

MORAY COUNCIL

Minute of Special Meeting of the Moray Council

Wednesday, 28 February 2024

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

PRESENT

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

APOLOGIES

Councillor Neil Cameron

IN ATTENDANCE

The Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Governance, Strategy and Performance, Chief Financial Officer, Head of Housing and Property, Head of HR, ICT and Organisational Development, Head of Environmental and Commercial Services and Democratic Services Manager.

1. Chair

The meeting was chaired by Councillor Kathleen Robertson.

2. Declaration of Group Decisions and Members Interests

In terms of Standing Orders 21 and 23 and The Councillors' Code of conduct the Council noted the following declarations and group interest in respect of the 2024/25 Budget from the Conservative, SNP, Labour and Green Councillors.

For transparency Councillor Williams declared a connection in terms of Item 6 on the agenda, however following advice from the Monitoring Officer, advised he would remain in the meeting.

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

3. Resolution

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives

be excluded from the meeting for Items 17 - 19 of business on the grounds that it involves the likely disclosure of exempt information of the class.

Para number of the minute	Para Number of Schedule 7a
6	Para 1 Information in relation to staffing matters

4. Corporate Plan Progress Update 2022-2023

The Chair advised that consideration of this item and item 4a Corporate Plan would be considered together.

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) informing Council of progress made during 2022-23 on the 2019-24 Corporate Plan.

Following consideration, the Council noted the progress made during 2022-23 on the Corporate Plan 2019-24 as set out in Appendix 1.

5. Corporate Plan

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) asking the Council to note the outcome of the engagement activity on the draft high level priorities for the Council Corporate Plan for 2024 to 2029 and to agree Council's Corporate plan 2024-29 setting out the priorities and high level actions.

Prior to the meeting, Councillors were provided with proposed amendments to the Corporate Plan from Councillor van der Horn.

The Chair confirmed that authority had been given to herself and the Chief Executive at the meeting of Moray Council on 23 August 2023 to agree any amendments to the wording of the plan and confirmed that she was happy to accept the proposed changes to the updated version of the corrected plan as follows:

Page 2 - Community should read Community and Environment

Page 3 - additional bullet point should read - effects of climate change on our environment and communities.

Page 7 - change Council adapts to the changing climate and acts sustainably to read Council adapts and acts to the impacts of climate change.

Councillor Morrison stated that she was happy to see the inclusion of the Gender Pay Gap being included and sought clarification on whether it should be included as part of the challenges being faced under the Tackle Poverty and Inequality Priority to ensure that the Council continue to raise the profile of a significant issue in Moray.

In response, the Head of Governance, Strategy and Performance confirmed that it was within the gift of the Councillors decision at the meeting and would include a paragraph under challenges on the Gender Pay Gap as it is set in the context for the plan and Officers will work on an outcome indicator to allow regular reporting on the challenge.

Following further consideration the Council unanimously agreed, subject to the amendments previously discussed, to:

- i) review the outcome of the outcome of the public consultation on the draft 2024-29 Corporate Plan priorities;
- ii) the Council's Corporate Plan 2024-29 as set out in Appendix 1 and the approach to delivery and performance management through service and strategic plans;
- iii) note that a final version of the Corporate Plan 2024-29 will be published online;
- iv) recognise the potential for an integrated single Moray plan to deliver a shared ambition with Community Planning Partners and agrees to enter into discussions with Community Planning Partners to explore this as a future option.

6. Short to Medium Term Financial Planning [Para 1]

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking Council to approve proposed savings, subject to consultation where appropriate, for implementation in 2024/25 and 2025/26, in accordance with the Council's Short to Medium Term Financial Strategy.

Following consideration the Council unanimously agreed:

- i) to note the savings options set out in Appendix 1, having due regard to the Integrated Equalities Assessments linked to the appendix;
- ii) the greatest level of savings possible, subject to Stage 2 public communications as indicated in Appendix 1 and/or workforce consultation as required; and
- iii) the proposed amendment to the Council's Change Management Policy and Procedures as set out in paragraph 6.7 of this report.

7. 2024-25 Budget 2024-27 Financial Plan

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) asking the Council to set the level of Council Tax for 2024/25, to agree the Council's revenue budget for 2024/25 and to consider the Council's Financial Plan for 2024 to 2027.

Councillor Robertson said that she was pleased and privileged to present her second budget as Leader of the Administration Group. Before going into the details of the budget, she thanked the Officers for their support in preparing the budgets. She thanked Mrs Gunn and Mrs Paisey, in particular, who had overall responsibility for preparing the budget. She further thanked Heads of Service who worked hard to provide detail against their budget areas. Additionally, she went on to thank the Elected Members who worked in line with the Budget Protocol and participated in Budget Development meetings. Lastly, she thanked Mr Burns who supported Members throughout this process to get to the current stage and in particular to

acknowledge his contribution to this and all previous years as this would be his last budget as Chief Executive.

Councillor Robertson was pleased to say that there had been a continued collegiate approach to the budget setting and financial processes. During the past year, both Elected Members and Officers had been engaged behind the scenes discussing budget savings options and transformation of services. These discussions were robust and productive as could be seen in the political agreement that has been reached in the majority of the budget savings and in the overall approach to balancing the Council's budget. She personally thanked Councillors Leadbitter, Morrison, Keith and van der Horn for their insightful suggestions and beneficial discussions which she believed would enable all 26 Elected Members to agree the budget submitted for approval in 2024-25.

Councillor Robertson continued, overall the Council's settlement was for one year only, but the Council intended setting its 2024-25 budget in the context of longer term planning. It was recognised that continued reduction in real term funding seems inevitable given other Scottish Government commitment and generally downbeat forecasts of the Scottish Economy. It needed to be acknowledged that without significant increases in core funding the financial outlook for Scottish local authorities appears bleak.

The Council's revenue budget comprised of a mix of complex funding streams for new and existing burdens on the Council. The details are contained in the report. In particular, she highlighted a new burden which the Council is required to deliver against, and which is associated with the grant settlement. This burden was the extension of universal free school meals. Over the next year Officers will be keeping a close eye on spend against potential further burdens to ensure that spend is kept as much as possible within the funding allocation.

In relation to the Capital Plan, it was noted that the plan had been reviewed in light of increasing costs and changes in requirements. The fundamental objective of affordability supports our delivery of the capital plan. Continued discussion around our capital projects going forward will be needed over the coming year to ensure it remains within sustainable limits.

With the approval in the previous paper of the further savings from the 'greens and ambers', the Council have gone some way into addressing the budget deficit. Additionally, the Council must not forget that these savings are in addition to previous savings agreed this year of £7.5M.

Councillor Robertson highlighted some real successes over the past year including the redesign of the Additional Support Needs service which aimed to bring the budget back into line and gave a clear vision for the service. This would be the same with the ELC budget including the decision made by Council on the sustainable rate. In addition to these service changes, a new approach to setting Council charges and taxes to maximise the Council's income was reviewed and Council reviewed and introduced additional taxes such as the Council tax levy on second homes and fit life visitor membership which should bring in an estimated additional £2.2M. The Council must also not forget the additional funding Moray received to support economic growth by securing £18m from the Levelling Up Fund, £20m for Town Centre redevelopment and of course the ongoing Moray Growth Deal. All together Moray has secured £138m investment to develop Moray's economic infrastructure over the coming decade.

Councillor Robertson drew Member's attention to the budget pressures amounting to over £4m, plus the budget pressure to cover the Moray Integration Joint Board. These pressures require monitoring over the next year to ensure that the Council is managing its budget within limits including the active engagement with the Integration Joint Board to ensure that the overspend is brought back in line with budget allocations.

To be in keeping with the hierarchal approach to budget setting, the Council had already agreed in January to increases in charges, where appropriate.

Income from Council tax receipts is the other main source of income for the Council. While the recommendation is to accept the Council tax freeze it should be acknowledged that the promise of it being fully funded is not wholly correct. In fact, the Council is potentially £1M worse off as a result. Nonetheless it was felt to be in the best interests of Moray residents to not increase their financial burden at this time with a 10% increase in Council tax which would have been needed if the freeze was not accepted. Following the publication of the budget it was learnt that Councils would be given more revenue budget, but it will be dependent on outcomes of both the UK and Scottish budgets, so it was acknowledged that there were no guarantees.

The next stage in the hierarchal approach was spend to save. The renaming Council priority reserve as workforce planning allows the Council to not only ensure there is budget to cope with workforce policy, it will use some reserves to finance a management restructure with leadership development, with the intent that some savings will be harvested from the review.

Savings identified over the year were £3m. These savings had been agreed over the year in discussion with both Officers and Members. Robust discussions had created a unique approach to the budget setting in that, all major parties had come together to agree savings and areas of priority for the coming year such as supporting the communities with an increase in youth workers and community wardens. In addition through the cross-party agreement, there was consensus against reduction in essential services that support vulnerable people such as the funding to the Citizens Advice Bureau and an increase in the welfare fund of an additional £40k from the Council's budget to meet demand against the Scottish Government grant which is not sufficient to cover the needs from the Council's residents. Further Officers are looking towards our environment by reducing the amount of glyphosate used by the Council in grounds maintenance and a commitment to position some spend within the Just Transition fund towards climate change initiatives.

The use of the Covid reserves will assist the Council to balance its budget for 2024-25 in addition to the savings identified. While only minor savings from small scale transformation were envisaged for this year, Members were in agreement that in 2024-25 the Council will focus on investing in transforming and innovation of service delivery and meet the objective of linking the medium to long term financial strategy by 2025-26. To do this Members recognise that the Council must clearly identify the use of funds to enable transformation and innovation of services to take place.

Reviewing the other reserves which the Council has it had been agreed to reallocate some of these reserves to support transformation and innovation by adding £1.5m to the transformation reserves. Further the Council's focus will be on undertaking a management restructure to ensure the Council is focusing on its priorities by reviewing staffing and capacity and supporting leadership development by allocating of £3.1m to workforce planning which will include expenditure on enacting workforce policy. Lastly, the Council are determined that members, collectively, will create a

sustainable Council and to ensure this an additional £1m from earmarked reserves will be transferred into the general reserves to provide the Council with a cushion should any emergency arise. This will put the Council on a path of transformation, innovation and sustainability.

Unfortunately, the savings and reserves used to balance the budget for 2024-25 do not preclude the need for more savings to be made in 2025-26. Councillor Robertson confirmed that she will be working hard over the year with her fellow members and officers to transform the approach to budget savings through exploring innovative approaches to services which not only balance the budget but delivers better services to Moray's communities. As has been shown in the past year, the collegiate approach to setting this budget will ensure that all voices are heard in the chamber and throughout the organisation.

With the collegiate approach in mind, Councillor Robertson confirmed that she was pleased to recommend the budget to Council subject to the changes intimated which included updates provided by the Chief Financial Officer to Items 5 and 6, and with particular pleasure, subject to adjustments to the budget proposals as set out in the Cross Party Proposals, the net effect of which was to produce a total core budget increase of £330k against a core budget decrease of £399k, with additional spend from the Transformation Reserve of £30k as set out in the explanatory note which had been circulated to members earlier and detailed below:

Notification of two updates to Item 6 report as printed by the report author:

- Amend service description in **Appendix 4** to item 6 and Appendix 1 to item 5 for savings number 2 and 3 to Development Management and Building Standards respectively
- In **Appendix 3** to item 6, add at the foot of the section headed "Options to Bridge the Gap" the following: "SG additional funding (conditional on Council Tax Freeze and UK Government Spring Budget) - £1m with total shown as £3.5m"

Separately, notification on behalf of the Administration Group:

Cross Party Budget Proposals (Conservative, SNP, Labour and Green) recommendations as set out in Item 6, amended as follows:

- Adopt the proposals in the amendment in full, subject to the budget equivalent to 8 x Detached Youth Workers being phased as follows: half the budget released immediately with the remaining budget to be released in 2024/25 when the initial impact of the first £100k investment has been reviewed and based on a targeted approach to remaining gaps in youth work agreed by Council.
- Proposal of the following additional savings:
 - A saving of £33k from 2024/25 from saving number 10 in Appendix 4 of Item 6
 - A saving of £48k from 2024/25 from saving number 11 in Appendix 4 of Item 6
 - A saving from 2024/25 of £8k from reduction in the use of glyphosate, working towards a 100% reduction by the end of 2025 as required by the currently anticipated date from which use will be banned

- Additional funding of £40k to the Scottish Welfare Fund for 2024/25
- Additional funding of £30k for creation of a Plan for Just Transition for Moray to support a bid to the North East Just Transition fund for the remaining duration of that fund, from the Transformation Reserve

The amendments meant that recommendation 2.1 (iii) is amended to read:

Budgeted expenditure of £278,794,000 for 2024/25

and Recommendation 2.1 (vii) is amended to read:

Use of ear-marked reserves totalling £731,000 for transformation, £1,136,000 for Moray Growth Deal cash flow and of £10,156,000 from covid reserves to balance the budget.

Councillor Robertson therefore confirmed that she was delighted to recommend the budget to Council and moved the recommendations as amended. This was seconded by Councillor Gatt.

In response to the Leader's budget speech Councillor Leadbitter stated that the SNP Group recognised that the pragmatic and negotiative approach to the budget has been a significant and positive change. The SNP Group willingly engaged in the process with all parties; committing time and energy to find areas of co-operation and mutual agreement. There had been similar experiences of minority administration and it behoved everyone to find a way forward for the benefit of communities across Moray when the democratic process leaves the political balance in the Council somewhat tricky. Whilst there had not been agreement on all areas, red lines from different groups, including the SNP's red lines, had been respected and it was recognised that it was a more positive approach to budget setting.

He also advised that groups had been able to have conversations and explore ideas and alternative options, which we welcome. Notwithstanding the cross-party work that has happened in Moray, it cannot go unstated that the financial pressures on public services in Scotland are largely caused by years of austerity budgets by the UK Conservative Government. Whilst supporting putting more money in the pockets of people who are least well off, the continued tax cuts to higher earners by the UK Government at the expense of the NHS, Social Care, Education, Transport, Policing and many other public service budgets.

He said that not only did the Council find itself in Scotland trying to make money go further every year, the Council are also having to mitigate the impacts of a Cost of Living crisis and inflation and energy prices that have outstripped most other western countries.

In achieving that consensus Councillor Leadbitter took a great deal of positivity from the fact that the SNP's amendment had been accepted in full and, likewise, had been able to support some additional asks of the Administration, of the Labour Party and of the Green Party.

There are currently 2 permanent Community Wardens in Moray and the SNP sought to double that to 4 and got further agreement for investment in budget equivalent to an additional 8 Youth Workers.

These proposals were consistent with the amendment last year and while it was not supported at that time, the Group are pleased to have achieved that support this time round.

He confirmed that he firmly believed that these investments combined will both supporting young people in a range of different ways, whilst also supporting actions would help to address an increase in anti-social behaviour - both in residential settings and in the wider community.

Councillor Leadbitter added that the Group very much welcomed the decision to freeze Council Tax, which was fully funded and baselined for next year's budget. His understanding was that additional funds released to Councils, combined with the baselining will now mean that the Council's budget gap for the next 2 years is likely to be less than £8million subject to expected additional education funding with less call on reserves.

He said that the SNP Group are committed to continue with working cross-party on a range of issues but will of course continue to highlight the pressure being created by the UK Government's continuing squeeze on public finances at the expense of valued public services.

As Labour Group Leader Councillor Keith wished to say a few comments about the proposed budget, local government in general and the context within which the Council operate.

He stated that in the meeting held on 1 March, 2023, local government is a force for good and that the Council deliver many vital services such as roads, schools and libraries which are valued by Moravians. The Labour Group put up an amendment last year which was accepted by the majority of councillors establishing ward budgets, making a £20,000 donation to the Moray Foodbank and extra money going into Road Safety Schemes amongst other worthwhile initiatives.

He said that for the current year the Labour Group put forward the case for three extra Community Wardens to address anti-social behaviour in the towns and villages and it is hoped that the extra 2 agreed as part of the all-party agreement would also be able to extend their focus onto traffic related matters.

The party have also secured £40,000 to augment the Welfare Fund. Members received a report last month where Councillors learnt that the Council would only be providing assistance to the "high most compelling" priority rating. The Group felt that this could not be right and as a Labour Group they were not prepared to ignore those most in need. Councillor Keith thanked the other groups for supporting this measure.

The Labour Group had also argued behind the scenes in the budget round for the retention of budgets that benefit the most disadvantaged as would be expected from Labour Councillors.

He continued that there is no sugar coating the situation that the Council finds itself in. The cuts announced since October and being agreed formally at this meeting will hurt and result in curtailed service provision, fewer resources in classrooms, less roads maintenance and higher charges – it could be called a tax and axe budget.

He continued that the Labour Group had tried to participate in the budget process as the people who elect Councillors would expect. He wanted to pay tribute to the Council Leader in the way in which she had tried to reach across the chamber. It

would be fair to say that Members have agreed to disagree on things but that was in a spirit of trying to seek common ground where possible. In short, Councillors have compromised for the good of the people of Moray.

He added that this year had also seen the SNP Group participate more fully in the process and there was agreement for the coming year for more collegiate working and welcomed the SNP Group's new position.

Finally, he concluded that he would like to commend Officers for their assistance in the budget process and the support which they had afforded himself in his role as Labour Group Leader.

Councillor van der Horn praised the collegiate approach to the budget and as the singular member of the Scottish Green Party in the Council said he was grateful to all the Officers for the support they had given him in being able to formulate ideas. He further thanked the Climate team in particular and the work they are doing in helping the Council move forward and adapt to the pressures of climate change.

He further added that he is looking forward to seeing how the transformation and innovation evolves within the Council.

In closing he welcomed the proposal to reduce the use of glyphosate within Moray which will have far reaching effects on the environment and people of Moray and using money from the transformation reserves to help access money from the Just Transition Fund.

Following the comments from the Group Leaders, the Chair then afforded other Councillors the opportunity to comment on the proposed budget. Councillors Cowe and Ross both provided comments in support of the proposed budget.

Councillor McLennan, expressed concern regarding the budget but did not submit an amendment.

Therefore following further consideration and there being no one otherwise minded the Council unanimously agreed:

- i) a Council Tax freeze for 2024/25;
- ii) provision of £9,288,000 for budget pressures as listed in APPENDIX 2;
- iii) budgeted expenditure of £278,794,000 for 2024/25
- iv) indicative budgets for 2025/26 and 2026/27 as set out in APPENDIX 1;
- v) funding of £83,805,000 for Moray Integration Joint Board (MIJB) as set out in paragraph 6.6;
- vi) transfers from the ear-marked reserve for Council priorities of £1,000,000 into free general reserve and £1,500,000 into the ear-marked reserve for transformation of services and renaming the residual amount in the Council priorities reserve as an ear-marked reserve for workforce planning; and
- vii) use of earmarked reserves totalling £731,000 for transformation, £1,136,000 for Moray Growth Deal cash flow and of £10,156,000 from covid reserves to balance the budget.

8. Housing Revenue Account Annual Budget 2024-25

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) presenting details of the proposed Housing Revenue Account (HRA) Budget Proposal for 2024-25 for approval.

As Chair of Housing and Community Safety Committee, Councillor Dunbar moved the budget for 2024-25. This was seconded by Councillor Gatt.

Following consideration the Council unanimously agreed:

- i) to note changes since the Housing Business Plan was reviewed in 2022 and the proposed review of the business plan in 2024/25, as detailed in section 3;
- ii) to note details of the rent restructure which has been undertaken, as detailed in Section 4;
- iii) the proposed HRA Budget for 2024/25 (Appendix i) and Housing Investment Plan (Appendix II), including the level of HRA reserves in line with the Housing Reserves Policy as detailed in paragraph 7.13;
- iv) to note the results of consultation with tenants on options for the 2024/25 rent increase as detailed in section 6;
- v) Council house rents increase of 7.7% for 2024/25
- vi) that garage rents are increased by 7.7% for 2024/25;
- vii) that grass cutting charges are increased by 7.7% for 2024/25;
- viii) provision of £200k for service developments as detailed in paragraph 8.17; and
- ix) to note the three year projection to 2026-27 at Appendix III.

9. Treasury Management Prudential Indicators

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) seeking approval of the Treasury Management Strategy and Investment Strategy for 2024/25 and to approve the indicators which will be used to measure the Council's performance in capital investment decisions.

Following consideration the Council unanimously agreed to:

- i) approve the Treasury Management Strategy Statement for 2024/25;
- ii) approve the Investment Strategy for 2024/25 at Appendix 1;
- iii) approve the Prudential Indicators and Limits for 2024/25 at Appendix 3; and
- iv) note the indicative Prudential Indicators and limits for 2025/26 and 2026/27.