot/Publications/2018/03/4093>

Chapter 2 A FUTURE MORAY FREE FROM POVERTY

An affluent Moray for all

Between them, the Scottish child poverty delivery plan and the JRF report *We Can Solve Poverty* present a series of solutions to the six types of poverty.^{5,6} By summarising these, a picture of a fairer, more affluent Moray can be envisioned.

A Moray without child poverty

In a Moray without child poverty, all parents would have access to employment that provided a living wage; a social security system that provided sufficient income in the event of sickness, disability or redundancy; and an economy which ensured life's essentials were affordable.

There would be easy access to high-quality, flexible and affordable childcare regardless of income, supporting parents to remain in work and providing children with valuable pre-school development. Effective parenting would be supported, and mental wellbeing would be prioritised, particularly in the event of parental separation.

In schools, every pupil would be supported to succeed regardless of their household income or the average household income in their school's catchment area. All young people would leave school with the support, advice, skills and confidence to move successfully into education, training or the labour market and towards independence.

A Moray without working age poverty

In a Moray without working age poverty, all working age adults would be supported to gain the skills and capabilities to find a suitable job, and to progress once in work. All employment would offer fair work, in terms of a Living Wage, greater job security and opportunities for progression. All working-age people would be able to afford to save and contribute to a pension fund. The social security system would incentivise work and increasing hours, while supporting people in and out of work to escape poverty.

⁵ <https://www.gov.scot/Publications/2018/03/4093>

⁶ www.jrf.org.uk/report/we-can-solve-poverty-uk

Chapter 2 A FUTURE MORAY FREE FROM POVERTY

A Moray without later life poverty

In a Moray without later life poverty, all older adults would have savings and/or pension fund. All older people would be taking up all the financial supports for which they were eligible. Older disabled people would have access to social security payments which reflected the additional costs of disability and care needs.

A Moray without 'additional challenge' poverty

In a Moray without poverty, extra efforts would be made to identify and support those living with additional challenges. Holistic support services would be available to reach and support families with a lone parent, with a disabled adult or child, with a child under one year old, with a younger mother, or with a minority ethnic background; looked after children and young people leaving care; people experiencing homelessness; and people living with mental health difficulties. They would be providing the necessary supports to help people maximise their potential, and secure housing, employment, training and income.

A Moray without cost-associated poverty

In a Moray without cost-associated poverty, infrastructure businesses would not apply a poverty premium to those with lower incomes. Those businesses would in fact offer the best deals to those with lower incomes. There would be enough genuinely affordable housing, and energy efficiency programmes would have reduced energy bills.

A Moray without geographical poverty

In a Moray without geographical poverty, communities would be supported to create and implement locally-led solutions and build pressure for larger change.

National, regional and local leaders would be setting a clear vision and co-ordinating efforts across sectors.

'Anchors' – the large employers and spenders in a place – would be using their purchasing power and networks to connect to local businesses and neighbourhoods. They would invest in fair work practices, sharing their business success with their workforce through providing job security, training and good working conditions, enabling a balanced economy to flourish.

Chapter 3 POVERTY IN MORAY TODAY

Moray today

This chapter sets out the available data on poverty in Moray today, against the vision set out in chapter two. It confronts us with the reality of life in Moray today and begins to help us see where we can work together to make life better for everyone. Public and third sector staff working in all services, at all levels, each have an invaluable role to play.

Child poverty exists in Moray today

Recent estimates identify 3,049 children living in relative poverty in Moray.⁷

This represents one child in six (17%). This is lower than the interim target of 18% in the child poverty act, but higher than the ultimate target of 10%.

Women earn less than men in Moray – and are more likely to be lone parents

Women working fulltime earn £430 per week, compared to men working fulltime who ear £540 per week.⁸

Nearly one in three (29%) women work part-time in Moray, compared to one in thirty-three men (3%).

Women's lower wages and fewer working hours increase the risk of poverty for women, and nine out of ten (90%) lone parents in Scotland are women.⁹

School attainment is not equal

Pupils living in poorer communities in Moray generally do less well at school than those in the more affluent areas.¹⁰

Unemployment is low in Moray...

Four out of five adults (78%) work in Moray.¹¹

⁷ *End Child Poverty*, <http://www.endchildpoverty.org.uk/poverty-in-your-area-2016/> – November 2016

⁸ ONS, *Annual Survey of Hours and Earnings* – 2007-2016

⁹ Scottish Government, *Equality characteristics of people in poverty in Scotland* - 2015/16

¹⁰ *SIMD* - 2016

¹¹ *NOMIS* - 2017

Chapter 3 POVERTY IN MORAY TODAY

Fewer than one thousand adults are claiming out-of-work benefits in Moray (less than 2% of the working age population).

One in twenty adults are claiming Employment Support Allowance and Incapacity Benefit (5% of the working age population).

...but not all employment provides a living wage

One in four employees (25%) in Moray earn less than the 'real living wage'.^{12,13}

People earn less in Moray than the national average. The average full-time wage in Moray in 2016 was £498 per week, compared with £548 for Scotland.¹⁴ Average wages are influenced by seasonal employment in sectors such as manufacturing and tourism, where earning can vary significantly across the year. Seasonal employment also limits job security and associated benefits, which makes it more difficult to save and contribute to a pension.

There is a higher rate of part-time employment than nationally (38% versus 33%).¹⁵

Most families receiving tax credits are in work.¹⁶

Not everyone has qualifications

Over one in four adults in Moray have no qualifications. There is geographical variation, ranging from around one in ten (11%) with no qualifications in Kinloss to over one in three (37%) in Keith and Dufftown.¹⁷

Moray's population is ageing

One in five adults are of retirement age.¹⁸

One in seven retirees are in receipt of pension credits.¹⁹

¹² <http://scottishlivingwage.org/> - £8.75 per hour as at November 2017

¹³ [ONS - ASHE](#)

¹⁴ *NOMIS* – July 2016-June 2017

¹⁵ *ONS* - 2016

¹⁶ HM Revenues and Customs, *Personal Tax Credits: Finalised Award Statistics* – August 2015 figures, published November 2017

¹⁷ NHS Health Scotland, *Lone parents in Scotland* - November 2016

¹⁸ Research Information Officer; *Growth Bid – Moray – Supplementary Information* – Aug 2017

¹⁹ Department for Work and Pensions - May 2017

Chapter 3 POVERTY IN MORAY TODAY

An aging population and a low wage economy increase the need for a preventive approach for the future.

People facing additional challenges require more help

Looked after children do less well at school.²⁰ Fewer than one in six achieve level five literacy and numeracy at secondary school. Fewer looked after children go on to further education, training or employment after school.

Disability is a known obstacle to employment, with less than half of adults with a disability are in employment.²¹ Disability is associated with poverty.²²

The most affordable housing in Moray is council housing, on average under half the cost of private rentals.²³ Around three hundred households present as unintentionally homeless each year in Moray.²⁴ The council housing waiting list is over three thousand and rising.²⁵

Poverty and poor mental health are related. Suicide rates are higher in more deprived populations.²⁶ Suicide is more common in Moray than nationally.²⁷

One in five households have no access to a car.²⁸

Food and fuel are prohibitively expensive for some households

Increasing numbers of people are seeking help from Moray food bank. Over two thousand people sought help last year.²⁹

Nearly half of households in Moray are experiencing fuel poverty, with one in ten experiencing 'extreme fuel poverty'.³⁰

²⁰ Research Information Officer: *stats provided* – December 2017 and January 2018 (email)

²¹ *Annual Population Survey* - 2016

²² Scottish Government, *Equality characteristics of people in poverty in Scotland* - 2015/16, June 2017

²³ Scottish Housing Regulator, *Landlord Report Moray Council* - 2015/16

²⁴ Research Information Officer: *stats provided* – December 2017

²⁵ Moray Council, *Homelessness in Moray Annual Report* - 2016/17

²⁶ ScotPHO, *Suicide: Deprivation* - 07.09.17

²⁷ Moray Health Profile 2015 (five year average)

²⁸ *Census* - 2011

²⁹ <https://www.pressandjournal.co.uk/fp/news/moray/elgin/1356831/surge-in-demand-at-moray-food-bank/>

³⁰ Housing Strategy and Development Manager: *stats provided* – December 2017 (by email)

Chapter 3 POVERTY IN MORAY TODAY

Where people live matters

The experience of poverty is not equally distributed across Moray.

In some neighbourhoods the number of children living in poverty is less than one in twenty (<5%); in other neighbourhoods it is as high as one in five (20%).³¹

While over one thousand school pupils (P1 to S3) received means tested free school meals last year, some neighbourhoods have much higher proportions of children receiving free school meals than others.³²

³¹ *Community Planning Outcomes Profile Tool*

³² <http://www.gov.scot/Topics/Statistics/Browse/School-Education/SchoolMealsDatasets/schmeals2017>

Chapter 4 STRATEGIC PRIORITIES TO REALISE THE FUTURE

Key strategic themes

The analysis of Moray's status set out in chapter three was informed by the vision set out in chapter two. By comparing current and future states, the strategic themes for tackling poverty become clearer.

For Moray these are:

- geographical 'pockets' of relative poverty
- variation in school attainment by place and family background
- variation in qualifications and skills
- low wage employment
- ensuring full uptake of social security rights
- high costs of living (food, fuel, housing, transport)

These themes can be particularly pronounced for single parents, people living with disabilities, families who have three and more children, people of a minority ethnic background, families who have an infant under the age of one, younger mothers under the age of 25, people who are homeless, and people experiencing mental health difficulties.

These themes are consistent with the requirements to report on actions to address income from employment, income from social security, and the cost of living in annual child poverty reports to Scottish Government.

Links to the Local Outcome Improvement Plan (LOIP)

Existing and planned arrangements through MCPP, combined with actions announced in the Scottish Government child poverty delivery plan (*every child, every chance*), provide opportunities to strategically address the challenge of poverty in Moray.

- Locality plans will work with communities experiencing relative poverty to coproduce priorities and solutions
- Integrated Children's Services arrangements will strategically develop systems across public services that look for and identify

Chapter 4 STRATEGIC PRIORITIES TO REALISE THE FUTURE

those experiencing poverty, to allow the delivery of additional support to them

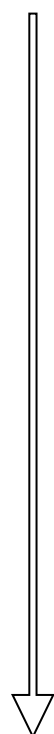
- The Moray Economic Partnership will address training, skills, qualifications and fair work
- Devolved social security responsibilities will ensure maximum uptake of people's rights
- Community Justice, Alcohol & Drug Partnership, adult protection, child protection and gender-based violence strategic planning groups will identify people at high risk of poverty, to allow the delivery of additional support to them
- *Every child, every chance* sets out new resources to address domestic energy efficiency, provide income maximisation and poverty premium avoidance advice, affordable credit, and an NHS 'healthier, wealthier children' programme targeting pregnant women and families with children at risk of or experiencing poverty
- Fairer Moray Forum includes stakeholders with front-line experience of working with people experiencing poverty and will ensure that all strategic plans are informed by realistic and practical actions.

Chapter 5 A STRATEGIC FRAMEWORK FOR TACKLING POVERTY IN MORAY

Developing an action plan

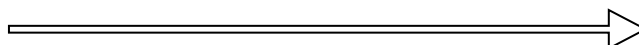
Fairer Moray Forum will lead the development of a whole-system action plan, based on the identified strategic priorities, reporting to MCPP. The plan will be developed by using a matrix to cross-reference priority actions against priority population groups.

Priority population groups



- Lone parents
- Nursery age children
- Primary school pupils
- Secondary school students
- Looked after children
- Care leavers
- Large families (3+ children)
- Minority ethnic families including gypsy travellers
- Pregnant women
- Families with infants under 1
- Families with disabled children
- Families with younger mothers (aged under 25)
- Adults with disabilities
- Children with mental health problems
- Adults with mental health problems
- People experiencing homelessness
- Adults without qualifications
- Retired adults

Priority actions



- free / affordable childcare provision
- free / affordable out of school childcare provision
- school holiday meals
- school uniforms
- parenting support
- mental health support
- school attainment
- support into employment
- skills and training support
- access to the real living wage
- ensuring social security uptake
- provision of financial advice
- internet access
- affordable credit
- affordable housing

Chapter 5 A STRATEGIC FRAMEWORK FOR TACKLING POVERTY IN MORAY

- energy efficient homes
- affordable energy
- affordable food
- affordable sanitary products
- affordable transport

Each cell of the matrix will identify:

- The relevance of the priority action to the priority population group
- How are eligible individuals and families identified and who coordinates the response to their needs
- What is currently available and where is it provided
- What is additionally required, where
- Which strategic plan(s) is best placed to progress the action(s)

For example, one cell in the matrix will cross-reference looked after children with school attainment:

	SCHOOL ATTAINMENT
LOOKED AFTER CHILDREN	Relevant: yes How are they identified: ... Who coordinates the response to their needs: ... Current actions: ... Additional actions required: ... Strategic home(s): ...

The completed matrix will allow differentiation between:

- actions already in place in existing strategic plans
- actions already in place, but not in an existing strategic plan
- actions that should be in place in an existing strategic plan, but aren't
- actions that should be in place, but not in an existing plan, but aren't

The MCPP poverty plan will then comprise two sections:

1. a set of new or existing actions to be taken forward through other existing strategic plans
2. a set of new or existing actions to be taken forward through the new poverty action plan

Chapter 6 MEASURING SUCCESS

Annual poverty reporting

The Moray Council and NHS Grampian have a statutory duty to provide a child poverty report to Scottish Government each year.³³ The proposed reporting date is 30 June each year, with the first report due by 30 June 2019. Scottish Government recognises that Community Planning Partnerships may be the relevant strategic body to coordinate and collate the relevant data and information.

Scottish Government also acknowledge that Child Poverty Reports will likely cross-reference with Children's Services Plans reports in respect of actions and outcome measures for child poverty.

Child poverty reports must differentiate between actions taken during the year that will:

- a) reduce poverty between now and 2030
- b) not reduce poverty before 2030 but has a potentially longer-term preventative outcome
- c) not reduce poverty before 2030 but will improve wellbeing of families experiencing poverty now

A set of robust, reliable and repeated measurements are required to monitor and evaluate the impact of the poverty plan over time. The child poverty delivery plan identifies a range of data sources that are helpful in assessing child poverty locally, but only data that is gathered repeatedly and consistently will allow progress to be tracked.

The main aim of the legislation is to reduce poverty, not just to mitigate against it. There is therefore an expectation that the priority actions are those that directly address the causes of poverty (income, cost of living) and their primary drivers (skills and qualifications; available, high-wage employment; affordable childcare and transport; access to affordable credit; internet access; savings and assets; benefit uptake) and secondary drivers (hours of work; housing costs; debt; benefit levels; benefit reach).

The child poverty delivery plan outlines plans for a Scottish poverty and inequality research unit. Clarification will be sought as to whether local authority prevalence data will be calculated centrally for children living in relative poverty, in absolute poverty, with combined low income and material deprivation; and in persistent poverty.

³³ <https://beta.gov.scot/publications/local-child-poverty-action-report-guidance/>

Chapter 6 MEASURING SUCCESS

The child poverty delivery plan also sets out data available at local authority level, which could be used by MCPP for evaluation purposes:

Take-up of benefits	Healthy Living Survey – Uptake of free school meals
Hourly pay	Annual Survey of Hours and Earnings – Employees paid less than the Living Wage
Hours worked per household	Annual Population Survey – Employment, unemployment and economic inactivity rates, reasons for inactivity, willingness to work, work pattern (part-time/full-time), underemployment, temporary contract
Skills and qualifications	Annual Population Survey –Qualifications and occupational skill level of working age adults School attainment and school leaver destinations
Availability of affordable accessible transport and childcare	Summary statistics for schools in Scotland - Uptake of funded early learning and childcare entitlement Availability and frequency of bus service , (by data zone) Mode of transport people use to get to work Scottish Household Survey – Satisfaction with public transport Scottish Household Survey – average monthly spend on car fuel*
Housing costs	Registers of Scotland House Price Statistics Affordable Housing Supply Programme statistics Scottish Household Survey – Average monthly spend on mortgage, average spend on rent, difficulties paying mortgage or rent in past 12 months*
Other costs of living	Scottish House Condition Survey – fuel poverty Scottish Household Survey – average spend on heating fuel, method of paying for fuel (e.g. pre-payment meter)*
Debt	Scottish Household Survey – not managing well financially, owing money on credit, charge or store cards*
Enablers	Scottish Household Survey – internet access, savings, use of high cost credit methods*

* Items marked with an asterisk show where local authority breakdowns are not currently published, but there are plans to make them available via the Scottish Government's Open Data website <http://statistics.gov.scot/>

A final set of outcome measures will be agreed and reported against to MCPP and Scottish Government.

APPENDIX 1 TARGET DEFINITIONS

Source: annex B of the annual child poverty reporting guidance.³⁴

1. Less than 10% of children are in relative poverty

Description of measure: Relative poverty measures the proportion of children living in households with incomes below 60% of the median (middle) UK income in the current year.

Rationale for the target: This measure of poverty recognises that individual and household needs are relative to societal standards of living and measures whether the incomes of the poorest households are keeping up with growth in average (middle) incomes in the current year.

Data source: The data used to measure this comes from the Family Resources Survey (FRS) and associated Households Below Average Income (HBAI) dataset. These provide the best source of household income data at a Scotland (and UK) level. <https://www.gov.uk/government/collections/family-resources-survey--2>

2. Less than 5% of children are in absolute poverty

Description of measure: The number of children living in households below 60% of the median UK income in 2010/11, adjusted for inflation.

Rationale for the target: Assessment of whether living standards at the bottom of the income distribution are rising or falling (keeping pace with inflation) irrespective of those elsewhere in the income distribution.

Data source: As for the relative poverty measure, the data used to measure this comes from the Family Resources Survey (FRS) and associated Households Below Average Income (HBAI) dataset. <https://www.gov.uk/government/collections/family-resources-survey--2>

3. Less than 5% of children are in combined low income and material deprivation

Description of measure: The number of children living in households with incomes below 70% of the median UK income AND going without certain basic goods and services (such as a warm winter coat, a holiday away from home, money to replace worn out furniture etc.)

Rationale for the target: Enables an assessment of a household's ability to use resources to buy essentials as well as of the income coming into the household.

Data source: The data used to measure this comes from the Family Resources Survey (FRS) and associated Households Below Average Income (HBAI) dataset. <https://www.gov.uk/government/collections/family-resources-survey--2>

³⁴ <https://beta.gov.scot/publications/local-child-poverty-action-report-guidance/>

APPENDIX 1 TARGET DEFINITIONS

4. Less than 5% of children are in persistent poverty

Description of measure: The number of children who have lived in relative poverty in 3 or more of the last 4 years.

Rationale for the target: Living in poverty for a significant period of time is more damaging than brief periods spent with a low income.

Data source: The data used to measure this comes from Understanding Society which is a longitudinal survey meaning that it tracks the same individuals over time – necessary for measuring persistent poverty. <https://www.understandingsociety.ac.uk/>

Key Statistics	Moray	Scotland
Population ³⁵	95,780	5,404,700
Population: % under 16 (2017 mid-year estimate)	17%	17%
Population: % working age ³⁶	62%	64.4%
Population: % pension age	20.3%	14.3%
Population qualified to SVQ4 and above ³⁷	35.7%	43.9%
Population qualified to SVQ2 and above	74.4%	75.9%
Population with no qualifications	10.2%	8.7%
Businesses	3,195	174,730
Children and families		
Child living in poverty	17%	22%
Children in working households receiving child and / or working tax credit ³⁸	5,000	306,500
Children in out of work households receiving tax credits HMRC Dec 17	2,100 1,600	173,700 158,100
Lone parent	6%	7%
Number of P1- S3 school pupils eligible for free school meals ³⁹	1059 (9%)	(11%)
Working age people		
% economically active ⁴⁰	77.2%	77.6%
+% aged 16-64 who are self-employed	11.7%	8.2%
Estimated % of residents earning below the living wage ⁴¹	27.4%	18% 19.4%
Average (Median) hourly wage levels residents (FT)	£13.04	£14.01
Average gross weekly wage (FT) Earnings by place of Residence	£527.2	£562.7
% of employed working part-time ⁴²	40%	33.9%
Out of work		
% all out of work benefits ⁴³	2.2%	2.8%
ESA and incapacity benefits	5.5%	7.8%
Carers' allowance	1.4%	1.7%
Pensioners		
% pensioners receiving pension credit ⁴⁴	11%	16%

³⁵ 2017: Mid-year estimate National Records of Scotland

³⁶ 2017: NOMIS based on ONS mid-year population estimates

³⁷ Jan 2017- Dec 2017: NOMIS based on ONS annual population survey

³⁸ HMRC Dec 2017

³⁹ All P1 – P3 pupils receive FSM. This figure relates to those how receive means tested FSM.

⁴⁰ 2017: NOMIS

⁴¹ 2018: ASHE

⁴² 2017: NOMIS –ONS Business Register and Employment Survey

⁴³ December 2018: NOMIS

⁴⁴ May 2018: DWP (assumes pensioners are in age group 65 years old and above)



Moray Poverty Action Plan

Incorporating the statutory requirements of the Child Poverty (Scotland) Act 2017 and the local implementation of *Every Child, Every Chance*

2018 – 2021

Moray Poverty Action Plan

Forward

For many people, Moray is a great place to live with relatively low unemployment, an enviable natural environment, low levels of crime and good public services. On average Moray's population experiences a good standard of living, skills and wellbeing.

However, Moray also has:

- a low wage economy and a reliance on a small number of industries, reducing economic diversity
- noticeable variation in attainment at school
- young people who leave for higher education and don't return
- less favourable outcomes in some smaller communities in Moray
- challenges in making all services accessible due to its rurality
- public sector financial constraints

MCPP therefore recognises the existence of inequality, deprivation and poverty in Moray and agreed the strategic importance of addressing these through the Local Outcomes Improvement Plan (LOIP).

In order to support this, a Poverty Strategy was developed by Fairer Moray Forum, on behalf of the Moray community Planning Partnership. While Moray Council and NHS Grampian has a legislative duty to develop a Child Poverty Action Plan, in Moray, it was agreed that, in order to address Child Poverty, an all age approach was required, which will have increasing impact and benefit as time goes on.

Information has been collated from partners across the community for the development of both the Strategy and the action plan.

Collating this, using three poverty drivers, eight strategic outcomes with twenty-six discrete actions have been developed.

POVERTY DRIVER – Raising income from employment

STRATEGIC OUTCOME 1

Young people from lower-income families and those with Care Experience are targeted for additional support to ensure their access to higher education / further education / vocational training

STRATEGIC OUTCOME 2

There is employment which pays a fair wage as minimum and offers realistic sick pay, holidays and contracts

STRATEGIC OUTCOME 3

All looked after children and young people leaving care receive personalised support if wanted, and all services know where and how to refer them

STRATEGIC OUTCOME 4

Everyone can access support, training and development to gain higher paid employment

POVERTY DRIVER – Reducing the cost of living

STRATEGIC OUTCOME 5

Children from lower-income families can access stigma-free support, including: free access to computers and books, contribution-free access to subjects (e.g. home economics), associated learning (e.g. school trips), and extra-curricular activities (e.g. school dances)

STRATEGIC OUTCOME 6

People with low incomes can access free or affordable childcare, credit, energy/energy efficiency, food, housing, out of school/holiday child, sanitary products and transport.

STRATEGIC OUTCOME 7

Eligible and vulnerable parents are supported with the additional cost of their child being in a neo natal unit.

POVERTY DRIVER – Increased uptake of social security

STRATEGIC OUTCOME 8

Everyone is informed of their right to relevant social security benefits and signposted or referred to free financial support services

POVERTY DRIVER - Raising income from employment

STRATEGIC OUTCOME 1					
Young people from lower-income families and those with Care Experience are targeted for additional support to ensure their access to higher education / further education / vocational training					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
1.1 PEF guidance will be reviewed and reissued to schools.	<i>Head of Schools and Curriculum, Moray Council in partnership with Northern Alliance Poverty and Attainment Lead.</i>	Government PEF funding	Annual reporting from schools showing impact.	1.1 8/2019	1-10
1.2 Schools will be supported to identify poverty related issues specific to their school and how best to address them	<i>Attainment Adviser, Scottish Government Northern Alliance Poverty and Attainment Lead</i>	NHSG Child Health (Child Poverty) Dashboard. NHSG Children and Young People Vulnerable Data Base	NHSG Child Health (Child Poverty) Dashboard in place. Work of Northern Alliance Poverty and Attainment Lead evidencing impact.	1.2 2021, 2025	
1.3 Awareness raising will be provided to all schools as part of their in-service days regarding Care Experience and the impact it has on learning	<i>Head of Schools and Curriculum, Moray Council</i>	C&YP Joint Strategic Needs Assessment or Interim Profile and Analysis. CPP Area Child Poverty prevalence. CPP Area SIMD Income Deprivation position identified and confirmed.	C&YP Joint Strategic Needs Assessment or Interim Profile and Analysis in place. CPP Area Child Poverty prevalence identified and confirmed. CPP Area SIMD Income Deprivation position identified and confirmed. CPP Area Attainment Rates identified and confirmed. CPP area(s) which have multiple poor outcomes	1.3 12/2019	

POVERTY DRIVER - Raising income from employment

ACTIONS	Who action is carried out by (<i>lead</i>)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
		<p>CPP Area Attainment Rates.</p> <p>CPP area(s) which have multiple poor outcomes.</p> <p>Clothing Grants</p>	<p>identified and confirmed.</p> <p>Uptake of Clothing Grants</p> <p>Number/% of children eligible for free school meals (P1-3)</p> <p>Uptake of free school meals (P1-3)</p> <p>Positive Destinations</p>		

STRATEGIC OUTCOME 2

There is employment which pays a fair wage as minimum and offers realistic sick pay, holidays and contracts

ACTIONS	Who action is carried out by (<i>lead</i>)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
2.1 Explore, with local employers, what support is required to enable them to offer a fair wage and contract conditions for all workers.	<i>Fairer Moray Forum/Moray Economic Partnership</i>		Number of employers accredited at providing real living wage (17 in Jan 2019)		1-6, 8-12

POVERTY DRIVER - Raising income from employment

STRATEGIC OUTCOME 3					
All looked after children and young people leaving care receive personalised support if wanted, and all services know where and how to refer them					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
3.1 Consider how to raise the awareness of what support is available.	Corporate Parenting Strategic Group				7,8
3.2 All care experienced young people are supported with their transition into adult life	Corporate Parenting Strategic Group				1-6, 8-11

STRATEGIC OUTCOME 4					
Everyone can access support, training and development to gain higher paid employment					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
4.1 Support, training and development will continue to be available in order for people to gain higher paid employment through the implementation of the Moray Skills Investment Plan which takes forward the key themes: <ul style="list-style-type: none"> • Effective Careers and information and advice • Supporting Key Economic Priorities • A responsive skills infrastructure 	Moray Economic Partnership		Developing the young work force , DWP, SDS statistics		1-6,8-12

POVERTY DRIVER - Raising income from employment

<ul style="list-style-type: none">Enhancing employer engagement.					
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POVERTY DRIVER - Reducing the cost of living

STRATEGIC OUTCOME 5					
Children from lower-income families can access stigma-free support, including: free access to computers and books, contribution-free access to subjects (e.g. home economics), associated learning (e.g. school trips), and extra-curricular activities (e.g. school dances)					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
5.1 Implement the Moray "Cost of the School Day" action plan	Head of Schools and Curriculum, Moray Council/ Northern Alliance poverty and Attainment Lead/ Fairer Moray Forum		Uptake of school meals matches social security figures for eligibility. Equality across Moray re cost of school day.		1-6, 7-11

STRATEGIC OUTCOME 6					
People with low incomes can access free or affordable childcare, credit, energy/energy efficiency, food, housing, out of school/holiday child, sanitary products, transport and clothing.					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
6.1 The Early Learning and Childcare Plan will be implemented to deliver affordable, flexible and good quality childcare in Moray	ELC Team, Moray Council	Government funded	ELC plan		1-6,9-12

POVERTY DRIVER - Reducing the cost of living

ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
6.2 Explore opportunities to secure necessary funding from e.g. Carnegie UK Affordable Credit Loan Fund to develop a community based and run financial institution, in partnership with existing providers of affordable credit in Moray	Fairer Moray Forum		Funding agreement in place for community Number of private sector businesses supported to provide an interest free loans scheme to low income households		1-12
6.3 Explore the potential to improve support to families experiencing fuel poverty including increasing targeted referral for home energy grants.	Warmer homes, REAP, SCARF, Home Energy Scotland				1-12
6.4 The Moray Food Poverty Action Plan will be implemented - with particular emphasis on developing provision for young people during school holiday periods.	<i>Moray Foodbank</i>				1-12
6.5 The Moray Housing Strategy and Plan will be implemented, following consultation, taking forward the key priorities of: <ul style="list-style-type: none"> Improving access to housing of all tenures and alleviating housing need Preventing and alleviating homelessness Assisting those who require specialist housing Improving the condition and energy efficiency of housing and 	<i>Head of Housing and Property, Moray council</i>				1-12

POVERTY DRIVER - Reducing the cost of living

ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
minimising fuel poverty					
6.6 Explore opportunities to extend the provision of affordable out of school childcare /holiday care, in line with Every Child Every Chance and use the Family Information Service to promote information regarding them.	Fairer Moray Forum/ Moray Foodbank				1-11
6.7 Sanitary products will be accessible to those, on a low income, who require them.	<i>Moray Foodbank</i> Head of Schools and Curriculum				1-11
6.8 Consider how to ensure equal access to support and services for all Moray's population regardless of where they live in Moray through the development of affordable, accessible transport scheme.	<i>Transport Steering Group</i>				1-12
6.9 Ensure those on a low income are aware of existing services, and can access appropriate clothing for their children	<i>Moray School Bank</i> <i>Baby Bank</i>				5
6.10 Explore the possibility of developing a furniture service .	<i>Head of Housing and Property</i>				1-12

POVERTY DRIVER - Reducing the cost of living

STRATEGIC OUTCOME 7					
Eligible and vulnerable parents are supported with the additional cost of their child being in a neo natal unit.					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
7.2 The Neonatal Expenses Fund will be promoted, with the aim to identify eligible and vulnerable parents so that they may be supported to spend as much time with their babies as possible, while they are receiving care within a neonatal unit.	<i>NHS Child Poverty Group Health and Social Care Moray Health and Wellbeing Lead</i>	Parent information Leaflets Claims forms Scottish Government Website	Number/% of vulnerable parents identified eligible for Neonatal Expenses Fund. Update of Neonatal Expenses Fund. Cases Studies. Client Experience	2018-2021	1-6,9

POVERTY DRIVER - Increased uptake of social security

STRATEGIC OUTCOME 8					
Everyone is informed of their right to relevant social security benefits, and signposted or referred to free financial support services					
ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
8.1 An easily accessible information system will be developed in liaison with those with lived experience e.g. employability/financial website/crisis app to ensure both the general population and professionals who offer support are able to access the most up to date information regarding all financial matters.	Fairer Moray Forum (Maximising Income Group) <i>Health and Social Care Moray Health and Wellbeing Lead</i>				1-12
8.2 People will be routinely advised by practitioners in relevant services of their entitlement to social security benefits, to raise awareness, and signposted or referred to free financial support services if required.	<i>Fairer Moray Forum (Maximising Income Group)</i>				1-12
8.3 The importance of attending for antenatal care will be promoted with the aim to increase the number of vulnerable mothers eligible and in receipt of Sure Start Maternity Grant	<i>NHSG Child Poverty Group</i>	Best Start Tool-kit Client Information Leaflets Social Security Scotland	Access to antenatal care uptake Number/% of mothers identified eligible for Sure Start/Best Start Maternity Grant. Uptake of Sure Start/Best Start Maternity Grant. Case Studies		9

POVERTY DRIVER - Increased uptake of social security

ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
		Website	Client Experience		
8.4 We will continue to grow and sustain Making Every Opportunity Count (MEOC) across Moray	<i>Health and Social care Health and Wellbeing Lead</i>	On-line resources Managers Tool-kit Bespoke Self-check Sign– posting information Workforce	Number of NHSG staff trained to deliver MEOC Partners trained to deliver MEOC Number of MEOC conversations undertaken Number and type of services sign-posted to Case Studies		1-6, 9-11
8.5 We will provide more support for children and families in the very earliest years through the Universal Health Visiting Service and Family Nurse Partnership Programme	<i>NHSG Child Poverty Group</i>	Universal Health Visiting Pathway Family Nurse Programme	Universal Health Visiting Pathway Contacts: Routine enquiry about family finances/money worries at: Pre-Birth (32-34 weeks); 11-14 Days;13-15 months; and 4-5 years (2020). Number of HV contacts made per contact/child's age. Number of families sign posted to		2-6, 9

POVERTY DRIVER - Increased uptake of social security

ACTIONS	Who action is carried out by (lead)	Resources allocated	How impact has/will be assessed	Timescale for action	Group targeted (see key at end)
			financial support services (including CAB) FNP Programme TBC		
8.6 We will promote the importance of Healthy Start with the aim to increase access to the scheme for eligible vulnerable families	<i>NHSG Healthy Futures (Maternal and Infant Nutrition) Group</i>	NHSG webpage Healthy Start Application Form Posters Flyers Easy read sheet for professionals	Number of families/ households eligible for Healthy Start % Uptake of Healthy Start		1-6, 9
8.7 Financial inclusion referral pathways will be developed within Midwifery and Early Years Practice and then adapted to be suitable and available to all professionals.	<i>NHSG Child Poverty Group</i> Fairer Moray Forum (Income Maximisation Group)	Pathway Policy and procedure			1-12

KEY - Group(s) the action is intended to reduce poverty amongst

1	Lone Parents	7	Looked after children
2	Families where a member of the family is disabled	8	Care Experienced Young people
3	Families with 3 or more children	9	Pregnant women
4	Minority ethnic families	10	Families with additional challenges e.g. mental health issues
5	Families where the youngest child is under 1	11	Adults without qualifications
6	Mothers aged under 25	12	Older adults

Throughout the consultation work undertaken in compiling the plan, the issue of the shame and stigma attached to poverty, and the beliefs and attitudes that still prevail, were regularly highlighted.

Further the Scottish Government are focused on addressing ACEs as a route to tackling poverty, developing approaches that are more effective at preventing ACEs in the first place.

It is recommended, therefore, that all agencies work together to develop an understanding of Adverse Childhood Experiences within their workforce, and that the Local Authority and NHS take a lead role in moving this agenda forward locally.

Fairer Moray Forum (CPP Poverty Strategy & Action Plan) Terms of Reference

Introduction

The Fairer Moray Forum (FMF) is a collaborative partnership comprising third sector and public authority partners in Moray. FMF seeks to coproduce solutions to the existence of poverty in Moray.

At its meeting of 29 March 2018, the Moray Community Planning Partnership (MCPP) Officers Group (CPOG) agreed that FMF would lead the development of the Moray Poverty Strategy on behalf of the Moray Community Planning Partnership (MCPP).

The resulting draft Moray Poverty Strategy was submitted by CPOG to the MCPP Board meeting of 08 November 2018, where it was supported subject to agreed minor amendments. The strategy's proposal for the FMF to develop the Moray Poverty Action Plan was supported.

Purpose and Scope

FMF will lead development of the Moray Poverty Action Plan, in accordance with the Moray CPP Poverty Strategy, based on the principles of coproduction. The Moray Poverty Action Plan will identify the priority actions required by organisations and services across Moray, including those to be progressed by the committees of the Moray CPP.

FMF will include The Moray Council (TMC) and NHS Grampian child poverty leads in the development of the Moray Poverty Action Plan, so as to ensure that it meets the statutory requirements for a Local Child Poverty Action Plan set out in the Child Poverty (Scotland) Act 2017. TMC and NHS Grampian's statutory duties under the Act will therefore be incorporated within the Moray Poverty Action Plan.

Membership

Membership is open to all third sector and public authority organisations and services. Current representation includes:

Organisation / service	Representative (* denotes CPOG members)
DWP	Jane Munro, Employer and Partnership Manager
Elected members	Richard Lochhead MSP Shona Morrison, Convener The Moray Council
Health and Social Care Moray	Laura Sutherland, Acting Health and Wellbeing Lead
Moray CAB	Mary Riley, Manager/ Eileen Morrison
Moray Foodbank	Mairi McCallum, Project Manager Kathy Ross,* Chair/ CEO Nick Taylor, Board Member
NHS Grampian	Chris Littlejohn,* Deputy Director Public Health
REAP	Ann Davidson, Manager
TMC	Richard Anderson, Director of Housing/Fiona Geddes Norma Matheson, Benefits Manager (Corporate Services) (Vacant) Education and ICS (Child Poverty lead)
TSI Moray	Fabio Villani,* Chief Officer

Chair

FMF meetings are co-chaired by Chris Littlejohn, Deputy Director of Public Health and Kathy Ross, Chief Executive of Moray Foodbank.

Meeting Format

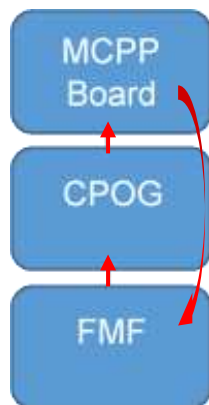
FMF will meet at least quarterly. Meetings are usually held at TMC.

Governance

As a delivery group within statutory community planning partnership structures, FMF will receive guidance from MCPP Board in regards of the Moray CPP Poverty Strategy and Action Plan. MCPP Board will provide guidance to FMF via CPOG.

FMF will report to CPOG with regard to the Moray CPP Poverty Strategy and Action Plan, via the CPOG members of FMF.

CPOG will report against the Moray CPP Poverty Strategy and Action Plan to MCPP Board.



FMF will seek and receive quarterly progress updates against the Moray CPP Poverty Action Plan. FMF will provide an annual poverty progress report to Moray CPOG by the end of April each year.

CPOG will ensure that the annual poverty progress report is sent to TMC and NHS Grampian child poverty leads, so as to inform their statutory joint annual child poverty action report to Scottish Government.