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## Corporate Committee

Tuesday, 29 August 2023

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Corporate Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 29 August 2023 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 Item 18 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."
4. **Minute of meeting of 13 June 2023** **7 - 10**
5. **Written Questions \*\***
6. **Revenue Budget Monitoring to 30 June 2023** **11 - 30**  
Report by Depute Chief Executive (Economy, Environment and Finance)
7. **Capital Plan 2023-24** **31 - 46**  
Report by Depute Chief Executive (Economy, Environment and Finance)
8. **Proposed Self Catering Unit Transfer Policy** **47 - 50**  
Report by Depute Chief Executive (Economy, Environment and Finance)

9.	<b>Common Good Funds - Summary Expenditure for 2022-23 and Estimates Disposable Income for 2023-24</b>	51 - 70
	Report by Depute Chief Executive (Economy, Environment and Finance)	
10.	<b>Procurement Annual Report for 2022-23 and Procurement Strategy 2023-26</b>	71 - 136
	Report by Depute Chief Executive (Economy, Environment and Finance)	
11.	<b>Trust Funds - Summary Expenditure for 2022-23 and Estimates Disposable Income for 2023-24</b>	137 - 146
	Report by Depute Chief Executive (Economy, Environment and Finance)	
12.	<b>Draft Allotment Regulations - Public Consultation</b>	147 - 178
	Report by Depute Chief Executive (Education, Communities and Organisational Development)	
13.	<b>Armed Forces Covenant Update</b>	179 - 184
	Report by Depute Chief Executive (Education, Communities and Organisational Development)	
14.	<b>ICT and Digital Strategy and Plan 2023-2026</b>	185 - 210
	Report by Depute Chief Executive (Education, Communities and Organisational Development)	
15.	<b>Corporate Risk Register</b>	211 - 238
	Report by Depute Chief Executive (Education, Communities and Organisational Development)	
16.	<b>Information Reports - if called in</b>	
17.	<b>Question Time ***</b>	
	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**

18. **Common Good Site in Forres**
- 4. Information relating to any applicant or recipient of any financial assistance provided by the Authority;
  - 9. Information on terms proposed or to be proposed by or to the Authority;

## **Summary of Corporate Services 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.

## **Information Reports - Not for Discussion at this Meeting**

Any member wishing to call in a noting or information report from one meeting shall give notice to Committee Services at least 48 hours before the meeting for which the report is published. The Notice shall be countersigned by one other elected member and shall explain the reason for call in including any action sought.

### **Information Report - Sundry Debt Write-Off Information for 2023-24**

**239 -  
242**

Report by Depute Chief Executive (Economy, Environment and Finance)

## 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.

**MORAY COUNCIL**  
**Corporate Committee**

**SEDERUNT**

Councillor Bridget Mustard (Chair)  
Councillor Kathleen Robertson (Depute Chair)

Councillor Theresa Coull (Member)  
Councillor John Cowe (Member)  
Councillor John Divers (Member)  
Councillor Amber Dunbar (Member)  
Councillor Jérémie Fernandes (Member)  
Councillor Sandy Keith (Member)  
Councillor Graham Leadbitter (Member)  
Councillor Marc Macrae (Member)  
Councillor Paul McBain (Member)  
Councillor Shona Morrison (Member)  
Councillor Derek Ross (Member)  
Councillor John Stuart (Member)  
Councillor Draeyk Van Der Horn (Member)

Clerk Name:	Lindsey Robinson
Clerk Telephone:	07966 120593
Clerk Email:	committee.services@moray.gov.uk



**Minute of Meeting of the Corporate Committee**

**Tuesday, 13 June 2023**

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

**PRESENT**

Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Sandy Keith, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Paul McBain, Councillor Shona Morrison, Councillor Bridget Mustard, Councillor Kathleen Robertson, Councillor Derek Ross, Councillor John Stuart

**APOLOGIES**

There were no apologies submitted.

**IN ATTENDANCE**

Also in attendance at the above meeting were the Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Chief Financial Officer, Head of Governance, Strategy and Performance, Head of HR, ICT and Organisational Development, Communities Service Manager and Tracey Sutherland, Committee Services Officer.

**1. Chair**

The meeting was chaired by Councillor Bridget Mustard.

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

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

**3. Minute of the meeting of the Corporate Committee on 25 April 2023**

The minute of the meeting of the Corporate Committee dated 25 April 2023 was submitted and approved.

**4. Written Questions \*\***

The Committee noted that no written questions had been submitted.

**5. Human Resources, ICT and Organisational Development and Strategy Governance and Performance Services' Service Plans 2023-24**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) invited the Committee to consider the Human

Resources, ICT and Organisational Development and Strategy Governance and Performance services' Service Plans for 2023-2024.

Following consideration the Committee agreed to approve the Service Plans for services within Human Resources, ICT and Organisational Development and Governance, Strategy and Performance.

## **6. Financial Service Plan 2023-24**

A report by the Depute Chief Executive (Economy, Environment and Finance) invited the Committee to consider and agree the Financial Services Plan for 2023-24/

Following consideration the Committee agreed to approve the Service Plan for Financial Services (Appendix 1).

## **7. Community Rental Support - Annual Review**

A report by the Depute Chief Executive (Economy, Environment and Finance) invited the Committee to consider the level of rental support awarded to voluntary and community organisations (VCOs) occupying Council property under legacy arrangements and the Council's Scheme of Delegation for short-term low-value concessions and to consider options for the review of the level of support provided through community rent rebates.

Following consideration the Committee agreed to:

- i) note that no rental support was approved under the Scheme of Delegation for short-term low-value rental concessions during the financial year 2022/23;
- ii) note the extent of long term rental support provided under the legacy arrangements detailed in Appendix 1;
- iii) note the extent of rental support provided under the Community Rent Rebate arrangements detailed in Appendix 2; and
- iv) cancel all rebates when the related rent is due to be reviewed, whether or not the rent review is implemented, and require the beneficiary to re-apply if they wish the rebate to continue.

## **8. Performance Report (Financial Services) Period to March 2023**

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the performance of the service for the period to 31 March 2023.

Following consideration the Committee agreed to:

- i) note performance in areas of service planning, service performance and other related data to the end of March 2023;
- ii) note the actions being taken to improve performance where required.



## **9. Corporate Asset Management Plan**

A report by the Depute Chief Executive (Economy, Environment and Finance) provided the Committee with a report of progress made against the Corporate Asset Management Plan for 2022/23 and to consider targets for 2023/24.

Following consideration the Committee agreed to:

- i) note the work done to date to meet the targets set in the Corporate Asset Management Plan for 2022/23 as set out in paragraphs 4.1 to 4.6;
- ii) note the status of Asset Management Plans for each type of asset as set out in Appendix 2; and
- iii) approve the actions included in the Corporate Asset Management Plan for 2023/24 as set out in paragraph 5.1.

## **10. Devolved School Budgets - Carry Forward**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) sought Committee's decision on whether to allow schools to carry forward budget spend which was for the current financial year however did not go ahead.

Following consideration the Committee agreed to allow the following schools to retain the following amounts for planned spend which has not been progressed:

- i) Newmill Primary School for £9,000
- ii) Speyside High School for £118,652

## **11. Volunteering Policy Refresh**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) informed the Committee of the need to review our current Volunteer Policy and to seek approval of the refreshed Moray Council Volunteering Policy which has been redrafted in direct engagement with council volunteers, community councils and other stakeholders.

Following consideration the Committee agreed to adopt the refreshed Volunteer Strategy to reaffirm the Council support for direct volunteering with council services and within communities.

## **12. Performance Report (Human Resources, ICT and Organisational Development) Period to March 2023**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) informed the Committee of the performance of the service for the period to 31 March 2023.

Following consideration the Committee agreed to:

- i) note performance in areas of service planning, service performance and other related data to the end of March 2023;

- ii) note the actions being taken to improve performance where required.

**13. Performance Report (Governance, Strategy and Performance) Period to March 2023**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) informed the Committee of the performance of the service for the period to 31 March 2023.

Following consideration the Committee agreed to:

- i) note performance in areas of service planning, service performance and other related data to the end of March 2023;
- ii) note the actions being taken to improve performance where required.

**14. Information Reports - if called in**

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

**15. Question Time \*\*\***

Under reference to paragraph 10 of the minute of the meeting of 25 April 2023, Councillor Divers confirmed that following his meeting with the Chief Executive, he was assured of the reasoning for their being no Elected Members in attendance on the sub group to advance the work of the Culture Working Group.

In regards to the same point, Councillor Robertson said she was not aware of the measurable outcomes being circulated.

In response, the Chief Executive confirmed that he would check to ensure they had been circulated. He further added that a report of the findings would be presented to the next meeting of Corporate Committee.

He further added that he would re-issue the invitation to all groups to discuss the options available around the Culture Working Group and the existing framework for raising issues.



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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: REVENUE BUDGET MONITORING TO 30 JUNE 2023**

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

**1. REASON FOR REPORT**

- 1.1 To advise Committee of the revenue budget monitoring position to 30 June 2023.
- 1.2 This report is submitted to Council in terms of Section III B (10) of the Council's Administrative Scheme relating to monitoring current revenue expenditure against approved budget.

**2. RECOMMENDATION**

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

- (i) the budget monitoring position of £867,000 under budget for 2023/24 as at 30 June 2023;
- (ii) that this position consists of an underspend on Devolved School budgets of £448,000, an underspend of £277,000 on Children's services, an underspend of £747,000 on Environmental and Commercial Services, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £985,000 and an underspend on other services of £380,000;
- (iii) movement of a £162,000 decrease in the General Revenue Grant, as detailed in paragraph 3.4;
- (iv) the emerging budget pressure noted in paragraph 6.3 for Bus Revolution revenue, required to match the agreed business plan;

**2.2 It is recommended that the Council approves:**

- (i) the use of ear-marked reserves for Covid of £74,000 as detailed in paragraph 6.3.

### **3. BACKGROUND**

- 3.1 When the revenue budget for 2023/24 was approved by Moray Council on 1 March 2023 (paragraph 5 of the minute refers), General Revenue Grant of £193,416,000 was estimated for the year, based on the latest amount notified to the Council and including estimates for further distributions of grant during the year. Council Tax receipts of £49,574,000 were anticipated. Budgeted expenditure of £260,840,000 was agreed, and this required projected use of £17,850,000 of the Council's Ear Marked Reserves to balance the budget.
- 3.2 In addition to the Council's core budget, monies allocated to schools through the Devolved School Management (DSM) scheme and not spent are brought forward from previous years. The DSM balance brought forward in 2023/24 is £853,000 (2022/23 £1,288,000). Unused Pupil Equity Fund of £757,000 received in 2022/23 and £36,000 funding for nursery snacks and fundraising have been carried forward into 2023/24 in accordance with the grant conditions.
- 3.3 On 28 June 2023 Council approved additional expenditure of £2,158,000 to be funded from Ear-marked Reserve for Covid. All of these adjustments have been posted to departments during quarter 1.
- 3.4 The General Revenue Grant (GRG) has been adjusted by a reduction of £162,000 to align with the latest finance circular available from the Scottish Government as estimates for funding were used for amounts not yet known at the time of preparing the original budget. The finance circular also contains undistributed amounts which are not yet reflected in the GRG. When these amounts are confirmed they will also be included. Further redeterminations of funding have since been announced and will be reflected in the quarter 2 monitoring.
- 3.5 With these adjustments the Council's overall General Services revenue budget currently stands at £264,848,000.
- 3.6 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 1 March 2023 is shown in **APPENDIX 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 with the budget to 30 June 2023.
- 4.2 Overall the budget position at 30 June 2023 is expenditure under budget to date of £867,000 or 1.4% of budget to date, including services delivered on behalf of the Moray Integrated Joint Board.
- 4.3 The principal areas of overspend and underspend across the Council are summarised below.

- 4.4 In Children's Services, there is an underspend of £277,000. A contract for residential care for children with disabilities has ended due to the transition to adult services of the person cared for, giving a contract underspend of £141,000. Out of Area placements are £79,000 under budget, although this can quickly fluctuate given the cost per week of a placement. Adoption and fostering fees/allowances are under budget by £54,000. Within Area Teams, SDS/direct payments are £21,000 over budget to date.
- 4.5 Education has a £465,000 under spend to date. Devolved School budgets are underspent by £448,000 at the end of the first quarter; £151,000 in primary schools and £297,000 secondary schools. There is flexibility in DSM budgets to allow for planning for the sessions ahead and where spend is planned on the academic year. There are other minor variances, both over and under spends, within central Education budgets.
- 4.6 Environmental and Commercial Services are presenting a £747,000 underspend to date; Waste has underspends on Leachate of £41,000 and recycling of £14,000; Harbours income is ahead of target by £60,000; the Consultancy budget is under spent by £178,000 in total which is partially due to a £200,000 grant received in Emergency Planning from the Scottish and Southern Electricity Networks (SSEN) Resilient Communities Fund, which is aimed at helping communities become more resilient in the face of storms, severe weather and prolonged power loss. Projects for the full grant amount have been identified and agreed with SSEN, and include providing Community support centres, household emergency plan and resilience leaflets and emergency packs, an annual community resilience conference and a battery pack loan scheme. All proposed spend will be presented to Members. Other minor variances within Consultancy make up the net variance. Roads Maintenance is £313,000 under spent to date: an additional budget of £300,000 for one year only for roads patching was approved as a service development in the budget setting. The profiling of the works in this area is giving a variance to date but is not expected to be an ongoing variance; Catering has an £80,000 underspend on food costs, although income is currently on target. Food costs are no longer as closely linked to income as they were following the extension of universal Free School Meals from Nursery to Primary 5. Uptake may gradually rise as time goes on. This is the same trend as last year which had a significant underspend on food costs. Some food prices didn't increase as much as anticipated last year but there is expected to be an increase in wheat products as the situation in Ukraine is affecting supplies. Fleet are currently £98,000 under budget with variances in income offsetting overspends in transport and plant costs, energy and materials. Lands and Parks are £17,000 over budget to date with small variances on burial grounds, fuel and war memorials. The Public Transport Unit is currently over by £19,000 relating to Bus Revolution project costs (see para 6.3).
- 4.7 General Services Housing and Property is under spent by £49,000 in total with positive and negative variances; Improvement Grants are under by £49,000 due to a higher capital grant than currently budgeted to date; Industrial Estates have underspends on repairs and income exceeding budget

to date; Homeless temporary accommodation is currently underbudget due to additional income from the revised charges policy approved at Corporate Committee on 31 January 2023 (para 8 of the minute refers), but additional costs will follow for furniture and repairs. Schools repairs and maintenance are £87,000 overspent which is due to the pattern of spend on school buildings; energy costs in shared buildings are £28,000 over budget. Budget has been set aside in inflation for energy costs and will be drawn down in quarter 2.

- 4.8 The MIJB is reporting an overspend across services during quarter 1 of £985,000. The figures included in this report relate purely to the services delivered by Moray Council on behalf of the MIJB.
- 4.9 Income budgets across the Council are showing both positive and negative variances. Sports and leisure facilities budgets were reduced in 2021/22 due to the effects of covid restrictions and they have been partially increased in 2023/24 and proposed to be back to pre covid level in 2024/25. Income is £100,000 ahead of target in quarter 1 and the budget adjustment will be accelerated to reflect this. In General Services Housing, Improvement Grants are under by £49,000 due to a higher capital grant than currently budgeted for to date, Industrial Estate income is ahead of target by £16,000 and (as per para 4.7) Homeless temporary accommodation has additional income of £35,000 to date. Within Environmental and Commercial Services there is additional income at this quarter 1 stage in Waste recycling services (£14,000), Harbours (£60,000), Roads income from service users (£18,000) and a surplus of £9,000 on burial ground interment fees, although there is an income shortfall of £12,000 on sale of lairs. Other income shortfalls include Libraries income (£7,000) and Building Standards (£10,000).

## **5. BUDGET PRESSURES & ADDITIONS**

- 5.1 Budget pressures recognised when the budget was approved on 1 March 2023 are released when the pressure crystallises to the extent that it can be accurately quantified. Provisions to meet budget pressures and new duties totalling £3,575,000 have been released in quarter 1 and these are itemised in **APPENDIX 3**.
- 5.2 Provisions still held centrally at the end of quarter 1 total £11,694,000 and are detailed in **APPENDIX 4** and given a RAG assessment for likelihood of requirement.
- 5.3 Two provisions are assessed as red, as no longer being required. As per the final report covering the delivery of the Economic Recovery Plan (reported to Economic Development and Infrastructure Services Committee on 2 May 2023) the £53,000 budget pressure has been removed; and £30,000 for the Deposit Return Scheme which was confirmed in Scottish Parliament in June to be delayed until October 2025.
- 5.4 Provisions totalling £326,000 are assessed as amber, for uncertainty of requirement. These include the reduction in Early Learning and Childcare specific grant of £190,000, with forecast expenditure being reviewed with the service to assess requirements and a Change Management Plan being

implemented following consultants' report; only £9,000 for DSM review class contact time is required as the temporary post to carry out this work is now vacant, leaving a £9,000 saving.

- 5.5 Two provisions that are classed as green have drawn down more than the original allocation. Budget for the Public Private Partnership payments of £272,000 was based on the September 2022 Retail Price Index (RPI) and the annual unitary payment was based on February 2023 RPI, which has given a significant increase from the estimate. The Whole Family Wellbeing Fund (WFWF) £545,000 is the 2023/24 funding allocation. Unspent funds from last year have also been carried forward to be funded from reserves and it is unlikely that the total of these will be spent in full this year. Decision on how the funds are spent are made by the Community Planning Partnership and it is therefore intended that any unspent funds at year end are put to an earmarked reserve. The revised Improvement and Modernisation Plan (IMP) of £1,302,000 is being reviewed with departments and a further update will be reported to committee in November.
- 5.6 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. There are two such budget pressures quantified during quarter 1.
- 6.2 On 28 June 2023 Council approved temporary additional Additional Support Needs (ASN) funding of £1,100,000 to support 10 schools and an early years setting for session 2023/24, plus an additional recurring budget of £700,000 to fund the alternative curriculum provision to maintain children in Moray and prevent out of area placements. The total £1,800,000 will be funded from covid reserves.
- 6.3 The full Business Case for the Bus Revolution project, which is part of the Moray Growth Deal, was approved at the Special meeting of Moray Council on 8 March 2023 (para 9 of the minute refers). Capital costs over the life of the project are funded by the Scottish Government as part of the overall Growth Deal. The revenue costs and income will sit with the Council and, as reported in March, the financial case indicates a subsidy requirement for the first three years of the project. The projections as stated in the full business case are that in 2023/24 the net revenue position is a budget shortfall of £94,000. A budget pressure was included in the Council budget for £20,000 and this has been drawn down to fund software and marketing expenditure. An additional £74,000 is required to balance the funding and approval for this to be funded from covid reserves is requested.
- 6.4 The budget will continue to be reviewed for any emerging pressures and further recommendations will be made to future Committees when required.

## 7. **SAVINGS**

- 7.1 Savings and increased charges of £4,415,000 were approved when the budget was set on 1 March 2023. These savings comprised one-off savings of £775,000 and other permanent savings of £3,490,000. The increase in charges per the budget paper was £150,000.
- 7.2 In addition to the savings approved when the budget was set, additional savings/income of £1,480,000 was approved at Moray Council on 28 June 2023 (para 13 of the minute refers), including an increase of £400,000 for Council Tax receipts. These are included on **APPENDIX 5**.
- 7.3 The NESS Energy from Waste (EfW) facility began its commissioning phase in February 2023, during which the plant processes limited amounts of waste while assessments are carried out. The plant is expected to become fully operational later in 2023. Until such time, temporary savings were expected to emerge from additional income at Dallachy as it continues in operation. It is not confirmed if this will be achieved in full and so will be monitored and reported back.
- 7.4 A one off saving of £50,000 will accrue from the refund due from Grampian Valuation Joint Board, the amount of which will be confirmed when the accounts for 2022/23 are audited and approved by the Board – the saving will be posted thereafter.
- 7.5 Of the original approved savings, a balance of £2,344,000 remains in central provisions as at the end of June. These are detailed in **APPENDIX 5** and given a RAG assessment for anticipated achievement.
- 7.6 Seventeen savings totalling £3,242,000 are assessed as amber at this stage. Several savings within Environmental and Commercial Services have been delayed and their positions being confirmed. These include savings generated from installing a salt store in Keith: build costs have escalated significantly and the business case will be updated to check it still yields savings before committing to construction. Will be taken back to the Asset Management Working Group if there is a significant variation in benefits. The hiring out of Roads Maintenance machinery is delayed due to delays in delivery of replacement vehicles, relating to the previously reported supply chain issues for fleet. The saving from making permanent the move to 3 weekly recycling collection has yet to be posted. The significant uplift in harbours commercial income from offshore commenced in July and savings are still to be posted. Increased Transportation and Consultancy recharges to capital haven't yet established in order to take the full saving. The Dallachy spare capacity income (para 7.3) is currently also classed as amber at this point.
- 7.7 Other savings assessed as amber include £30,000 from the use of purchasing cards across services to ensure that VAT receipts are submitted per financial regulations and therefore all input VAT reclaimed, and Property Services admin review £26,000. The relocation of staff from Auchernack is dependent on the sale as the saving is mainly from a reduction in NDR costs. The



savings relating to the Improvement and Modernisation programme (IMP) Stream 2: ICT & Digital – schools admin has been out to consultation and the Change Management Plan is completed. There will be a report to committee in September and any update on achieving the saving will be updated for quarter 2 monitoring. Savings of £245,000 expected in Childrens Services have slipped as the new contracts were late starting but will be posted to departments later this year.

- 7.8 Unposted savings assessed as green are expected to be achieved or substantially achieved during this financial year.

## 8. **RESERVES**

- 8.1 The balance on free general reserves (ie excluding DSM and ear-marked reserves) as at 1 April 2023 was £5,000,000. This is the minimum level of reserves that can be held on free general reserves.
- 8.2 Moray Council on 28 June 2023 approved an additional use of covid ear marked reserves totalling £2,158,000, as detailed in paragraph 3. (paragraph 13 of the Minute refers) . The variance analysis adjustments approved at that meeting have also been reflected as a reduction in the use of reserves (due to additional savings and income). The ASN budget pressure discussed in para 6.2 of £1,800,000 is also reflected. The impact of this is an estimated balance of £5,022,000 at 30 June 2023. If approved, the Bus Revolution budget pressure will also reduce this balance. **APPENDIX 6** itemises the movements on reserves during the year to date and gives the free balance on the reserves at 30 June 2023.
- 8.3 Balances at 30 June 2023 for other ear marked reserves are £3,791,000 for Transformation and £5,122,000 for Council priorities.

## 9. **SUMMARY OF IMPLICATIONS**

- (a) **Moray 2026: A Plan for the Future and Moray Corporate Plan**  
Effective budget management is an essential component of delivery of council priorities on a sustainable basis.
- (b) **Policy and Legal**  
No policy or legal implications arise directly from the contents of this report.
- (c) **Financial implications**  
The financial implications are addressed throughout the report.
- (d) **Risk Implications**  
There are no risk implications arising directly from this report. Budget managers are aware of their responsibilities for managing their budgets in accordance with the Council's Financial Regulations. There is a risk to the Council arising from the agreement that if the Moray Integrated Joint Board overspends the Council will meet 37% of the additional costs incurred. Rising inflation presents a risk to the Council's budget.

- (e) **Staffing Implications**  
No staffing implications arise directly from this report.
- (f) **Property**  
No property implications arise directly from this report.
- (g) **Equalities/Socio Economic Impact**  
No equalities implications arise directly from this report.
- (h) **Climate Change and Biodiversity Impacts**  
No climate change and biodiversity impacts arise directly from this report.
- (i) **Consultations**  
Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

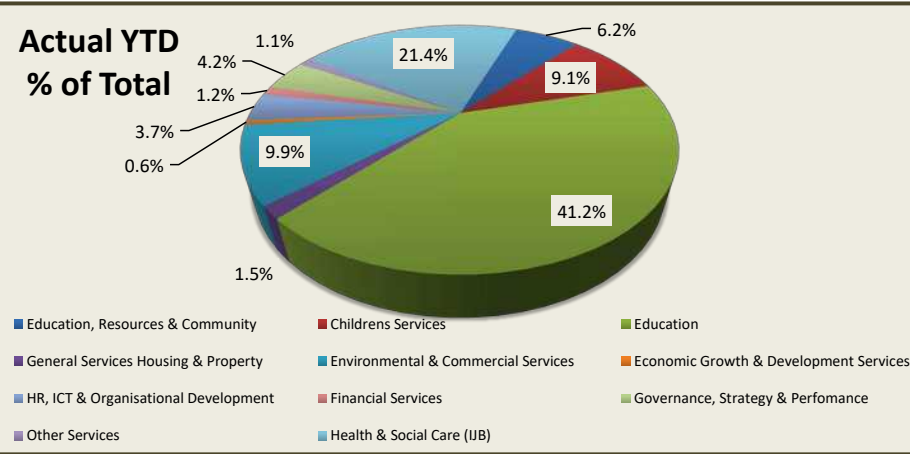
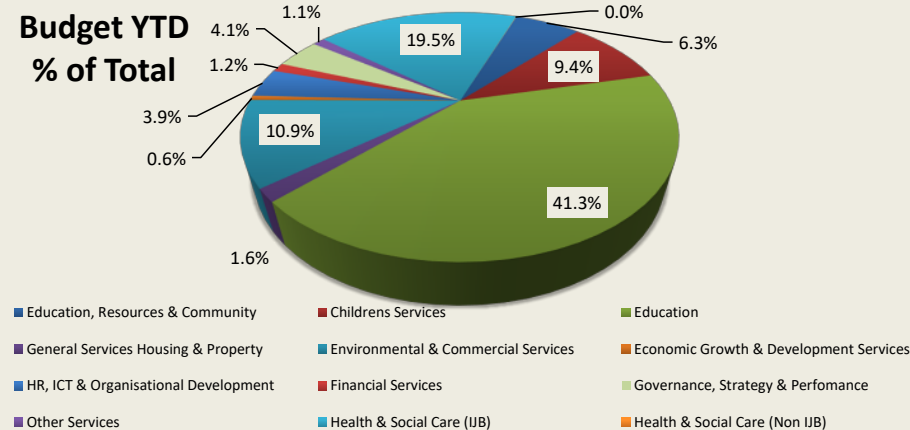
## 10. **CONCLUSION**

- 10.1 **The financial position of the Council at the end of June 2023 is an underspend against General Services Revenue Budget of £867,000 (including services delivered on behalf of the Moray Integration Joint Board).**
- 10.2 **Variations in General Revenue Grant totalling £162,000 have been notified to the council.**
- 10.3 **There is one additional budget pressure noted for Council services at quarter 1; £74,000 for Bus Revolution revenue. If approved this would be funded from covid ear-marked reserves.**

Author of Report: Susan Souter, Senior Accountant  
Background Papers: Held by author  
Ref: SPMAN-1293228629-924

**MORAY COUNCIL - APPENDIX 1**  
**BUDGET MONITORING REPORT**  
**QUARTER 1 to 30 JUNE 2023**

Service	Revised Budget 2023/24 £000s	Budget to 30 June 2023 £000s	Actual & Committed to 30 June 2023 £000s	Year to date variance £000s
Education, Resources & Community	13,670	4,026	3,943	83
Childrens Services	20,253	6,013	5,736	277
Education	96,998	26,487	26,022	465
General Services Housing & Property	4,234	1,022	973	49
Environmental & Commercial Services	28,471	7,004	6,257	747
Economic Growth & Development Services	3,446	398	371	27
HR, ICT & Organisational Development	6,186	2,472	2,364	108
Financial Services	1,859	770	753	17
Governance, Strategy & Performance	6,210	2,626	2,650	(24)
Other Services	2,653	728	686	42
<b>SERVICES excl HEALTH &amp; SOCIAL CARE</b>	<b>183,980</b>	<b>51,546</b>	<b>49,755</b>	<b>1,791</b>
Health & Social Care (IJB)	58,176	12,520	13,505	(985)
Health & Social Care (Non IJB)	99	24	(37)	61
<b>TOTAL SERVICES incl HEALTH &amp; SOCIAL CARE</b>	<b>242,255</b>	<b>64,090</b>	<b>63,223</b>	<b>867</b>
<b>Loans Charges</b>	<b>14,407</b>	<b>0</b>	<b>0</b>	<b>0</b>
Provision for Contingencies and Inflation	3,372	0	0	0
Additional Costs	7,158	0	0	0
Unallocated Savings	(2,344)	0	0	0
<b>TOTAL PROVISIONS</b>	<b>8,186</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>264,848</b>	<b>64,090</b>	<b>63,223</b>	<b>867</b>



**Commentary on Quarter 1 Performance**

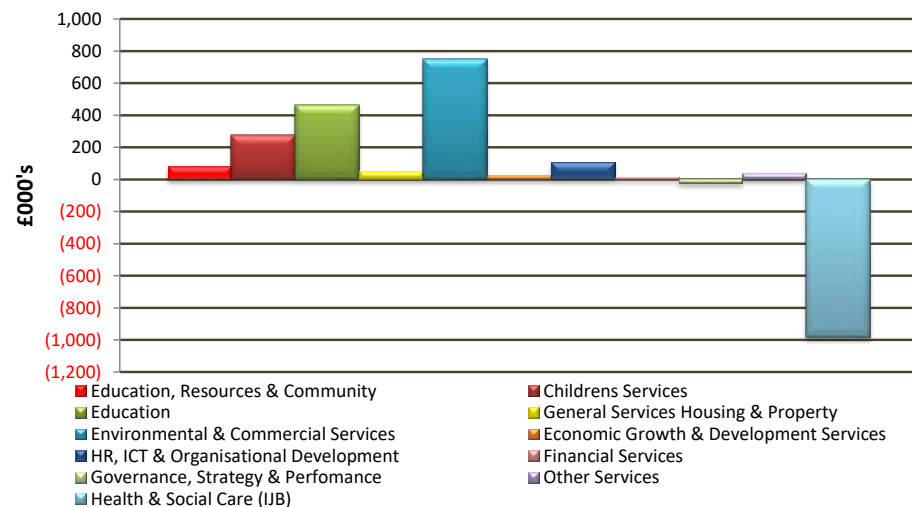
Overall the budget position at 30 June 2023 is expenditure under budget to date of £867,000 or 1.4% of budget, including services delivered on behalf of the Moray Integrated Joint Board (MIJB).

**Education:** Devolved School budgets are underspent by £448,000 at the end of the first quarter; £151,000 in Primary and £297,000 in Secondary schools.

**Children's Services:** underspend of £277,000 due to contract underspend for children transitioning to adult services, and out of area placements under budget.

**Environmental & Commercial Services:** a £747,000 underspend across services including Roads Maintenance underspend of £313,000, Catering food costs £80,000 under while income remains on budget, and a £200,000 grant from SSENs Resilient Communities Fund which is aimed at helping communities become more resilient when faced with severe weather.

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





	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>1 March 2023</b>	231,397	4,182	15,269	(4,415)	246,433	14,407		260,840
School carry forwards	853				853			853
PEF carry forwards	757				757			757
ELC carry forwards	36				36			36
Funded from reserves - approved MC 28/06/23	2,158				2,158			2,158
Funded from Transformation Earmarked Reserves	76				76			76
Funded from Covid Earmarked Reserves	128				128			128
<b>Adjustment 1</b>	6,850	(5,908)	(3,013)	2,071	0			0
<b>Adjustment 2 - move inflation pot</b>	-	5,098	(5,098)		0			0
<b>Corporate Committee 29/8/23</b>	<u>242,255</u>	<u>3,372</u>	<u>7,158</u>	<u>(2,344)</u>	<u>250,441</u>	<u>14,407</u>	<u>0</u>	<u>264,848</u>



**ALLOCATIONS FROM PROVISIONS**

<b>Provision for Contingencies and Inflation</b>	<b>Committee reference</b>	<b>£000s</b>	<b>£000s</b>
Approved when budget set:	MC 1/3/23		4,182
Add in Inflation pot (approved as a budget pressure)	MC 1/3/23	5,098	
Pay awards		(4,844)	
Contract indices		(665)	
School/Community Transport		(410)	
Education DSM Adjustment		137	
Members Allowances		(32)	
Other - Contingency		(94)	
		<u>(810)</u>	
<b>Balance at 30 June 2023</b>			<b>3,372</b>
<b>Additional Costs</b>		<b>£000s</b>	<b>£000s</b>
Approved when budget set:	MC 1/3/23		15,269
Trf to Inflation pot (highlighted as a budget pressure)			(5,098)
<b>Budget pressures approved when budget set</b>			
ELC partner providers 5% increase		(395)	
Free School Meals		(69)	
Bus Revolution revenue funding		(20)	
Leachate - ongoing budget pressure		(77)	
Mid Term Loadline Survey - Dredger		(30)	
Fuel Costs - Waste		(127)	
Brown bin permits		(34)	
Reinstatement of the Employee Assistance Programme		(15)	
Homelessness provision and temp accommodation		(220)	
Donation to Moray Foodbank		(20)	
Ward budgets to address minor works/concerns		(120)	
Other		<u>(282)</u>	
			(1,409)
<b>Additional Budget Pressures approved</b>			
Raising Attainment		<u>(796)</u>	
			(796)
<b>Service Developments</b>			
Roads patching - one year only		<u>(300)</u>	
			(300)
<b>Additional funding allocated</b>			
Empty Property Relief		<u>(508)</u>	
			(508)
<b>Balance at 30 June 2023</b>			<b>7,158</b>

<b>Savings &amp; Charges</b>	<b>Committee reference</b>	<b>£000s</b>	<b>£000s</b>
<b>Approved when budget set:</b>	MC 1/3/23		(4,415)
Empty Property Relief		44	
TRO charges		16	
Statutory fees for planning applications		110	
Local Housing Energy Efficiency Strategy (LHEES)		50	
Closure of Quarryhill		28	
Cessation contract SACRO		142	
Homelessness service charges		230	
Children's Services - adoption, temp HoS		54	
ASN contracts: Home Tuition, Call Scotland, SALT		60	
Area Forums		4	
Increase vacancy factor in line with pay awards		17	
Income target per budget paper		<u>181</u>	
			936
<b>Additional Savings Identified:</b>			
IORB	MC 28/6/23	715	
Development Services - Software Licences		11	
Members Allowances/Expenses		20	
HR - Professional fees		10	
Increase in recharges to Capital/HRA		105	
Income		219	
Janitorial Restructure - DAR Aug 15		2	
Temp Saving - LHEES		<u>53</u>	
			1,135
<b>Balance at 30 June 2023</b>			<b>(2,344)</b>



## BUDGET PRESSURES

Ref	Description	Original Amount £000s	Drawn Down £000s	Balance £000s	Status	Comm Ref	Reasons
<b>RECOGNISED WHEN BUDGET SET</b>							
	<b>Social Work</b>						
	<b>Education Resources &amp; Communities</b>						
	School Transport - Additional ASN Costs	66,000	0	66,000			Likely to be required. Will confirm once requirements for 23-24 school year are finalised.
	Free schools meals expansion April - August	293,000	37,022	255,978			Catering have drawn down their allocation for P4-5 UFSM. Education requested full year effect of Playground/Lunchtime auxiliaries which has been drawn down. Within the FSM provision is funding for holiday provision. £210k is required to cover the holiday provision, this includes the £32k already drawn down therefore additional £178k required.
	Free School Meals holiday provision	80,000	32,299	47,701			Up to the summer holidays another £98k required.
	FSM Easter holiday provision		0				
	DSM / class contact time review	18,000	0	18,000			Balance of £9k is not required as employee finished position early. Temporary post, £9k saving in 24/25
	Libraries loss of income from Passport che	26,000	26,034	(34)			
	<b>Education</b>						
	Additional Teachers	285,000	0	285,000			Paper approving allocation has been approved by committee - funding will be drawn down in Qtr2
	School roll numbers	700,000	43,371	656,629			Funding required will be known after the 23/24 academic year rolls are provided in October
	Backdated Jobsizing - DHT Cluny PS		0				
	ELC specific grant	190,000	0	190,000			Working with the service on forecasts for the year
	5% increase in sustainable rate ELC partne	395,000	395,000	0			
*	Education Investment Fund - short term funding	500,000	0	500,000			MC 28/6/23 approved use of this funding - will be drawn down
	<b>Economic Growth &amp; Development</b>						
	MGD revenue contribution STEM	3,000	3,000	0			
	Bus Revolution revenue	20,000	20,000	0			Additional BP identified of £74k to match submission to the Scottish Government
	Development Plan Scheme - transportation appraisals	100,000	0	100,000			Will be required but uncertain if the cost will be this year or next.
	Budget Pressures associated with Economic Recovery Plan	53,000	0	53,000			No longer required
	Renewables Income Fund	5,000	0	5,000			To be confirmed with the Climate Change Team
	<b>Environmental &amp; Commercial</b>		0				
	Leachate - ongoing budget pressure	77,000	77,000	0			
	Mid Term Loadline Survey - Dredger	30,000	30,000	0			
	Fuel Costs - Waste	127,000	127,000	0			
	Brown bin permits	34,000	34,000	0			
	Deposit Return Scheme	30,000	0	30,000			Pushed back one year to 24/25
*	Road Safety matters	50,000	0	50,000			Unsure if the contract has been awarded in full.
	<b>Governance etc</b>						
	Reduced admin funding from DWP for Hou	7,000	7,000	0			
*	Amount for each Ward (£15k) to address minor works/concerns	120,000	120,000	0			
	<b>Housing &amp; Property Services</b>						
	Homeless - higher costs of providing and maintaining temporary accommodation for increased levels of homeless presentations	220,000	220,000	0			
	<b>Financial Services</b>						
	Procurement (additional 0.5FTE Procurement Officer)	28,000	28,703	(703)			Cost was slightly higher
	<b>Other</b>						

*	Donation to assist local effort for relief of suffering in Turkey/Syria	5,000	0	5,000		
*	Donation to Moray Foodbank (in addition to 22/23 donation)	20,000	20,000	0		
	<b>Cross Service</b>					
	Reinstatement of the Employee Assistance	15,000	15,000	0		
	NDR revaluation	400,000	0	400,000		Will be required and drawn down when NDR bills processed
	TU Provision	11,000	0	11,000		Drawn down as part of the funding from reserves. MC 24/5/23
	Increase in Loans Charges	2,000,000	0	2,000,000		Will likely be required and will be drawn down for Q2
	Removal of Statutory Mitigation for Flexi/TOIL		173,121	(173,121)		Annual Accounts entry
	<b>Total</b>	<b>5,908,000</b>	<b>1,408,550</b>	<b>4,499,450</b>		
	<b>Funded from Transformation Earmarked Reserves</b>					
	Revised IMP:					
	Raising Attainment - TCH & SJC	1,302,000	796,409	505,591		This is the full year effect of the Raising Attainment Transformation Funding
	<b>FUNDING FOR NEW DUTIES</b>					
	FSM Expansion	1,204,000	0	1,204,000		
	Whole Family Wellbeing Fund (WFWF)	545,000	0	545,000		Last years funding of £546k has been carried forward in reserves - it is unlikely both amounts will be used this year. Unspent will be put to an earmarked reserve.
	Empty Property Relief	508,000	508,000	0		
	<b>SERVICE DEVELOPMENTS</b>					
	Levelling Up Fund	221,000	0	221,000		Currently working on Levelling Up submission round 3. Likely to be required
	School real time data	63,000	0	63,000		In discussions with department
	Youth work (Buckie and Forres)	120,000	0	120,000		Forres grants nearly completed and Buckie applications to be in by August.
	Roads patching - one year only	300,000	300,000	0		
	<b>Total</b>	<b>2,961,000</b>	<b>808,000</b>	<b>2,153,000</b>		
	<b>Total</b>	<b>10,171,000</b>	<b>3,012,959</b>	<b>7,158,041</b>		

## SAVINGS

## APPENDIX 5

Ref	Description	Amount £000s	Posted	Balance	Status	Comm Ref	Reason for balance
<b>Approved when 2023/24 budget set:</b>							
<b>Financial Services</b>							
	Financial service restructuring	(16,000)	0	(16,000)			£39k saving taken in 22/23 as first part of restructuring. This second year saving needs reviewed following staff changes.
	Review of purchasing card	(30,000)	0	(30,000)			Cross-service saving
	Empty Property Relief	(44,000)	(44,000)	0			
<b>Environmental &amp; Commercial Services</b>							
	Salt store (Keith depot)	(35,000)	0	(35,000)			Delays in design of structure, barn not installed as yet and cost likely to be higher than anticipated. Business case to be updated and will be taken back through Asset Management Working Group.
	Roads maintenance - hire out machinery	(100,000)	0	(100,000)			Still awaiting tankers to be used for this. No date yet as to when likely to be received and operational.
	3 weekly recycling collection	(136,000)	0	(136,000)			Further discussions required re use of crews and vehicles.
	Temp Bus Stop Charges	(2,000)	0	(2,000)			
	Harbours commercial income	(336,000)	0	(336,000)			Too early to say if the full saving can be taken.
	TRO charges	(16,000)	(16,000)	0			
	Transportation and Consultancy recharges	(142,000)	0	(142,000)			Too early to say if the full saving can be taken.
<b>Economic Growth and Development</b>							
	Statutory fees for planning applications	(110,000)	(110,000)	0			
	Local Housing Energy Efficiency Strategy (LHEES)	(50,000)	(50,000)	0			
<b>Housing &amp; Property Services</b>							
	Closure of Quarryhill	(28,000)	(27,629)	(371)			
	Cessation contract SACRO	(150,000)	(142,466)	(7,534)			Net saving lower than estimated (mainly due to 22/23 pay award)
	Property Services admin	(26,000)	0	(26,000)			Unclear where this saving will come from - waiting for clarification from service
	Homelessness service charges	(230,000)	(230,000)	0			
<b>Integrated Children's Services</b>							
	Children's Services - adoption, temp HoS	(54,000)	(54,169)	169			
<b>Schools</b>							
	Service concession	(1,168,000)	0	(1,168,000)			Based on Arlingclose Treasury Advisers calculations.
<b>Education Resources and Communities</b>							
	Relocate staff from Auchernack plus Forres Commu	(20,000)	0	(20,000)			Mostly relates to NDR and so is dependent on sale of asset
	ASN contracts: Home Tuition, Call Scotland, SALT	(60,000)	(60,000)	0			
	Area Forums	(4,000)	(3,950)	(50)			
<b>Corporate/Cross service</b>							
	Charges review - See Charges Tab		0				
	EV / ULE salary sacrifice	(20,000)	0	(20,000)			Saving can be taken if/when this is rolled out.
	Increase vacancy factor in line with pay awards	(225,000)	(17,000)	(208,000)			Waiting for pay award to be agreed
<b>Improvement &amp; Modernisation Programme:</b>							
	Stream 2: ICT & Digital - Schools Admin	(56,000)	0	(56,000)			CMP completed - paper going to committee in September
	Stream 4: Review & Expansion of Flexible Working	(44,000)	0	(44,000)			
	Care placements	(245,000)	0	(245,000)			The new contracts in Children Services were late starting and it will be 24/25 before it will be known if they have generated savings.
	Reduction in reinvestment costs	(18,000)	0	(18,000)			Saving to be taken in 23/24
	LEAN review	(125,000)	0	(125,000)			

<b>Temporary Savings</b>						
<b>Corporate</b>						
Grampian Valuation Joint Board - Refund	(50,000)	0	(50,000)		MC 8/3/23	
<b>Direct Services</b>						
Dallachy spare capacity - income	(725,000)	0	(725,000)		MC 8/3/23	NESS facility became operational in April. Waste now being transported there.
<b>Income</b>	(150,000)	(181,000)	31,000		MC 8/3/23	Income has exceeded budget
<b>Savings approved since budget set:</b>						
IORB		(715,000)	715,000		MC 28/6/23	
Development Services - Software Licences		(11,000)	11,000		MC 28/6/23	
Members Allowances/Expenses		(20,000)	20,000		MC 28/6/23	
HR - Professional fees		(10,000)	10,000		MC 28/6/23	
Increase in recharges to CapitalHRA		(105,000)	105,000		MC 28/6/23	
Income		(219,000)	219,000		MC 28/6/23	
Janitorial Restructure		(1,614)	1,614			Restructure of janitorial staffing in a secondary school.
<b>Temporary Savings</b>						
LHEES saving		(53,000)	53,000		MC 8/3/23	
Total Approved when budget set	(4,415,000)	(936,214)	(3,478,786)			
Total Approved since budget set		(1,134,614)	1,134,614			
Total			(2,344,172)			

## APPENDIX 6

<b>General Reserves</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
General Reserves @ 1 April 2023		5,000	
Free balance @ 30 June 2023		5,000	
<b>Transformation Ear marked Reserve</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
Balance @ 1 April 2023		5,480	
Funding from reserves approved in 2023/24:			
Poverty	MC 15/09/21	(66)	
Raising Attainment	MC 15/09/21	(1,547)	
Smarter Working	MC 02/02/23	(76)	(76)
		<hr/>	<hr/>
		(1,689)	(76)
<b>Free balance @ 30 June 2023</b>		<b>3,791</b>	
<b>Covid Ear marked Reserve</b>	<b>Committee reference</b>	<b>Approved £000s</b>	<b>Budget released £000s</b>
Balance @ 1 April 2023		22,897	
Less commitments against reserves when budget was set:			
To balance budget	MC 01/03/23	(14,505)	
Budget pressures re economic recovery		(263)	
Donation to assist local effort for relief of suffering in Turkey/Syria		(5)	
Donation to Moray Foodbank (in addition to 22/23 donation)		(20)	
Amount for each Ward (£15k) to address minor works/concerns		(120)	
Road Safety matters		(50)	
Education Investment Fund - short term funding		(500)	
Reinstatement of the Employee Assistance Programme		(15)	
		<hr/>	
		(15,478)	
Funding from reserves approved in 2023/24:			
Trades Union Facility Time	MC 25/04/23	(23)	(23)
0.4fte Trade Union Education	MC 24/05/23	(34)	(34)
DAR Assistant Registrar / Clerical Assts Burial	01/23	(72)	(72)
<u>Economic Growth &amp; Development</u>			
Glenlivet Masterplan	MC 28/06/23	(9)	(9)
Scotland Loves Local Moray	MC 28/06/23	(33)	(33)
Business Gateway Economic Recovery and Br	MC 28/06/23	(24)	(24)
Climate Change LHEES stages 1-5	MC 28/06/23	(15)	(15)
Climate Change LHEES stages 6-8	MC 28/06/23	(9)	(9)

**APPENDIX 6**

<u>Governance</u>			
DHP Awards	MC 28/06/23	(153)	153
<u>Environmental &amp; Commercial</u>			
Burial Grounds - Headstones Inspections	MC 28/06/23	(10)	(10)
Lands & Parks - Tree Inspections	MC 28/06/23	(40)	(40)
<u>Children's Services</u>			
Syrian Refugee funding	MC 28/06/23	(25)	(25)
Ukrainian Refugees funding	MC 28/06/23	(1,150)	(1,150)
Unaccompanied Asylum Seeking Children fund	MC 28/06/23	(125)	(125)
Mental Health Pandemic Response	MC 28/06/23	(19)	(19)
Whole Family Wellbeing Fund	MC 28/06/23	(546)	(546)
Other Adjustments:			
GRG adj to bring into line with f/c 3/2023		(162)	
Remove Budget pressures re economic recovery		263	
ASN Budget Pressure		(1,800)	
Reduced use of reserves from addl savings/income per Variance Analysis	MC 28/06/23	1,589	
		(2,397)	(1,981)
Approved use of reserves		(17,875)	
<b>Free balance @ 30 June 2023</b>		<b>5,022</b>	
<b>Council Priorities ear marked Reserve</b>	<b>Committee reference</b>	<b>Approved</b>	<b>Budget released</b>
		<b>£000s</b>	<b>£000s</b>
Balance @ 1 April 2023		5,881	
Free balance @ 30 June 2023		<b>5,881</b>	
<b>Moray Growth Deal CF Reserve</b>	<b>Committee reference</b>	<b>Approved</b>	<b>Budget released</b>
		<b>£000s</b>	<b>£000s</b>
Balance @ 1 April 2023		4,000	
Less commitments against reserves when budget was set:			
MGD Cash Flow	MC 01/03/23	(759)	
Free balance @ 30 June 2023		<b>3,241</b>	



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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: CAPITAL PLAN 2023/24**

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

**1. REASON FOR REPORT**

1.1 To advise the Committee of expenditure to 30 June 2023 under the capital plan for financial year 2023/24 and of estimates of projected expenditure profiled into quarters.

1.2 This report is submitted to Committee in terms of Section III (B) 9 of the Council's Administrative Scheme relating to monitoring progress of projects in the approved capital plan including any revisions to the price or phasing on a quarterly basis.

**2. RECOMMENDATION**

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

- (i) Considers and notes expenditure to 30 June 2023 of £2,761,000;**
- (ii) Considers and notes the current plan, prior to amendment of £672,681,000 for 2023/24 based on approved expenditure adjusted for known differences in planned expenditure which have been identified to date, profiled into quarters, as set out in APPENDIX 1;**
- (iii) Considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2; and**
- (iv) Approves amendments to the 2023/24 and 2024/25 capital plan as detailed in section 6.1 of this report.**

### **3. BACKGROUND**

- 3.1 The capital plan for 2023/24 totalling £59,186,000 was approved by Moray Council on 1 March 2023 (paragraph 4 of the Minute refers). Amendments approved by the Council at its meeting on 8 March 2023 (paragraph 7 of the Minute refers), and 28 June 2023 (paragraph 8 of the minute refers) have been incorporated to give a current approved capital plan for 2023/24 totalling £72,681,000. The amendments recommended in this report would result in a capital plan of £64,975,000, but this should not be considered an estimate of actual spend for the year. The figure includes expenditure on five Moray Growth Deal projects as estimated in Outline Business Cases (OBC) – these projects have not yet submitted Full Business Cases and the OBC estimates appear unlikely to be achievable in this financial year. Although budget managers have expressed confidence that a high proportion of the projects will spend to current budget there has been a very low spend to date. Continued volatile conditions in the construction industry and in supply chains of materials are causing contractors to decline to tender for works or tender for prices significantly above estimates, resulting in reduced scope of works being retendered. This figure should be treated as the maximum approved spend in the year. An estimated spend figure will be developed and reported as part of the quarter 2 capital monitoring report.
- 3.2 As some sizeable projects span more than one financial year, this report includes a separate **APPENDIX 2**, giving details of expenditure on such projects in order to give a complete financial overview of these major projects.
- 3.3 The indicative 10 year capital plan will be reviewed as part of the financial planning process to reflect the impact of continued construction inflation and further increased interest rates on the affordability of the plan. As a short term savings measure, capital budget managers have also been asked to review planned expenditure for 2023/24 with a view to delaying projects or otherwise reducing expenditure in 2023/24.

### **4. CAPITAL PLAN 2022/23**

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 30 June of £2,761,000. This is just under 4% of the currently approved Capital Plan. General Capital Grant of £2,448,000 has been received from the Scottish Government. Other grants and contributions of £32,000 have also been received. In addition to this, Developer Contributions of £369,000 have been received in quarter 1 of this financial year and capital receipts of £349,000 for the sale of land & buildings and vehicles. The Council previously took advantage of flexibilities allowed by the Scottish Government that allowed the Council to use capital receipts to fund spend on Transformation projects. This flexibility ended in 2022/23 and unused receipts of £4,331,000 were transferred to the Useable Capital Receipts Reserve and will be use in 2023/24 to fund capital expenditure.



- 4.2 Expenditure on land and buildings to 30 June 2023 totals £591,000. The main items of expenditure is £135,000 on Council led projects under the Moray Growth Deal. Expenditure of £304,000 has also been spent on Place Based Investment, a programme established by the Scottish Government to ensure that local investment is relevant to local communities for the benefit of local people. This expenditure is funded by capital grant from the Scottish Government.
- 4.3 Expenditure on infrastructure assets to 30 June 2023 totals £796,000. The main items of expenditure were £233,000 on Road Safety projects and £225,000 on various Harbours projects.
- 4.4 Expenditure on vehicles, plant and equipment to 30 June 2023 totals £1,374,000. The main item of expenditure was £1,111,000 on the Vehicle & Plant Replacement Programme, all of which is slippage from 2022/23 due to the current lead time for the delivery of vehicles.

## 5. **PROJECTED OUTTURN AND PROJECT DEFERRALS**

- 5.1 Budget managers have been recommended to update projected estimates of expenditure on capital projects in 2023/24. 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.

<b>Risk Status</b>	<b>RAG</b>	<b>No of Projects</b>	<b>Projected Expenditure 2023/24 £000</b>
High confidence of spend to estimate	G	95	32,900
Medium confidence of spend to estimate	A	5	9,434
Low confidence of spend to estimate	R	12	22,641
		<b>112</b>	<b>64,975</b>

- 5.2 The spend projections provided by budget managers are based on the best information available at this time.

### **Red rating**

A red status highlights areas where there is low level of confidence in estimated expenditure. The following have been identified by budget managers as having a red status:

<b>Project</b>	<b>Capital Plan 2023/24 £000s</b>	<b>Projected Expenditure 2023/24 £000s</b>
<b>Land and Buildings</b>		
Refurbishment and Upgrade of Pools	1,900	600
Early Learning & Childcare (ELC) (4 projects)	1,507	359
Replacement Household Waste Recycling Centre (HWRC)	800	-

<b>Project</b>	<b>Capital Plan 2023/24 £000s</b>	<b>Projected Expenditure 2023/24 £000s</b>
Moray Growth Deal (3 projects led by partners)	21,667	21,667
<b>Infrastructure</b>		
Bridges (2 projects)	405	15
Timber Traffic	840	-
<b>TOTAL</b>	<b>27,119</b>	<b>22,641</b>

5.3 Work on some of the planned Leisure Facilities projects are dependent on the outcome of the Council's bid for funding from Phase 3 of the Learning Estate Investment Programme (LEIP). It is currently not known what the outcome of this will be and so there is no certainty on the spend requirements. However, we may need to undertake a minimal level of works to ensure that the facilities remain operational in the meantime if urgent requirements were to materialise. Various ELC projects have seen issues with the tender process, both in terms of increased prices and lack of supplier engagement. Work is ongoing to ascertain the best way forward on these projects, all of which arose from Care Inspectorate requirements.

5.4 Included in the capital plan was £15,000 for works at Blackwater Bridge – this expenditure is no longer required and no spend will therefore be incurred. The capital plan approved when the budget was set included £390,000 for works to Bishopmill Bridge. However, urgent works have been identified at View Hill Bridge and plans for Bishopmill Bridge will be deferred to allow this to take place. There is a risk that, the works at Viewmill could be delayed due to environmental constraints.

### **Amber rating**

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

<b>Project</b>	<b>Capital Plan 2023/24 £000s</b>	<b>Projected Expenditure 2023/24 £000s</b>
<b>Land &amp; Buildings</b>		
NESS Energy for Waste Plant	5,304	5,304
<b>Infrastructure</b>		
Bridges (2 projects)	1,538	218
<b>Vehicles, Plant &amp; Equipment</b>		
Vehicle & Plant Replacement Programme	5,798	3,678
Children's Play Area Equipment	234	
<b>TOTAL</b>	<b>12,874</b>	<b>9,434</b>

5.5 Spend on the Council's share of the costs of the construction phase of the NESS Energy for Waste Plant is dependent on the contractors achieving agreed milestones which trigger payments and may be subject to change. This is the last year of constructions with the plant anticipated to be live in the current financial year. An element of contingency was built into the budget

and it is not anticipated that this will be required in full. However, under the terms of the agreement the primary supplier is permitted to claim for exceptional costs associated with a delay outwith their control. The Project Board, representing the Local Authorities' interests, is in commercial negotiations as to the value of this claim. Until these negotiations progress to a later stage it is not possible to quantify any liability.

- 5.6 Expenditure on the planned project at Lea Bridge in Forres is dependent on the findings of inspections. Spend on the Cloddach Bridge will be dependent on future Council decisions. At this stage spend on feasibility studies and the preparation of the Full Business Case is expected.
- 5.7 The lead time for vehicle replacements is very long due to issues with the supply of small components to complete vehicles and there is therefore a high degree of uncertainty as to when vehicles will be delivered. There is a similar situation with regards to Play Area Equipment.
- 5.8 Details of the projected variances as at June 2023 from the current approved capital programme, summarised in **APPENDIX 1**, are set out below:

Description	Ref	Underspend/ (Overspend) £000s
<b>Land and Buildings</b>		
Universal Free School Meals	5.10	98
Refurbishment and Upgrade of Pools	5.11	1,300
Moray Growth Deal	5.12	598
Replacement HWRC	5.13	800
<b>Infrastructure</b>		
Bridges	5.14	2,001
Timber Traffic	5.15	840
<b>Vehicles, Plant &amp; Equipment</b>		
Vehicle Replacement Programme	5.16	2,120
Gull Proof Bins	5.17	(7)
Orchard Road Signals	5.18	(44)
<b>TOTAL</b>		<b>7,706</b>

## Land and Buildings

- 5.10 **Universal Free School Meals** – Capital funding to support the roll out of universal free school meals to all pupils in P4 and P7. To date only the roll out to primary 4 and 5 has been completed. Current spend is an estimate on the spend required to purchase additional equipment to support the increased roll out. Further work is to be carried out on the required capital investment required by the end of the financial year and will be updated in future monitoring reports. No amendments to the budget are recommended at this stage.
- 5.11 **Refurbishment & Upgrade of Swimming Pools** – The budget of £1,900,000 was allocated for the upgrade of Buckie Leisure facility. This has been delayed while the Council awaits confirmation of its bid for LEIP Phase 3

funding. However, we may need to undertake a minimal level of works to ensure that the facility remains operational, and also potentially on others if any urgent requirements were to materialise. At this stage of the financial year an underspend of £1,300,000 is forecast and it is therefore recommended to reduce the budget in 2023/24 by this amount.

#### 5.12 **Moray Growth Deal**

Bus Revolution – This project has a budget in the current year of £681,000 and is anticipating to underspend by £177,000. Included within the budget in the Full Business Case that was approved by the Scottish Government an element of contingency was included for unforeseen events. At this stage it is not anticipated that this will be required. The Council is awaiting delivery of two vehicles later in the financial year and until these are operational it is not known if there will be any call on the contingency so no amendments are recommended at this stage.

Housing Mix Delivery & Cultural Quarter – The budgets for these projects, which are led by the Council, included in the capital plan are based on the Outline Business Cases and are currently anticipating an underspend against the OBC profile of £421,000. The budget will be amended once the Full Business Cases have been prepared and approved by the Scottish Government and no amendments are therefore recommended at this stage.

- 5.13 **Replacement HWRC** – This budget was for the land acquisition in relation to the construction of a Replacement HWRC, which was subject to the award of a funding application to Zero Waste Scotland. This was unsuccessful and the project is therefore not proceeding. It is therefore recommended that the full budget of £800,000 is removed from the capital plan.

### **Infrastructure**

#### 5.14 **Bridges**

A941 New Craigellachie Bridge – Work is currently ongoing on this project with the next phase due to start in quarter 2. At this stage it is projected that there will be an underspend of £274,000 in this financial year.

A941/100 Blackwater Bridge – No further work is required on this project so it is recommended that the full budget of £15,000 be removed from the capital plan.

A941/340 New Bishopmill Bridge - The capital plan includes £390,000 for works to Bishopmill Bridge. However, urgent works have been identified at View Hill Bridge and the plans for Bishopmill Bridge will be deferred to allow for this to take place within the current year's capital allocation for bridges.

Aldunie Bridge Cabrach/Dykeside Bridge – Unbudgeted expenditure of £2,000 has been incurred in the current financial year relating to minor works carried over from this project which was carried out in 2022/23. The project had a budget of £485,000 and outturned £425,000 in 2022/23 and will still be under budget after taking this expenditure into account.

Cloddach Bridge - Spend on the Cloddach Bridge will be dependent on future Council decisions. At this stage spend on feasibility studies and the preparation of the Full Business Case is expected.

Remote Footbridges – This heading is currently forecasting an underspend of £19,000. It is recommended that this amount is carried forward in full to allow for work at the Sanquhar Loch Footbridge to be carried out.

5.15 **Timber Traffic** – The Council has been unable to secure funding through the Strategic Timber Transport Scheme (STTS) in the current financial year and it is therefore recommended that the full budget of £840,000 be removed from the capital plan.

## Vehicles, Plant and Equipment

5.18 **Vehicle & Plant Replacement** – At the moment the projection for this line, based on vehicles ordered to date, is to spend £3,378,000, an underspend of £2,120,000 against the budget of £5,798,000. However global factors such as the war in Ukraine, the pandemic and Brexit have caused major manufacturer factory shutdowns making it difficult to predict delivery times of vehicles, and therefore the levels of expenditure. It is recommended that the budget is reduced by the amount of the anticipated underspend of £2,120,000.

5.18 **Gull Proof Bins** – This heading is currently projecting a small overspend of £7,000 which is due to an increase in the price of bins per unit since the budget was approved.

5.19 **Orchard Road Signals** – Late invoices totalling £44,000 for the installation of signals equipment were sent by the provider after year end which were not taken into account in previous reporting. The overall rise in project costs has been down to the increase in construction costs experienced between 2020 (when the Project Mandate was completed) and 2023 (when the project was completed). Additional work was also required to provide new electronically controlled gates for a property whose access lies within the junction area.

## 6. AMENDMENTS TO CAPITAL PLAN

6.1 The following amendments to the capital plan are proposed:

Amendments	Para	2023/24 £000s	2024/25 £000s
<b>Land &amp; Buildings</b>			
Refurbishment and Upgrade of Swimming Pools	5.11	(1,300)	-
Replacement HWRC	5.13	(800)	-
Nature Restoration Fund	6.2	246	-
Town Centre Improvement Plans	6.4	200	-
<b>Infrastructure</b>			
Bridges	5.14/ 6.3	(34)	19
Timber Traffic	5.16	(840)	-
<b>Grant Funding</b>			
Nature Restoration Fund	6.2	(246)	-
<b>TOTAL</b>		<b>(2,774)</b>	<b>19</b>

6.2 **Nature Restoration Fund** – The Nature Restoration Fund Scottish Government funding for actions which help nature recover Funding is included

in the General Capital Grant. The Council's share of the funding is £246,000 and the Council was notified of this on 29 June 2023. Detailed plans for this funding will be reported to a future meeting of Economic Development and Infrastructure Services Committee.

- 6.3 **View Hill Bridge** – View Hill Bridge carries the C26E over a drainage ditch between Miltonduff and the A96. The Network Criticality of the bridge is categorised as “Important” because it is on a Priority 1 gritting route. This bridge was struck by a vehicle on 19 April 2023, causing significant damage to the western parapet and one on the main supporting beams. The eastern parapet was damaged when struck by a vehicle in 2018 and this has not yet been repaired. With damage to both parapets and a supporting beam the bridge is no longer safe for use by vehicular traffic and has been closed in the interest of public safety. As this work is judged to be of higher priority than the work on Bishopmill Bridge, it is recommended that £300,000 is reallocated to replacement of View Hill Bridge (see paragraph 5.14) Replacing the bridge will extend its serviceable life and through widening it will reduce the risk of accidental damage in the future and the associated repair costs.
- 6.4 **Town Centre Improvement Plans (Economic Recovery)** – Plans under this heading had seen delays due to insufficient staff resources due to other work priorities and commitments and in the budget was deferred until 2027/28. However, plans have been able to be finalised and were reported to Planning and Regulatory Services Committee at its meeting on 25 October 2022 (paragraph 8 of the meeting refers). It is therefore recommended that the full amount of £200,000 is brought forward to 2023/24 to allow the planned works to progress.

## 7. **RISK**

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

### **Generic risks**

- 7.2 Projects can be subject to risks which are outwith the direct control of the Council, such as poor weather conditions. Some assets such as harbours are particularly vulnerable to bad weather events but there is potential for weather conditions to impact across all lands and buildings and infrastructure projects.
- 7.3 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact in scheduled works and this is reflected in delays where work planned to be out-sourced is being brought in-house as a result of poor response to tender requests.
- 7.4 There is a risk that time-limited funding is not spent within time-frame and that the Council therefore loses the opportunity to improve or create assets at no or reduced cost to the Council.
- 7.5 There is a risk that contract inflation might increase the eventual cost of projects in future years of the capital plan and a risk that any deferment of

projects relating to asset condition might result in element failure, potentially incurring unbudgeted costs. The figures in the 10 year plan are based on current costs and are likely to increase by the time the project is undertaken. This consideration will form part of the review of the 10 year plan.

- 7.6 A risk to the capital plan in recent years has been an increase in the cost of materials and scarcity of many materials which are key for the construction industry. This is partly a world-wide reaction to the pandemic, and partly due to Brexit, but the war in Ukraine is also having an impact. This is still seen as a risk but the impact and likelihood is reducing.
- 7.7 The cost to the Council of borrowing is based on interest rates at the time. Continued relatively high levels on inflation are expected to mean that the current pattern of interest rate rises is likely to continue and this will have an impact on the cost to the Council and this will underpin the review of the 10 year plan as part of the financial planning process for 2024/25 and beyond.

### **Project specific**

- 7.8 The Climate Change Route Map to Net Zero, setting out how the Council plans to achieve its target of net zero carbon by 2030, has not been incorporated into the capital plan. As projects in the plan are developed carbon factors will be taken into account. The impact will be increased costs for many projects.
- 7.9 The main current risk for the vehicle replacement programme is extended lead in times of up to 24 months due to industry conditions. There are pressures on the programme due to targets for local authorities to de-carbonise their fleets, which also entails developing the infrastructure to support electric vehicles.
- 7.10 The Council's Learning Estate is generally of a poor condition and this carries the risk of unplanned work being required to avoid unplanned school closures.
- 7.11 No other project risks have been specifically identified by budget managers. There are risks relating to Moray Growth Deal projects which are monitored by the MGD Programme Board – these will be added to the risks reported on the Council's Capital Plan as and when Full Business Cases are approved and projects led by partners go live.

## **8. SUMMARY OF IMPLICATIONS**

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

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

The capital plan is one of the vehicles through which the Council's priorities can be delivered. The approved capital plan for 2023/24 and the outline ten year plan incorporates measures designed to address the

LOIP priorities of building a better future for our children and young people, empowering and connecting communities and developing a diverse, inclusive and sustainable economy.

**(b) Policy and Legal**

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

**(c) Financial implications**

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

**(d) Risk Implications**

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

**(e) Staffing Implications**

There are no staffing implications arising directly from this report

**(f) Property**

There are no property implications arising directly from this report.

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

There are no equalities issues arising from this report

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

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

**(h) Consultations**

All capital budget managers have been consulted in the development of estimated actuals as part of the preparation of this report. Members of the Asset Management Working Group, all Heads of Service and the Corporate Management Team have been consulted and any comments incorporated in the report.

**9. CONCLUSION**

9.1 Capital expenditure in the first quarter of the year amounts to £2,761,000 to the end of June 2023.

9.2 Capital expenditure is currently projected to be £7,706,000 lower than the approved capital plan for 2023/24 but with a high degree of uncertainty due to current construction industry conditions and other external factors.

9.3 Amendments to the Capital Plan amounting to a decrease of £1,764,000 in 2023/24 and an increase of £409,000 in 2024/25 are recommended.



Author of Report:  
Background Papers:  
Ref:

Laurie Milne, Senior Accountant  
LM/LJC/SPMAN-1293228629-915



**Moray Council Capital Programme 2023/24**  
**As at 30 June 2023**

	Projected Expenditure						Amended Capital Plan £000
	Capital Plan 2023/24 £000	Actual £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000	
<b>Land and Buildings</b>							
Education, Children's and Leisure Services Committee	10,223	39	39	1,339	2,460	4,988	8,826
Economic Development and Infrastructure Committee	39,279	552	552	3,788	3,839	29,702	37,881
Corporate Committee	1,562	1	1	0	0	1,561	1,562
<b>Infrastructure</b>							
Economic Development and Infrastructure Committee	13,651	796	796	3,188	4,712	2,114	10,810
<b>Vehicles Plant and Equipment</b>							
Education, Children's and Leisure Services Committee	202	83	83	41	36	42	202
Economic Development and Infrastructure Committee	6,541	1,261	1,261	912	1,039	1,259	4,471
Corporate Committee	1,223	29	29	540	487	167	1,223
	<b>72,681</b>	<b>2,761</b>	<b>2,761</b>	<b>9,808</b>	<b>12,573</b>	<b>39,833</b>	<b>64,975</b>
							7,706
<b>Funding</b>							
Prudential Borrowing	54,506	1,860					
General Capital Grant (exc PSHG and CYPA)	8,543	2,092					
Other Grants & Contributions	0	106					
Developers Contributions	124	138					
Moray Growth Deal	9,352						
Receipts	156	198					
	<b>72,681</b>	<b>4,394</b>					



Major Capital Projects spanning more than 1 financial year (as at 30 June 2023)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2023-24	Actual spend 2023-24	Remaining Budget 2023-24	Project Life Spend to 31/03/24	Projected Future Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
NESS Energy from Waste	27,224	22,092	5,304	0	5,304	21,920		27,224	0
<b>Moray Growth Deal</b>									
Bus Revolution	4,000	480	681	39	642	519	2,839	4,000	0
Early Years STEM	4,800	0	200		200	0	4,600	4,800	0
Housing Mix Delivery	7,500	77	1,973	85	1,888	162	5,450	7,500	0
Cultural Quarter	23,802	42	903	11	892	53	22,857	23,802	0
Digital Health	5,000	2,391	2,341		2,341	2,391	268	5,000	0
Business Enterprise Hub	5,268	0	3,915		3,915	0	1,353	5,268	0
Moray Aerospace, Advanced Technology and Innovation Campus	27,035	0	17,601		17,601	0	9,434	27,035	0
Manufacturing Innovation Centre	6,832	0	151		151	0	6,681	6,832	0
<b>Total</b>	<b>111,461</b>	<b>25,082</b>	<b>33,069</b>	<b>135</b>	<b>32,934</b>	<b>25,045</b>	<b>53,482</b>	<b>111,461</b>	<b>0</b>





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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: PROPOSED SELF-CATERING UNIT TRANSFER POLICY**

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

**1. REASON FOR REPORT**

- 1.1 To consider the Council's policy for dealing with self-catering units removed by the Assessor from the Valuation Roll for non-conformity with the legislative test.
- 1.2 This report is submitted to the committee in terms of Section III (B) (11) of the local authority's Scheme of Administration relating to the administration of the levy, collection, payment and recovery of Non-Domestic Rates (NDR).

**2. RECOMMENDATION**

- 2.1 **It is recommended that Committee approve a policy that the Council does not exercise a discretionary power permitting it to request that in exceptional circumstances the Assessor retains in the Valuation Roll any self-catering unit which does not conform to the legislative requirement of being available for let for 140 days per year and actually let for 70 days per year.**

**3. POLICY DECISION**

**3.1 Background**

- 3.1.1 Properties which are available for let for 140 days per year and are actually let for 70 days per year are entitled to be classed as self-catering units. Such a classification permits them to be inserted on the non-domestic Valuation Roll. The resulting liability for the payment of Non-Domestic Rates translates to a potential entitlement to relief under the Small Business Bonus Scheme. If the self-catering unit attracts maximum relief, it will pay no local taxes.
- 3.1.2 There are currently 520 self-catering units liable for the payment of Non-Domestic Rates. The majority of these did not pay rates in previous years, having received Small Business Bonus Scheme relief.

- 3.1.3 Although self-catering businesses are a valued piece of the tourism sector, a proliferation of second homes with limited self-letting (*i.e.* less than 70 days per year) places additional unwelcome pressure on the local housing market.
- 3.1.4 In 2017 the Barclay Commission published its review of Non-Domestic rating undertaken for the Scottish Government. Recommendation no.22 of its report was *“To counter a known avoidance tactic for second homes, owners or occupiers of self-catering properties must prove an intention to let for 140 days in the year and evidence of actual letting for 70 days.”* Scottish Government accepted the majority of the commission’s recommendations, including no.22.
- 3.1.5 The Scottish Government’s acceptance of this recommendation became law in The Council Tax (Dwelling and Part Residential Subjects) (Scotland) Amendment Regulations 2021. This came into force on 1 April 2022.
- 3.1.6 The Assessor is currently reviewing the conformity of self-catering-units in the financial year 2022-23 to the letting test of being available for let for 140 days per year and are actually being let for at least 70 days per year. Any which fail this test will revert to the Council Tax Valuation List from 1 April 2022, becoming liable for the payment of Council Tax and losing any entitlement to Small Business Bonus Scheme relief.

## **3.2 Proposal**

- 3.2.1 There is provision in paragraph 5B of The Council Tax (Dwelling and Part Residential Subjects) (Scotland) Amendment Regulations 2021 that if there are “exceptional circumstances” which prevent a property meeting the letting test, councils may instruct their Assessor to retain it in the Valuation Roll.
- 3.2.2 It is proposed that at this time the Moray Council agrees not to exercise the discretionary power made available to it in paragraph 5B of The Council Tax (Dwelling and Part Residential Subjects) (Scotland) Amendment Regulations 2021.
- 3.2.3 This means in practice that if the Assessor identifies a property as having failed to conform to the legislative letting test, it will revert to the Council Tax Valuation List and thereby become liable for the payment of Council Tax in accordance with its entry on the List.
- 3.2.4 There is no immediate advantage to the Council in seeking to go beyond the requirement that a self-catering unit prove letting as stated in the legislation. On the contrary, following the same criteria as the Assessor means clarity for those operating self-catering units.
- 3.2.5 If future unforeseen circumstances made the economic environment in Moray unfavourable to the operation of self-catering units, the policy proposed in paragraph 3.2.2 would be reviewed and a further report brought to this committee for consideration.



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

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

No council/community planning priority implications for council arise from the content of this report.

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

The discretionary power to instruct the Assessor to retain a property in the Valuation Roll is contained in The Council Tax (Dwelling and Part Residential Subjects) (Scotland) Amendment Regulations 2021.

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

The transfer of former self-catering units to the Valuation List where there is no exemption from the payment of Council Tax comparable to the Small Business Bonus Scheme will potentially result in increased Council Tax receipts for the Council. It is not possible at the time of writing to quantify the extent any such potential increased income as the number of former self-catering units which may revert to the Valuation List is unknown.

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

No risk implications for the Council arise from the content of this report.

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

No additional workload for the Taxation Team result from implementation of the proposed policy.

##### **(f) Property**

No property implications for the Council arise from the content of this report.

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

No equalities implications for the Council arise from the content of this report.

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

No Climate Change and Biodiversity implications for the Council arise from the content of this report.

##### **(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, and the Chief Financial Officer have been consulted in the preparation of this report and their comments incorporated in its content.

**5. CONCLUSION**

**5.1 It is recommended that the proposed policy is implemented in accordance with the content of this report.**

Author of Report: James Taylor, Taxation Manager.

Background Papers:

Ref: SPMAN-1293228629-898



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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: COMMON GOOD FUNDS – SUMMARY EXPENDITURE FOR 2022/23 AND ESTIMATED DISPOSABLE INCOME FOR 2023/24**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the final position of Common Good Funds at 31 March 2023 and the estimated income available for disbursement in 2023/24.
- 1.2 This report is submitted to Committee in terms of Section III (B) (20) of the Council's Scheme of Administration relating to dealing with the Management and Investment of funds including Common Good.

**2. RECOMMENDATION**

**2.1 The Committee is asked to:**

- i. **note the disbursements approved for 2022/23 for each of the Common Good Funds shown in APPENDIX 1;**
- ii. **approve the carry forward of the undisbursed balances for 2022/23 for the Buckie, Cullen, Dufftown, Elgin, Forres, Portknockie, Keith and Findochty Funds to be made available in 2023/24;**
- iii. **agree the estimated income available for disbursement in 2023/24 shown in APPENDIX 1;**
- iv. **note the Balance Sheet for each Common Good APPENDIX 2;**
- v. **note Common Good Fund asset register APPENDIX 3.**

### **3. BACKGROUND**

- 3.1 The origins of Common Good Funds in Scotland are late 15th Century and they have been defined as “all property of a Royal Burgh not acquired under statutory powers or held under specified trusts”.
- 3.2 Until 1975, the Town Councils or those Burghs in Moray having Common Good Funds managed them. Moray District Council took over the management until 1996 when this Council took over responsibility. The Members of the Council are in a similar position to Trustees.
- 3.3 The Council must retain the ability to continue to make grants from the Common Good Funds to future generations. For that reason preservation of the Common Good Funds’ Capital is essential.
- 3.4 In addition, it is essential to use the revenue generated from the Funds to maintain the land and buildings held as assets.
- 3.5 The Council is obliged to maintain the Common Good Funds’ Balance whether as land, buildings or cash. Common Good Funds’ cash balances can be applied to acquire assets or to carry out major repairs but Members must be satisfied that such acquisitions or works carried out will provide a long term and lasting benefit to the particular Community as a whole. The same criteria have to apply to any disposal of assets.
- 3.6 The Policy and Resources Committee on 20 June 2011 established the Council’s current policy regarding distribution of the annual income available, (paragraph 7 of the Minute refers). At that time the Committee noted that the true value of money depreciates over time and in an attempt to keep pace and at the same time to be able to make reasonable levels of grants from the income earned, it agreed a policy of distributing two-thirds of the annual income earned with the remaining one-third being retained to maintain the value of the funds.
- 3.7 The Policy and Resources Committee agreed on 16 January 2002, to continue with the policy of distribution of two-thirds of the estimated annual income available from the Common Good Funds (paragraph 22 of the Minute refers). The remaining third was to be re-invested in order to maintain the funds for future generations.
- 3.8 In order to speed up the processing of grant applications, the Policy and Resources Committee delegated authority to the Head of Financial Services in consultation with Local Members to consider grant applications and make appropriate awards. The Moray Council on 13 March 2019 agreed that if two thirds or more of local members are in agreement it is sufficient authority to proceed under delegated authority of the Head of Financial Services (paragraph 10 of the Minute refers). If the agreement of at least two thirds cannot be obtained on an application then the application will be reported to Policy and Resources Committee.

- 3.9 The Policy and Resources Committee at its meeting on 2 September 2008 (paragraph 12 of the Minute refers) agreed to allow unspent balances to be carried forward and be available to use in the following two years. Any unused funds after two years are added back to the Fund balance. At the same meeting the Committee also agreed that any overspends at the end of the financial year would be limited to 25% of disposable income in that year and would be replaced over the following two years.
- 3.10 Members should note that the Council is required to account for depreciation on Common Good assets. As this is an accounting entry only, the disposable income continues to be calculated prior to the deduction of depreciation.

#### **4. 2022/23 DISPOSABLE INCOME AND DISBURSEMENTS APPROVED**

- 4.1 **APPENDIX 1** shows details of the estimated income and actual disbursements approved for 2022/23 for each of the Common Good Funds.
- 4.2 The 2022/23 variance in Elgin Common Good income is as a result of the tenancy of 239 High Street ending and the lease to a new tenant not starting until 2023/24.

#### **5. 2023/24 DISPOSABLE INCOME**

- 5.1 **APPENDIX 1** details the current financial position of the Common Good Funds and the estimated disposable income for 2023/24.
- 5.2 The estimated income figure is calculated to assist Local Members' decision making when allocating grants. The figures are only there as a guide. If a supported application would breach the estimated income limit, disbursement can be made but will require Committee approval.
- 5.3 As can be seen in **APPENDIX 1** there are a number of projects which have already been approved by Local Members for 2023/24.
- 5.4 In the calculation of disburseable income it has been assumed that the full amount of rental income due in 2023/24 will be received. The disburseable income for Forres Common Good may require to be adjusted at a later stage, dependant on the outcome of a rental review.
- 5.5 The interest for 2023/24 has been calculated using a two year fixed PWLB rate of 2.35% as at 1 April 2022.

#### **6. SUMMARY OF IMPLICATIONS**

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

None.

**(b) Policy and Legal**

The Council's adoption of the policy of retaining one third of disposable income in each financial year will protect the capital for each of the Common Good Funds and ensure their sustainability in the future.

**(c) Financial implications**

The financial implications are contained in the body of the report and are detailed in the Appendices.

**(d) Risk Implications**

There is a risk of overspends exceeding 25% of disposable income if any unforeseen emergency major repairs are required for properties owned by Common Good Funds. Close monitoring of costs and the condition of properties will be undertaken by officers in order to mitigate this risk.

**(e) Staffing Implications**

None

**(f) Property**

The condition of all Common Good properties will be monitored in order to keep reactive repairs to a minimum.

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

None

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

No climate change and biodiversity impacts arise directly from this report.

**(i) Consultations**

Local Members for each Common Good Fund have been consulted on disbursements for 2022/23.

**7. CONCLUSION**

- 7.1 The final outturn for 2022/23 and the budgeted income available for disbursement in 2023/24 for each of the Common Good Funds, which the Council administers, is detailed in APPENDIX 1, the Balance Sheet for each Common Good Fund is shown in APPENDIX 2 and the Common Good Fund asset register is shown in APPENDIX 3.**

Author of Report:  
Background Papers:  
Ref:

Nicky Gosling, Accountant  
SPMAN-1293228629-902





## Buckie Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate £	Actual £	Variance £
Investment Property Income	3,415	2,715	700
Investment Income	36,962	37,200	(238)
	40,377	39,915	462
Less Administrative Costs	2,667	2,085	582
	37,710	37,830	(120)
Two thirds	25,140		
C/f undisbursed income from prior years	37,214		
	<hr/>		
Total Budget Available for Disbursement 2022/23	62,354		
 <b>Grants Awarded During the Year</b>			
Buckie Victoria Bowling Club	1,000		
Buckie Community Alert Day	860		
Buckie – Moray School Bank	1,500		
Buckie Community Theatre	250		
Buckie Community Theatre	3,000		
Buckie Classic Car Group	25,000		
1 <sup>st</sup> Buckie Guides	500		
Buckie Choral Union	650		
	<hr/>		
	32,760		
 <b>Other Expenditure</b>			
Merson Park Pavilion – site clearance	824		
Merson Park Pavilion – drain water systems	947		
Merson Park Pavilion – Electrical Works	980		
NDR - Baron Street Yard and Store	878		
Legal Fees – Sale of March Road West	1,354		
	<hr/>		
	4,983		
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Undisbursed Income	<b>24,611</b>		

## Estimated Figures for Disposable Income in 2023/24

<b>Buckie</b>	
Estimated Disposable Income	£ 26,003
Undisbursed Income (unused limit carry forward from 2022/23)	<u>24,611</u>
<b>Total Available for Disbursement 2023/24</b>	<b>50,614</b>
<u>Disbursements approved to Date:</u>	
• Buckie & District Seamen's Memorial Chapel	1,200
• Buckies Roots	5,000
• Buckie & District Community Council	1,000
• The Royal British Legion	4,000
• Community Alert Day	1,000
<b>Projected Income Available for Disbursement</b>	<b>38,414</b>

## Cullen Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate	Actual	Variance
	£	£	£
Investment Property Income	-	-	-
Investment Income	4,131	4,131	-
	4,131	4,131	-
Less Administrative Costs	88	41	47
	4,043	4,090	(47)
Two thirds	2,695		
C/f undisbursed income from prior years	-		
Total Budget Available for Disbursement 2022/23	2,695		
 <b>Grants Awarded During the Year</b>			
Robert the Bruce Endowment	2		
	2		
Undisbursed Income	<b>2,693</b>		

## Cullen Common Good Fund

### Estimated Figures for Disposable Income in 2023/24

<b>Cullen</b>	
Estimated Disposable Income	£ 2,790
Undisbursed Income (unused limit carry forward from 2022/23)	2,693
<b>Total Available for Disbursement 2023/24</b>	<b>5,483</b>
<u>Annual Recurring Requests Outstanding:-</u>	
<ul style="list-style-type: none"> <li>• Robert the Bruce Endowment</li> </ul> (This amount is £2.10 accrued annually until sum reaches a reasonable amount to be paid out)	2
<ul style="list-style-type: none"> <li>• Cullen and Deskford Community Council</li> </ul>	350
<b>Projected Income Available for Disbursement</b>	<b>5,131</b>

## Dufftown Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate £	Actual £	Variance £
Investment Property Income	-	-	-
Investment Income	353	353	-
Other Income	8	8	-
	361	361	-
Less Administrative Costs	3	4	(1)
	358	357	1
Two thirds	239		
C/f undisbursed income from prior years	349		
	588		
<b>Total Budget Available for Disbursement 2022/23</b>			
<b>Grants Awarded During the Year</b>	-		
	588		
Undisbursed Income			

## Estimated Figures for Disposable Income in 2023/24

<b>Dufftown</b>	
Estimated Disposable Income	£ 244
Undisbursed Income (unused limit carry forward from 2022/23)	<u>415</u>
<b>Total Available for Disbursement 2023/24</b>	<b>659</b>
<b>Projected Income Available for Disbursement</b>	<b>659</b>

## Elgin Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate £	Actual £	Variance £
Investment Property Income	33,361	22,868	10,492
Investment Income	37,654	37,391	264
Other Income	-	555	(555)
	<u>71,015</u>	<u>60,814</u>	<u>10,201</u>
Less Administrative Costs	2,389	2,836	(447)
	68,626	57,978	10,648
Two thirds	45,751		
C/f undisbursed income from prior years	58,818		
Less previously agreed expenditure for property repairs	<u>(4,394)</u>		
Total Budget Available for Disbursement 2022/23	<u>100,175</u>		

#### **Actual Grants Awarded**

Bishopmill Mutual Imp Association	15,000
Moray School Bank	10,000
Rotary Club Fireworks 2022	<u>2,500</u>
	27,500

#### **Other Expenditure**

Contribution to Seagull Control 2022-23	13,234
Scotland Loves Local Contribution	5,000
Oakwood Fence Repairs	257
Ebid - 239 High St, Elgin	58
239 High St – Secure Letterbox	66
239 High St – Repair Lock	70
239 High St – drain system	314

General Insurance 239 High St, Elgin

76

19,075

Undisbursed Income

**53,600**

### **Estimated Figures for Disposable Income in 2023/24**

<b>Elgin</b>	
	<b>£</b>
Estimated Disposable Income	44,966
Undisbursed Income (unused limit carry forward from 2022/23)	53,600
Less repayment of capital advance for property repairs	<u>(4,397)</u>
<b>Total Available for Disbursement 2023/24</b>	<b>94,169</b>
<u>Disbursements approved to Date:</u>	
<ul style="list-style-type: none"> <li>• Anderson's Care Home</li> <li>• Anderson's Care Home</li> <li>• New Elgin &amp; Ashgrove Public Hall</li> <li>• Rotary Club of Elgin Bonfire 2023</li> <li>• Sonic Seagull Deterrent (balance of payment)</li> <li>• Ladyhill Grass Cutting (increase to weekly cuts)</li> <li>• Repairs to 239 High Street</li> </ul>	7,500 6,000 8,000 5,000 10,250 600 32,500
<b>Projected Income Available for Disbursement</b>	<b>24,319</b>

### **Forres Common Good Fund**

### **Actual Financial Performance against Estimated Figures for 2022-23**

	Estimate	Actual	Variance
	£	£	£
Investment Property Income	31,655	30,683	972
Investment Income	10,872	11,037	(165)
Other Income	-	200	(200)
	<u>42,527</u>	<u>41,920</u>	<u>607</u>
Less Administrative Costs	1,993	2,631	(638)
	40,534	39,289	1,245
Two thirds	27,022		
C/f undisbursed income from prior years	8,356		
Less previously agreed expenditure for property repairs	(1,485)		
	<u>33,893</u>		
Total Budget Available for Disbursement 2022/23	<u>33,893</u>		

### Grants Awarded During the Year

Forres Christmas Lights Insurance	600
Forres Heritage Trust Ltd	2,000
Transition Town Rental Grant	8,200
Moray School Bank	8,000
Leancoil Trust	10,300
Forres – Friends of Woods & Fields	250
Forres Rotary Bonfire 2022	1,624
	<u>30,974</u>

### Other Expenditure

	-
	-
	<u>2,919</u>

Undisbursed Income

### Estimated Figures for Disposable Income in 2023/24

<b>Forres</b>	
Estimated Disposable Income	£ 19,392
Undisbursed Income (unused limit carry forward from 2022/23)	<u>2,919</u>
<b>Total Available for Disbursement 2023/24</b>	<b>22,311</b>
<u>Disbursements approved to Date:</u>	
• Forres Mechanics	12,500
• Forres in Bloom 2023	5,000
• Forres Theme Day 2023	1,000
• Forres Area Community Trust	1,000
• Forres Community Council	500
• Forres Christmas Lights 2023	600
• Forres Heritage Trust Ltd	400
• Ewan Watson	500
<b>Projected Income Available for Disbursement</b>	<b>811</b>

## Portknockie Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate £	Actual £	Variance £
Investment Income	1,237	1,222	15
	1,237	1,222	15
Less Administrative Costs	61	62	(1)
	1,176	1,160	16
Two thirds	784		
C/f undisbursed income from prior years	835		
	1,619		
Total Budget Available for Disbursement 2022/23	1,619		

#### **Grants Awarded During the Year**

Portknockie Paddling Pool	500	
North of Scotland Gloster Club	300	
	800	
	819	
Undisbursed Income		819

### Estimated Figures for Disposable Income in 2023/24

<b>Portknockie</b>	
	<b>£</b>
Estimated Disposable Income	789
Undisbursed Income (unused limit carry forward from 2022/23)	<u>819</u>
<b>Total Available for Disbursement 2023/24</b>	<b>1,608</b>
<u>Disbursements approved to Date:</u>	-
<b>Projected Income Available for Disbursement</b>	<b>1,608</b>

## Keith Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate £	Actual £	Variance £
Investment Income	286	286	-
Other Income	-	-	-
	286	286	-
Less Administrative Costs	2	645	(643)
	284	(359)	643
Two thirds	189		
C/f undisbursed income from prior years	49		
Total Budget Available for Disbursement 2022/23	238		
<b>Grants Awarded During the Year</b>	-		
Undisbursed Income	<b>238</b>		

### Estimated Figures for Disposable Income in 2023/24

<b>Keith</b>	
	<b>£</b>
Estimated Disposable Income	183
Undisbursed Income (unused limit carry forward from 2022/23)	<u>238</u>
<b>Total Available for Disbursement 2023/24</b>	<b>421</b>
<b>Projected Income Available for Disbursement</b>	<b>421</b>



## Findochty Common Good Fund

### Actual Financial Performance against Estimated Figures for 2022-23

	Estimate £	Actual £	Variance £
Investment Property Income	1,500	1,500	-
Investment Income	83	110	(27)
	1,583	1,610	(27)
Less Administrative Costs	76	126	(50)
	1,507	1,484	23
Two thirds	1,004		
C/f undisbursed income from prior years	1,099		
	2,103		
Total Budget Available for Disbursement 2022/23	2,103		

#### **Grants Awarded During the Year**

Findochty Town Hall	600
	600
<b>Other Expenditure</b>	-
	-
Undisbursed Income	<b>1,503</b>

### Estimated Figures for Disposable Income in 2023/24

<b>Findochty</b>	
	<b>£</b>
Estimated Disposable Income	985
Undisbursed Income (unused limit carry forward from 2022/23)	1,503
<b>Total Available for Disbursement 2023/24</b>	<b>2,488</b>
<b>Projected Income Available for Disbursement</b>	<b>2,488</b>



## Appendix 2

### Balance Sheet as at 31st March 2023 by Common Good Fund

	Buckie £000	Cullen £000	Dufftown £000	Elgin £000	Forres £000	Portknockie £000	Keith £000	Lossie £000	Findochty £000	Total £000
<b>Fixed Assets</b>	3,435	17	-	11,632	1,982	-	346	1,882	-	19,294
<b>Current Assets</b>										
Debtors and Stocks	1	-	-	8	-	-	-	-	-	9
Loans Fund Balance	1,633	180	15	1,613	471	53	12	-	5	3,982
	<u>1,634</u>	<u>180</u>	<u>15</u>	<u>1,621</u>	<u>471</u>	<u>53</u>	<u>12</u>	<u>-</u>	<u>5</u>	<u>3,991</u>
<b>Current Liabilities</b>										
Creditors	-	-	-	2	3	-	-	-	1	6
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>6</u>
<b>Total Net Assets</b>	<b>5,069</b>	<b>197</b>	<b>15</b>	<b>13,251</b>	<b>2,450</b>	<b>53</b>	<b>358</b>	<b>1,882</b>	<b>4</b>	<b>23,279</b>
<b>Financed By:</b>										
Revaluation Reserve	3,390	17	-	10,301	1,067	-	56	1,882	-	16,713
Revenue Balance	1,679	180	15	2,950	1,383	53	302	-	4	6,566
<b>Reserves</b>	<b>5,069</b>	<b>197</b>	<b>15</b>	<b>13,251</b>	<b>2,450</b>	<b>53</b>	<b>358</b>	<b>1,882</b>	<b>4</b>	<b>23,279</b>



**Common Good Asset Register****Buckie Common Good**

- \*\* Fishermans Hall, 16 North Pringle St, Buckie  
Town House West (Hall), Cluny Place, Buckie AB56 1HB  
Library, Cluny Place, Buckie, AB56 1HB  
Fishing Heritage Centre, Cluny Place, Buckie AB56 1HB  
Town House West (Offices), Cluny Place, Buckie AB56 1HB  
Public Toilets, Cluny Place, Buckie  
Sites Opposite 26 Barron St, Buckie AB56 1XD  
42A Freuchny Rd, Buckie AB56 1TX  
25B East Cathcart St, Buckie AB56 1JP  
Site to rear of 5 Bridge Place, Buckie  
Store, Freuchny Road, Buckie  
Linzee Gordon Park, Buckie - Public Park, Play Area and Pavilion
- \* Cricket Club Linzee Gordon Park, Buckie
- \* Pavilion And Football Ground, Merson Park, Barhill Road, Buckie
- \* Merson Park - Public Park and Play Area  
Buckie Victoria Bowling Club, West Church Street, Buckie  
Heritable Assets - Ansons Collection  
Heritable Assets - Chains of Office

**Cullen Common Good**

Heritable Assets - Chains of Office

**Dufftown Common Good**

Tininver Park, Tininver Street, Dufftown  
Woodland Princess Royal Park Conval Street Dufftown  
Woodland Bridge Of Poolinch Dufftown  
Woodland Tininver Brae Dufftown  
Woodland Mortlach Distillery Dufftown

**Elgin Common Good**

239 High Street, Elgin, IV30 1DJ  
Site Adjacent To 239 High Street Elgin Moray  
Riverside Caravan site, Elgin IV30 8UN  
Field Adjacent to The Oaks, Morriston Road, Elgin  
Field Adjacent to Oakview, Morriston Road, Elgin  
Shooting Acres & Aughteen Park Lands, Pluscarden Road, Elgin  
Moray Leisure Centre, Borough Briggs Road IV30 1AP  
Field at Riverside, West Road, Elgin  
Ground adjacent to The Mansion House, Blackfriars Rd, Elgin  
The Oaks, Morriston Road, Elgin IV30 6UN  
Playing field, Borough Briggs Rd, Elgin  
Lesser Borough Briggs, Borough Briggs Road, Elgin  
Play area, McIntosh Drive, Elgin  
Play area, Ardgilzean Place, Elgin  
Loch and Country Park, Millbuies, Elgin  
Depot Cooper Park, Elgin  
Greenfingers Nursery, King Street , Elgin IV30 1HU  
Biblical Gardens, King Street, Elgin  
Training Centre, Cooper Park, King Street, Elgin  
Rainbow Castle, Borough Briggs Road, Elgin  
Dovecot Pavilion, Elgin  
Monument, Prospect Terrace, Lossiemouth (Charter of Novodamus)  
Site opposite 2 Seatown, Lossiemouth (Charter of Novodamus)  
Public Convenience, Seatown Rd, Lossiemouth IV31 6JL (Charter of Novodamus)  
Heritable Assets - Chains of Office

## **Forres Common Good**

Forres Mechanics Football Ground, Mosset Park, Lea Rd, Forres IV36 1AU  
Forres Bowling Club, St Catherines Rd , Forres  
Nelsons Tower  
The Greens, Forres  
Car Park, Bogton Road, Forres IV36 3TW  
Nursery, Bogton Road, Forres IV36 3TW  
Bogton Playing Field and Play Area, Bogton, Forres  
Christies Elite Nurseries Limited, Bogton Rd, Forres IV36 3TW  
38a Clovenside Road (adjacent to Clovenside Cemetery), Forres  
Field, Pilmuir Road West, Forres  
Kingsmeadow Field, Forres  
Field A Clovenside  
Field B Clovenside  
Market Cross Monument, High St, Forres  
Forres Golf Course, Forres IV36 2RD  
Land at mouth of River Findhorn  
Roysvale Park and Pavillion, Sanquhar Road, Forres  
Heritable Assets - Chains of Office

## **Keith Common Good**

Nursery Park, Keith  
Show Ground Store, Seafield Park, Keith AB55 5AJ  
Pavillion, Seafield Park, Keith  
Seafield Park, Keith  
Heritable Assets - Chains of Office

## **Lossiemouth Common Good**

Coulardbank Pavillion, Coulardbank Playing Fields, Lossie  
Coulardbank Playing Fields, Coulardbank Road, Lossiemouth  
\* 1st Lossiemouth Scout Hall, Elgin Road, Lossiemouth IV31 6HD  
Town Hall, High Street, Lossiemouth IV31 6AA  
Lossiemouth Library, High Street, Lossiemouth IV31 6AA  
Heritable Assets - Chains of Office

## **Findochty Common Good**

## **Burghead Common Good**

St Aethans Park and Play Area, St Aethans Rd, Burghead  
Heritable Assets - Chains of Office

## **Assets transferred from Moray Council in 2022-23**

- \* Cricket Club Linzee Gordon Park, Buckie
- \* Merson Park - Public Park and Play Area
- \* Pavilion And Football Ground, Merson Park, Barhill Road, Buckie
- \* 1st Lossiemouth Scout Hall, Elgin Road, Lossiemouth IV31 6HD

## **Assets transferred to Moray Council in 2022-23**

Land adjacent to Mosset Park, Lea Road, Forres, IV36 1DX

## **Assets removed in 2022-23**

Sold 2022/23  
CAT Transfer 2022/23

Development Land, March Road West, Buckie  
Town Hall, 22 Station Rd, Findochty AB56 4PN




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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: PROCUREMENT ANNUAL REPORT FOR 2022/23 AND  
PROCUREMENT STRATEGY FOR 2023/2026**

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

**1. REASON FOR REPORT**

- 1.1 To provide the Committee with an update report on Procurement activity in Moray and in particular on procurement performance for 2022/2023 and to seek Committee approval of the Strategy for 2023/26 and the Procurement Action Plan for 2023/24.
- 1.2 This report is submitted to Committee in terms of Section III B (21) of the Council's Scheme of Administration relating to procurement arrangements.

**2. RECOMMENDATION**

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

- i. considers and notes the overall procurement performance for 2022/23 set out in the Annual Report in APPENDIX 1 and summarised in Section 4 below;**
- ii. approves extending the current one year Strategy to three years (2023 to 2026) outlined in Section 3.3 below; and**
- iii. approves the Strategy and Procurement Action plan set out in APPENDICES 2 and 3 and summarised in Section 5 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 a Procurement Strategy and subsequent Annual Procurement Report, which outlines performance against that Strategy.
- 3.2 The Procurement Strategy for 2021/22 was approved by the Economic Growth, Housing and Environmental Sustainability Committee on 8 June 2021

(paragraph 12 of the minute refers). No changes to this strategy were recommended for 2022/23.

- 3.3 Given the maturity and stability of the Procurement horizon and the fact that little change was made to the strategy last year, it is recommended that the review timetable for the strategy is amended from one to three years. A draft Procurement Strategy for 2023 to 2026 is included as **APPENDIX 2** to this report along with the Procurement Action plan for 2023/24 as **APPENDIX 3**. The Procurement action plan will be subject to annual review and will continue to be reported to future meetings of this Committee along with the Annual Procurement Report.

#### **4. 2022/2023 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 action plan; and
- iv) Non Cash benefits.

- 4.2 The main learning points from the 2022/23 report are:

- i) There continues to be a significant increase in workload for the team with the post pandemic catch up, additional ring fenced monies received by the Council and activity that did not form part of the annual Departmental Procurement planning process (DPAP) across most Council services.
- ii) The market conditions around increased prices, supplier / contractor capacity and uncertain supply chains have impacted on some tender results with a number receiving either no interest or higher than anticipated pricing.
- iii) As a result of this procurement activity the savings for categories 1 and 2 (non-budget adjusted and budget adjusted) shows a slight decrease from all time high last year £2.038 million to £1.638 million (see paragraph 4.3).
- iv) Work continues with the wide ranging non cash benefits derived from procurement activity including collaboration, environmental impacts and community wealth building considerations.

- 4.3 The Section 4 (table 4) of the annual report – Moray Update - includes the following summary of procurement savings recorded during 2022/23:



<b>Cash Savings</b>				
Category of Saving	<sup>1</sup> Recurring savings		Savings for year (adjusted for start and end date)	
	£ million		£ million	
	2022/23	2021/22	2022/23	2021/22
1 Budget not adjusted	0.688	1.022	0.627	0.792
2 Budget adjusted	0.951	1.016	0.935	0.973
Total	1.638	2.038	1.562	1.766
6 Capital	N/A	3.470	3.470	0.516
7 Rebate	N/A	0.067	0.067	0.034

4.4 The Council has 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 award. Whilst is disappointing that the 2021/22 level of savings was not maintained it is not unexpected given the inflationary market conditions.

4.5 The total contract savings (estimated award values) achieved through procurement since the centralised operation was created in 2011 is £18.4M

## **5. STRATEGY 2023/26 AND PROCUREMENT ACTION PLAN 2023/24**

5.1 A new Strategy has been developed for 2023/26 to reflect the work done to date and the changing workload and priorities of the team and is included as **APPENDIX 2** to this report.

5.2 The changes to the Strategy are in tracked changes, with the exception of data. Data in the previously approved Procurement Strategy was for 2019/20 and has been updated to 2022/23 in **APPENDIX 2**, but not in tracked changes, for ease of reading.

5.3 A new Procurement Action plan has been developed for 2023/24 to reflect the work done to date and the changing workload and priorities of the team and is included as **APPENDIX 3** to this report.

5.4 Key points in the Procurement Action Plan are summarised below:

- Development of the contract register;
- Continuation of work to support the Supplier Development Programme and Community Wealth Building actions; and
- Continuing to work to further embed climate change considerations into the procurement process.

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<sup>1</sup> Recurring annual savings from the lifespan of live contracts

## 6. **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's procurement policy, which sets the overall aims for procurement, was agreed by the Policy Committee on 29 August 2007 (paragraph 11 of minute refers). This policy will be reviewed during 2023/24 and reported to the Corporate Committee.

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

Details of savings are shown in paragraph 4.3 of this report. The procurement savings make 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**

Increased workloads are impacting on the ability of the procurement team to respond to additional requests from departments and in future the service will require to prioritise such requests.

### (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 in August 2016 with no significant changes since then.

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

The following positive climate change implications have been identified from the work being carried out by the procurement team:

- All Procurement officers have been through the corporate Climate Change training programme which helps them to identify potential tenders for specific climate consideration
- Weighted questions have been developed to challenge potential suppliers on their climate change impact

### (i) **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 the Accountancy section and agreed by the Chief Financial Officer. Heads of Services, Principal Climate Change

Officer and Committee Services have been consulted in the preparation of this report and comments included.

**7. CONCLUSION**

**7.1 The Annual Procurement Report summarises procurement progress during 2022/2023. 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 Procurement Action Plan.**

**7.2 The three year Strategy outlines how the Council will meet legislative requirements for procurement and continue to support the local economy**

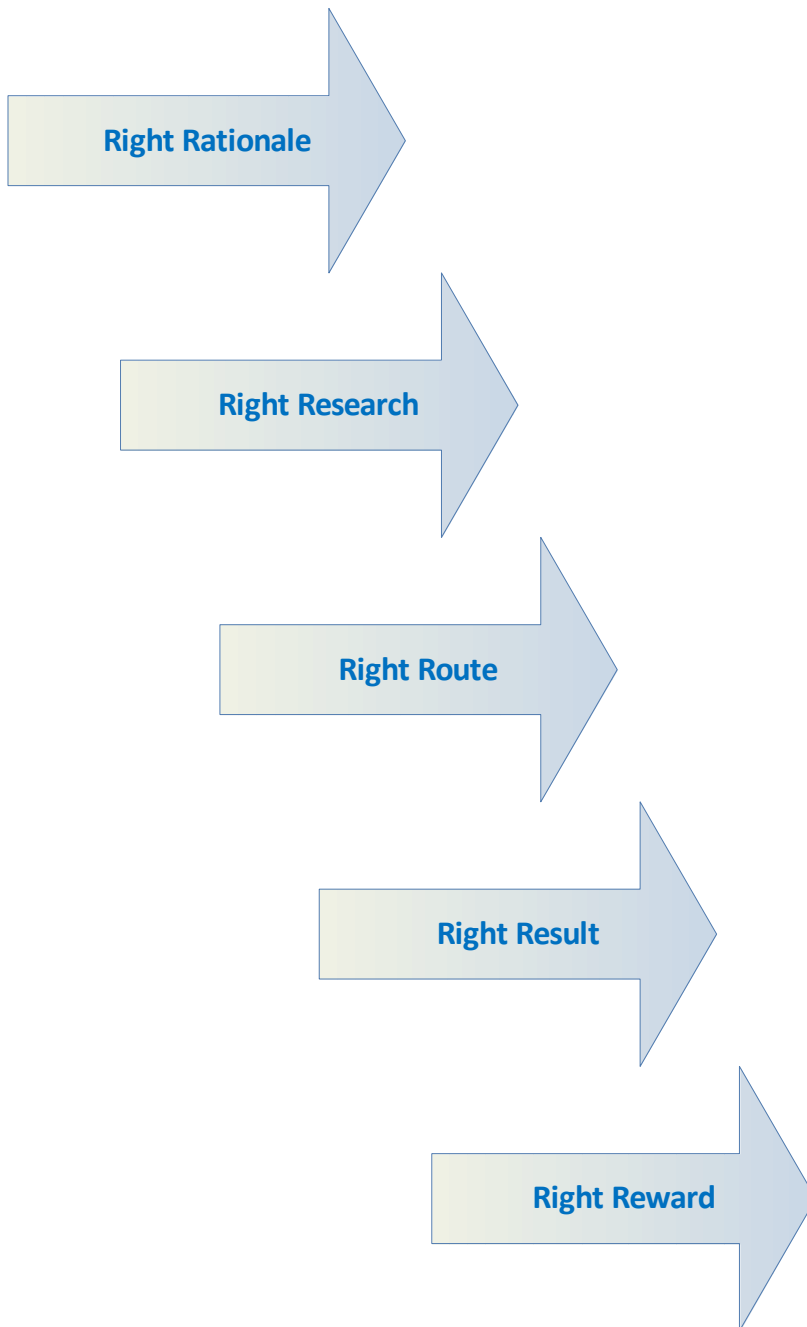
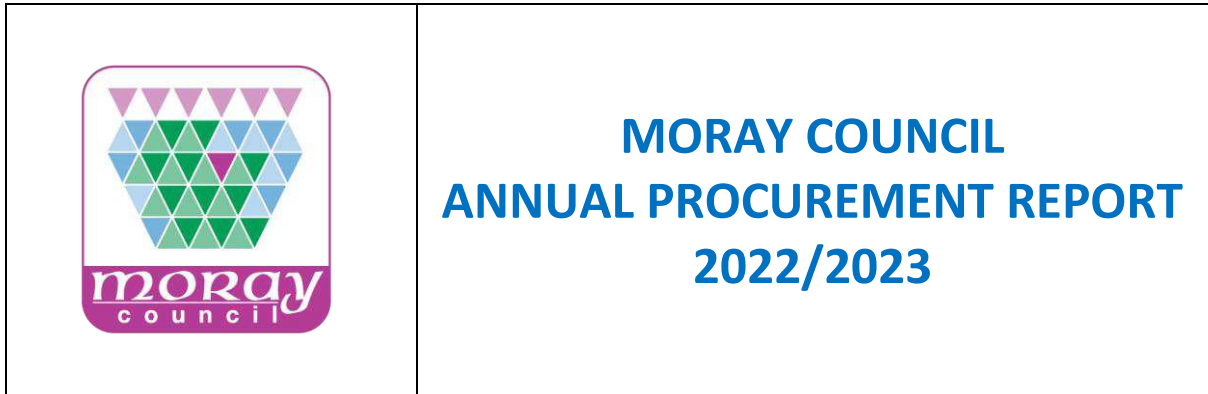
Author of Report: Diane Beattie, Payments Manager – Ext 3136

Background Papers:

Ref: SPMAN-1293228629-928



**APPENDIX 1**



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## INTRODUCTION

The Procurement Reform (Scotland) Act 2014 (the Act) requires the Council to publish its Procurement Strategy each year and, 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 indicators which were introduced by the Council in order to measure progress on the duties introduced by the legislation.

In order to evidence our progress against our 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*).

The procurement team has seen an unprecedented increase in workload in the past 2 years and with the added complications of an ever changing market this is affecting outputs. The reasons behind the increase are many:

Post pandemic catch up

New statutory duties

Ring Fenced Funding (at short notice)

Moray Growth Deal

Large programmes of work – construction efficiency works, educational resource programme, smarter working, etc

The increase in workload is also being felt in departments with less time available for Lead Officers to devote to procurement activity. The procurement activity programme and the individual procurement officer workload is reviewed continuously and, where possible, actions taken to try and streamline processes and allow for more productive outcomes. Working with Departments we are looking at longer term planning to avoid annual procurement activity, more sustainable category C (local) contracts to replace reliance on national frameworks, reviewing contract administration to streamline process and a general call for early procurement involvement in capital programmes.

**SECTION 1 – SUMMARY OF REGULATED PROCUREMENTS <sup>1</sup>**

TABLE 1 highlights the summary of the number and value of **live** contracts 2022/23 (2021/22) by contract category.

**TABLE 1**

Contract Type	Number	Number	Estimated Contract Annual Value	Estimated Contract Annual Value
	2022/23	2021/22	2022/23 £000s	2021/22 £000
Category A (national)	30	25	7,847	4,715
Category B (sectoral)	152	129	34,121	31,030
Category C (local single supplier)	172	195	45,347	47,271
Category C (framework)	10	14	4,396	10,957
Category C1 (local collaboration)	15	15	3,041	1,771
Category O (other)	108	91	9,172	12,464
Non advertised	102	115	11,581	14,045
<b>2022/2023 Total</b>	<b>589</b>	<b>584</b>	<b>115,503</b>	<b>122,252</b>
Quick Quotes and Mini competitions	74	62	1,504	1,000

	Number	Value
<b>2021/2022 Total</b>	<b>584</b>	<b>122,252</b>
<b>2020/2021 Total</b>	<b>516</b>	<b>130,499</b>
<b>2019/20 Total</b>	<b>599</b>	<b>133,651</b>
<b>2018/19 Total</b>	<b>522</b>	<b>168,614</b>
<b>2017/18 Total</b>	<b>476</b>	<b>142,891</b>

**2022/23 New entries to register**

In total there are 589 live contracts listed in the Council’s contract register; of these: 189 (£23,317,005) contracts and 40 (994,122) Quick Quotes were awarded or added to the register in the year 2022/23.

***Commentary on performance:***

*We have seen a year on year increase in contractual volume since 2017/18 (with the exception of the pandemic years), however the total contract value is reducing, highlighting the increase in procurement activity that is not reflected in spend cover. There is also an increase in Quick*



*Quote and Mini competition activity much of this is due to the success of the Council's Small Works Framework which had 40 mini competitions in 2022/23.*

In addition to the formal procurement process Departments can make approaches to single suppliers to meet urgent or specialist need. This process is subject to review by the procurement team and approval by the Chief Financial Officer. Numbers of single supplier approaches increased during 2022/23 which reflects the difficulty departments have in resourcing procurements in a timely manner, resorting to emergency single supplier approaches.

**TABLE 2**

2019/2020	2020/2021	2021/2022	2022/2023
22	24	55	66

*In addition to the increase in awarded contracts the team continue to see an increase in projects started but not completed due to market conditions and supplier capacity.*

## **SECTION 2 – REVIEW OF REGULATED PROCUREMENT COMPLIANCE**

The Council's procurement procedures requires corporate support for all regulated procurements (tenders over £50,000 - as defined by procurement legislation) and the corporate team also review any Quick Quotes (projects under £50,000) before publication. This scrutiny delivers a high level of compliance to all regulation, both statutory and Council approved procedures. All procurements have an individual strategy development stage which considers the requirements, the options, the potential for added value and the inclusion of any wider opportunities. This includes a focus on mandatory exclusions, serious and organised crime links, supplier development opportunities, Fair work first, climate change, non-cash benefits and innovation.

### **Performance**

**SECTION 6** provides the performance results against the Council's Procurement Action Plan for 2022/2023, which is split between the Procurement Commercial Improvement Programme (PCIP) objectives and the Procurement Strategy measures.

#### ***Commentary on performance:***

##### ***SECTION 6 PART 1 – PCIP Objectives***

*Progress has been made on all bar one of the eleven actions in Section 1 of the Procurement Action plan for 2022/23 with 7 complete, 1 removed (prepare for PCIP) and 1 which is still work in progress (support for Moray Integration Joint Board (MIJB)). The procurement team are working to support projects that have been identified by the service as priority i.e. workload, climate and CWB.*

## **SECTION 6 PART 2 – Procurement Measures**

*This section of the Procurement action plan concentrates on measurements that will support and evidence the delivery of the Procurement Strategy.*

*This includes:*

**Savings** *(more details can be found in Section 4 of this report – page 10)*

**Collaboration** – *an increase in the use of collaborative contracts*

**Contract Benefits** – *an increase in the number of contracts that have at least one contract benefit which shows that the vast majority of our contracts now have a benefit of some kind*

**Planned/Unplanned Workload** – *although the percentage of unplanned work (ie not contained in the DPAP) has reduced the actual number has increased which reflects the overall increase in workload*

**Purchase Order Compliance** – *a result that has been around the 75% for some years reflecting the exclusion of stock orders from this calculation*

**Business with Small & Medium Enterprise** - *an increase in the number and value of spend but a decrease in the percentage*

**Local Business** – *using the wider context of “local, we measure the spend between Aberdeen City and Shire, Moray and Highland borders – a measure that fluctuates between years but remains constantly in the 50%+ bracket. This year shows a slight reduction from 2021/22.*

**Events** – *members of the procurement team have attended 18 supplier and training events. That is a major achievement given the effort required to prepare and deliver these sessions*

**Sustainable Duty** – *given the nature of the low value contracts awarded by the Council we do record a low level of performance but we can see some improvement and with the introduction of the proposed Community Identified Benefits Site we should see an increase in the future with more low value benefits being delivered.*

### **Non cash benefits**

The Council considers a wide range of non-cash benefits when developing a tender specification: the range is wider than just the social, environmental or economic factors (also referred to as community benefits) that is required by the Act and incorporates added value benefits such as process efficiencies and price stability. The Act only requires community benefits inclusion in tenders with a value of over £4 million, however Moray considers inclusion wherever possible in all supported tenders (over £50,000).

**Table 3** provides a high level view of the non-cash benefits that have been included in the contracts awarded in the year.

**TABLE 3**

<b>Benefit Category</b>	<b>No of contracts</b>	<b>Sub category</b>
Collaboration/tender process	157	143 savings in procurement development time 14 digital process
Cost Avoidance	16	3 added value 6 price increase rejection 6 price versus market savings 1 cost removal
Purchase to Pay Process	7	4 e- invoicing 3 consolidated invoices
Demand/Rationalisation	12	9 specific contract issues 3 rebates
Community	35	4 apprentices 15 Community Benefit Clause (wide ranging) 7 school visits 9 training
Environmental	26	7 energy 11 greenhouse gases 3 sustainable construction 5 waste
Social	12	3 fair work issues 7 other – wide ranging 2 Participatory budget
Living Wage (Fair Work First)	107	25 Accredited 5 Working to accreditation 67 Paying living wage 1 commitment to pay 9 Neither paying or accredited

***Commentary on performance:***

*The Council's method of recording non-cash benefits was introduced in 2015/2016 and we have seen a year on year improvement (discounting the impact of the pandemic):*

**TABLE 4**

2017/18	182
2018/19	220
2019/20	330
2020/21	203
2021/22	315

*Non-cash benefits are recorded for all contracts, this may result in some duplication where a framework allows for mini competitions as both will have non-cash benefits recorded on the contract register.*

*As the maturity of our procurement portfolio grows it has made it more difficult to achieve financial savings and so we are starting to see a switch in focus to the non-cash added value benefits although on a small scale due to the lower value range of contracts we have. The emerging focus on climate issues and community wealth building should also provide the impetus for future delivery of non-cash benefits. Increases in both these areas have been achieved:*

*Environmental from 22 (2021/22) to 26 (2022/23)*

*Community from 20 (2021/22) to 35 (2022/23)*

*It is also worthy of note that following the work done by the procurement team to secure the Council's Living Wage Accreditation in September 2022, our influence in this area continues with 98 positive responses to the Fair Work First non-cash benefit.*

*Work is required on the contract register to allow for more detailed recording of these contract impacts. At present the data is held at contract level but we really need to drill down to supplier level for some of these categories – for example Living wage. This links to action 1.2 on the Procurement Action Plan.*

### Supported Businesses

**Table 5** 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).

*Supported businesses are organisations the main aim of which is 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.*

**TABLE 5**

<b>Reserved Supplier</b>	<b>2022/23 Turnover £</b>	<b>*2021/22 Turnover £</b>
Group 1		
Scotland Bravest Manufacturing Company	352	431
Group 2		
Moray Reach Out	367,245	347,015
Out of Darkness Theatre	114,235	110,129

Living Ambitions	432,381	885,153
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**Commentary on performance:**

*The second group of suppliers in the above table are not formally contracted as supported businesses but we believe that our use of these companies goes some way to meet the Reform Act requirement to support such enterprises. 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 that 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 in the next two years.

The plan for Moray Council from April 2023 to March 2025 totals:

Number of contracts expiring 341  
 Estimated value of expiring contracts £289,740,215  
 Estimated annual value £61,420,592

The detail of this forward plan can be found in our published contract register which includes all contracts information - [Contract Register - Moray Council](#)

**Commentary on forward plan:**

*The above statistics are taken from the contract register. This list contains all contracts with an end date between April 2023 and March 2025; 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.*

*To expand on this forward plan (which only takes account of expiring contracts from the Council’s contract register), an annual planning exercise is undertaken with Service Heads to take account of other projects which will involve procurement. This results in our Procurement Activity Forward Plan - [Procurement Activity Forward Plan - Moray Council](#). This informs the market of our intentions including capital but cannot guarantee that all projects listed will result in a competitive tender. It also directs attention to those projects that may benefit from climate change and community wealth building focus.*

## SECTION 4 - MORAY UPDATE

The pandemic, Brexit, inflation and the Ukraine conflict continues to produce uncertainty in the supply chain and increased demand on certain markets. There is also an increase in market uncertainty and reduced supplier availability. Although we have concerns about recent market engagement with some tenders receiving little if any response to our published tenders and quick quotes, we are continuing to support departments to maximise their procurement potential.

**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 expanded list of savings categories allows for the measurement the outcomes from any procurement exercise.

- 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

**Table 6** provides the results for 2022/23 and the previous year (comparison).

**TABLE 6**

Cash Savings					
Category of Saving	<sup>1</sup> Recurring savings		Savings for year (adjusted for start and end date)		
	£ million		£ million		
	2022/23	2021/22	2022/23	2021/22	
1 Budget not adjusted	0.688	1.022	0.627	0.792	

<sup>1</sup> Recurring annual savings from the lifespan of live contracts

2 Budget adjusted	0.951	1.016	0.935	0.973
Total	1.638	2.038	1.562	1.766
6 Capital	N/A	3.470	3.470	0.516
7 Rebate	N/A	0.067	0.067	0.034

**Commentary on savings achieved:**

*As expected the results for 2022/23 are down on the all-time high we recorded last year - from just over £2M to £1.6M. This is a reduction back to the level recorded in 2017/18 and is to be expected given the maturity of the contract base. As we re-let contracts it becomes much harder to deliver on cash savings particularly in the current inflationary market.*

*It should be noted that these savings are calculated using the estimated values at point of contract award. The values are only amended for any annual increases applied to long term service contracts, if the team are made aware of such changes.*

*Maintaining the value for category 2 budget adjusted makes the most difference to the council's budget. However it should be noted that any category of saving achieved from the procurement process means that the contract starts from a much healthier position and even if increases are imposed they start at a lower level. Given the challenges outlined above it is encouraging that savings continue to be made at a significant level.*

**Procurement Commercial Improvement Programme (PCIP)** – a national evidence based audit for all public organisations, which considers a wide-ranging set of competencies. Normally carried out every two years the programme has been suspended due to COVID-19. Moray Council's last assessment was in March 2018, this resulted in a score of 64%, which took us from Level 2 to Level 3 (silver) but left us short of the national Local Authority average of 70%.

Moray Council is not alone with concerns around procurement resources and to gauge availability for the relaunched PCIP in 2023/24, public bodies were asked if they wished to seek exemption. We have asked for exemption as resources are currently needed to be able to concentrate on service delivery.

**Supplier engagement** – The Council continues to work with Supplier Development Programme (SDP). The team supported all of the national and local meet the virtual buyer events including Meet the Buyer North which was held in Elgin in September 2022.

In addition to the SDP events the procurement team have held a number of contract specific events during 2022/23:

- Food Event to promote the Fresh Meat Contract and to talk to Fruit & Veg suppliers
- "Trades" events to promote the Repair and Maintenance Contract

In addition to the specific contract events the team have also attended:

Meet the Buyer National

Meet the Buyer North

Scotland Excel Annual Conference

## SECTION 5 - SUMMARY

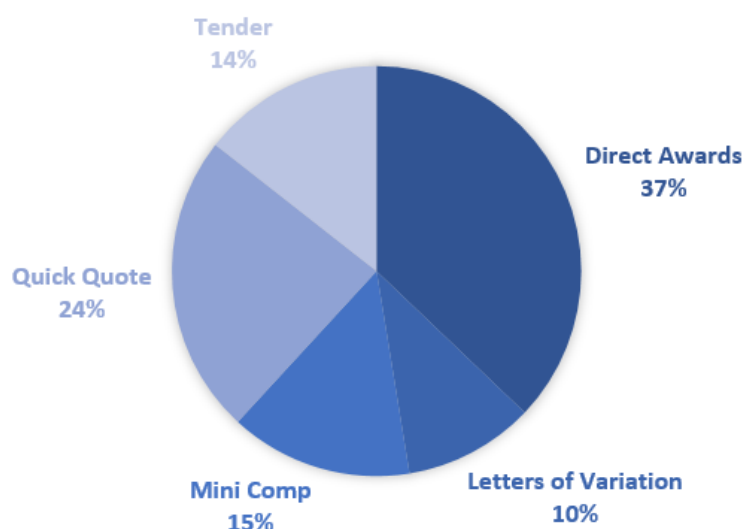
With the overall staff turnover that the Council has seen recently the number of departmental officers trained in the Councils procurement process has declined and this has resulted in an increase in the level of support that many require to complete a tender. Added to the increase in procurement activity this has resulted a significant increase in workload for the team. At the end of 2022/23 our team activity programme recorded a total of 490 projects, 147 still work in progress and 343 completed, breakdown provided in **Table 7**.

**TABLE 7**

Letters of Variation	10%
Direct Award from Framework	36%
Mini Competition from Framework	14%
Quick Quotes	23%
Tender	14%

**Chart 1**

### PROCUREMENT CATEGORY



The higher percentage of Direct Awards from Frameworks is mainly attributed to the success of Moray Council's Small Works Framework, which makes up a quarter of all Direct Awards completed in 2022/23.



An analysis of the completed work does highlight however a significant number of projects (68) that were no longer needed, pulled or deferred for various reasons, including submissions that were over budget. For it has been a particularly difficult year for the team with uncertain market conditions and increasing focus on procurement to deliver on the climate change and community wealth building strategies.

**APPENDIX 2 Page 20** - is the Annual report template for the statistics requested by the Scottish Government. 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.

## SECTION 6

MORAY COUNCIL PROCUREMENT ACTION PLAN 2022/2023			
PART 1 - PCIP Measurements			
Data Warehouse			
Action	Timetable	Aim	Result
1.1  To develop existing contract register to maximise on required functionality <b>ICT dependent</b>	March 2023	Carried forward from 2021/22  Functionality requests submitted to ICT to improve access to data and ease of use To meet Statutory and Council requirements	Detailed specification with ICT
1.2  Living Wage – Capture of Living wage information and understanding of Supplier position.	Sept 2022	To gain Living Wage accreditation	COMPLETE Contract register review undertaken Relevant suppliers contacted Milestones created Application approved September 2022
1.3  Preparation for the next Scottish Government’s Procurement and Commercial Improvement Programme (PCIP)	Date to be determined by SXL	Identify key areas and service / staff to prepare and undertake the next PCIP assessment	REMOVE Awaiting revised Programme content and timetable Revised programme consultation (Feb 23) Exemption proposal consultation (Feb 23) Exemption option chosen (Mar 23) No PCIP in 2024

1.4	December 2022	Improved engagement with Services and more information obtained for planned work to populate the Procurement Activity Plan (PAP)	COMPLETE DPAP exercise completed (Apr 23) To include a revised DPAP process for ICS and H&SCM care services DPAP produced for MGD and the Capital Plan Forward Plans published
Leadership & Governance			
1.5	Ongoing	Targeted support to develop infrastructure for MIJB Maintain contract timeline for monitoring purposes. Establish DPAP process or similar to manage Planned Work.	WORK IN PROGRESS New DPAP exercise started DPAP process interrupted by emergency plan (Jan 23) Increased commitment to support (Jan to Mar 23) Timeline updated monthly Emergency plan developed in response to External Audit report on commissioning Procurement team supporting the priorities identified by service Support is also being provided to the service to help develop new procedures and documentation
1.6	March 2023 Throughout the year	To continue to support Economic Development with the membership of SDP through the Moray Supplier Development Forum (CWB) To support the development of a local Community identified benefits system and embed into relevant procurement projects To meet community wealth building expectations	COMPLETE Support continues with attendance at the CWB session in December 22 Community Wish List approved – work underway to develop web page No meetings of the Supplier Development Forum since ?? A number of local Meet the Buyer events held (covering 4 procurement opportunities)
Development & Tender			
1.7	March 2023		COMPLETE

Review workload allocation process and PO time management	Throughout the year	To manage the team workload to ensure council priorities are met	Review of establishment pending reduction in fte at the end of March Temporary resource made permanent Review of workload carried out to establish trigger points and actions taken to try to alleviate the impact of these
1.8 Review sustainability questions to include new focus on Climate Change	March 2023 Throughout the year	To embed climate change issues into the procurement process	COMPLETE Procurement staff have attended the climate change training New standard statements on PCS under review
1.9 To support and deliver requirements identified in the Climate Change Action Plan	March 2023 Throughout the year	To meet climate change action plan expectations	COMPLETE Climate Change original actions concentrated on introducing new tasks/processes which are now complete. A review of actions has been carried and a new set of actions identified which are focussed on longer term progress (to be included in the Climate change Action Plan
1.10 Collection of Living Wage status	March 2023 Throughout the year	Linked to 1.1 and 1.2 - Capture of Living Wage status and understanding supplier position to maintain Living Wage accreditation at tender award stage	COMPLETE Standard questions in place for use during tender exercises
<b>Contract</b>			
1.11 Post award implementation improvements:  Checklist/structure/pack for meeting	Throughout the year	Carried forward from 2021/22  To ensure that contract awards are subject to a full implementation plan with all stakeholders involvement as part of the operational improvement programme	COMPLETE Team challenged to consider what added value/savings can be made by improving contract use. Development sessions to review process held and actions assigned
<b>Key Purchasing Processes</b>			

<b>PART 2 Procurement Measurements 2022/2023</b>				
<b>Measure</b>	<b>Target</b>	<b>2022/23</b>	<b>2021/22</b>	<b>Will demonstrate Comments</b>
<b>a. Savings</b>				
A1 Percentage of all council expenditure covered by contracted suppliers Total commercial spend – contract register annual estimated values for live contracts in year	95%	90.73%	(95.26%)	The measurement takes account of spend with contracted suppliers
A2 Value of procurement savings achieved through contracts live during the year	£1M	£1.638M	(£2.038M)	The financial results from contracts
A3 Number of collaborative contracts awarded as a percentage of all commenced in year	40%	55.03%	(34.08%)	Successful collaboration
A5 Percentage of contracts commenced in year that contain a contract benefit (all categories)	15%	96.83%	(84.92%)	Increasing focus on non-financial benefits
<b>a. Contracts</b>				
B2 Percentage of unplanned/ activity during the year	25%	61.42%	(67.01%)	Measure to try and keep unplanned to a minimum <i>Percentage affected by overall increase in workload 200 2018/19, 342 2019/20, 412 2020/21, 476 2021/22, 490 2022/23</i>
<b>b. Compliance</b>				
C3 Percentage of Account Payable transactions with a Purchase Order (where relevant ie non-recurring) number during year	75%	74.79%	73.71%)	Compliance management

Measure	Target	2022/23	2021/22	Will Demonstrate Comments
<b>c. Accessibility</b>				
D1 Percentage of contracts commenced during year to SMEs	30%	21.69%	(24.02%)	SME access to our business – volume <i>Excluding call offs from Frameworks Increase in number but decrease in % due to the increasing workload</i>
D2 Percentage value of annual spend with SMEs for year	55%	53.61%	(50.90%)	SME access to our business – by value
D3 Percentage value of spend with Moray, Highland and Aberdeen council areas	50%	42.98%	47.97%)	local” access to our business – value <i>Spend staying in the North of Scotland</i>
D4 Number of “events” held or participated in during year	10	18	6	Supplier engagement (8) and internal training sessions (10)
<b>d. Community Benefits</b>				
E1 Percentage of commenced contracts within the year that have a community benefit (category 7)	20%	11.11%	7.82%	Sustainable duty performance <i>Hard to include community benefits in the contracts we award (low value)</i>
E2 Percentage of collaborative contracts commenced in the year that have a community benefit (category 7)	20%	10.05%	5.03%	Sustainable duty performance <i>As for E1</i>
<b>e. Sustainability</b>				
F1 Percentage of contracts commenced in the year that have incorporated a sustainable target (category 5)	20%	9.52%	8.94%	Sustainable duty performance <i>Very few of our locally developed contracts are suitable for a sustainable target (cat 5 environmental). However with the new focus on climate change issues and the potential for a wider range of potential areas to target this is improving.</i>
F2 Score on Scottish Government Flexible Framework on Sustainability	Level 3	Level 3	Level 3	Sustainable duty performance

## SECTION 7

### Scottish Government Annual Procurement Report template

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

<b>1. Organisation and report details</b>	
a) Contracting Authority Name	Moray Council
b) Period of the annual procurement report	2022/2023»
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<b>2. Summary of Regulated Procurements Completed</b>	
a) Total number of regulated contracts awarded within the report period	189
b) Total value of regulated contracts awarded within the report period	£37,947,241
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	429
i) how many of these unique suppliers are SMEs	236
ii) how many of these unique suppliers are Third sector bodies	Not recorded
<b>3. Review of Regulated Procurements Compliance</b>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	189
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	66
<b>4. Community Benefit Requirements Summary</b>	
<b>Use of Community Benefit Requirements in Procurement:</b>	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	21

**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 (Each contracting authority sets its own priority groups)	Not recorded
e) Number of Apprenticeships Filled by Priority Groups	Not recorded
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	Not recorded

**5. Fair Work and the real Living Wage**

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	110
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.	97
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	25

**6. Payment performance**

a) Number of valid invoices received during the reporting period.	70073
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	92.12%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	189
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	NIL



## 7. Supported Businesses Summary

- a) Total number of regulated contracts awarded to supported businesses during the period
- b) Total spend with supported businesses during the period covered by the report, including:
  - i) spend within the reporting year on regulated contracts
  - ii) spend within the reporting year on non-regulated contracts

1
£351
0.00
£351

## 8. Spend and Savings Summary

- a) Total procurement spend for the period covered by the annual procurement report.
- b) Total procurement spend with SMEs during the period covered by the annual procurement report.
- c) Total procurement spend with third sector bodies during the period covered by the report.
- d) Percentage of total procurement spend through collaborative contracts.
- e) Total delivered cash savings for the period covered by the annual procurement report
- f) Total non-cash savings value for the period covered by the annual procurement report

£115,165,914
£68,538,220
Not recorded
Not recorded

£935,463
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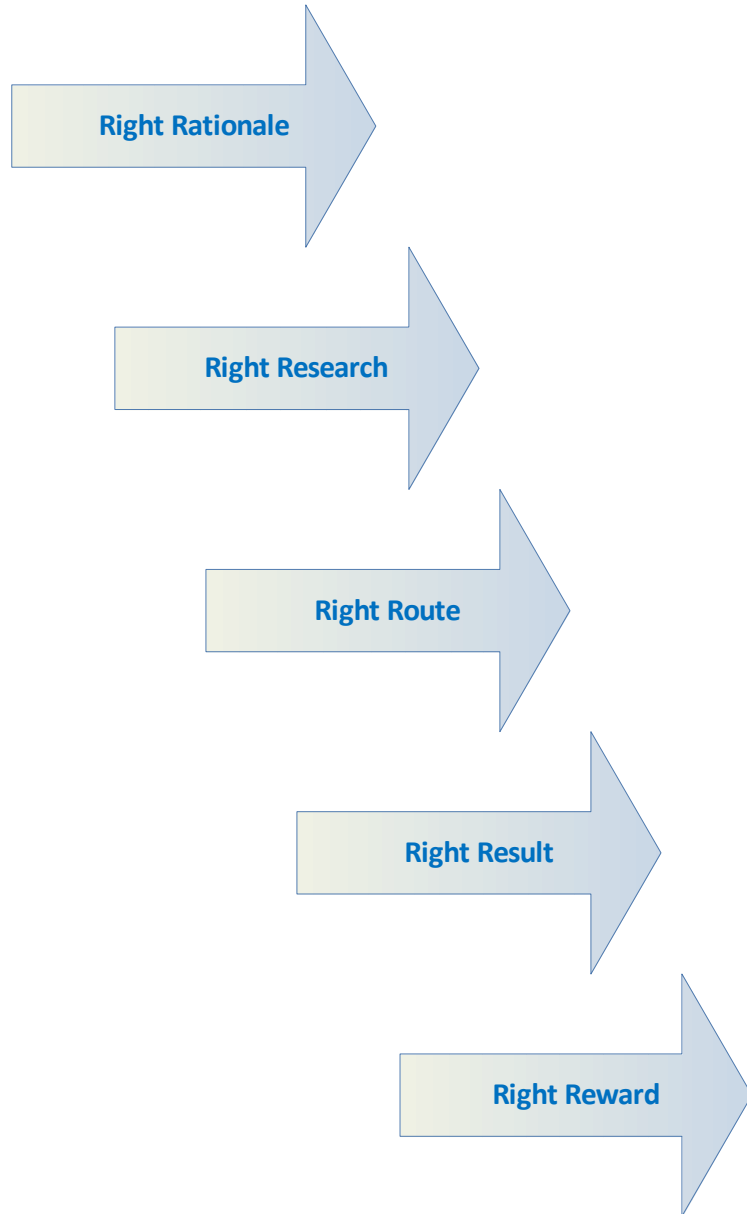
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## 9. Future regulated procurements

- 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

341
£289,740,215





**MORAY COUNCIL  
PROCUREMENT STRATEGY  
2023/2026**

# Contents

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# Introduction

This strategy outlines our priorities for the period 2023 to 2026.

Building on the high level Scottish Government Public Procurement Strategy for Scotland (2023 to 2028), [\(insert link\)](#) the Moray Council Strategy provides the local level detail to support the ambitions contained within that plan.

At a Council level we aim to deliver a high quality professional procurement service that achieves value for money across all services and contributes to the achievement of our corporate priorities, whilst taking account of our duties as required in the Procurement Reform (Scotland) Act 2014.

The strategy recognises that the procurement of goods, works and services has a major impact on many aspects of life in Moray, including the environment, social factors and local economic development. The Council recognizes the important impact public sector procurement can have for local businesses and aims to maximize benefits for local communities, giving Value for Moray.

The strategy gives a clear direction and approach to deliver improvement to our procurement process over the next three years and will be supported by an annual review of procurement targets and actions designed to ensure that the procurement process meets the needs of the Council and local communities, now and in the future.

It is important to recognise however that this strategy does not, of itself, lead to effective procurement. The commitment of senior management, elected members and lead officers throughout the council are all important to its success.

As the Chair of the Committee with responsibility for procurement, I recognise that this strategic approach to the subject can achieve significant benefits for the Council, the local people, local services, local businesses and the local environment. As the Moray economy continues to recover from the impact of the pandemic it will place a strong emphasis on Community Wealth Building, using our procurement spend to add value to the local economy.

Chair of Corporate Committee

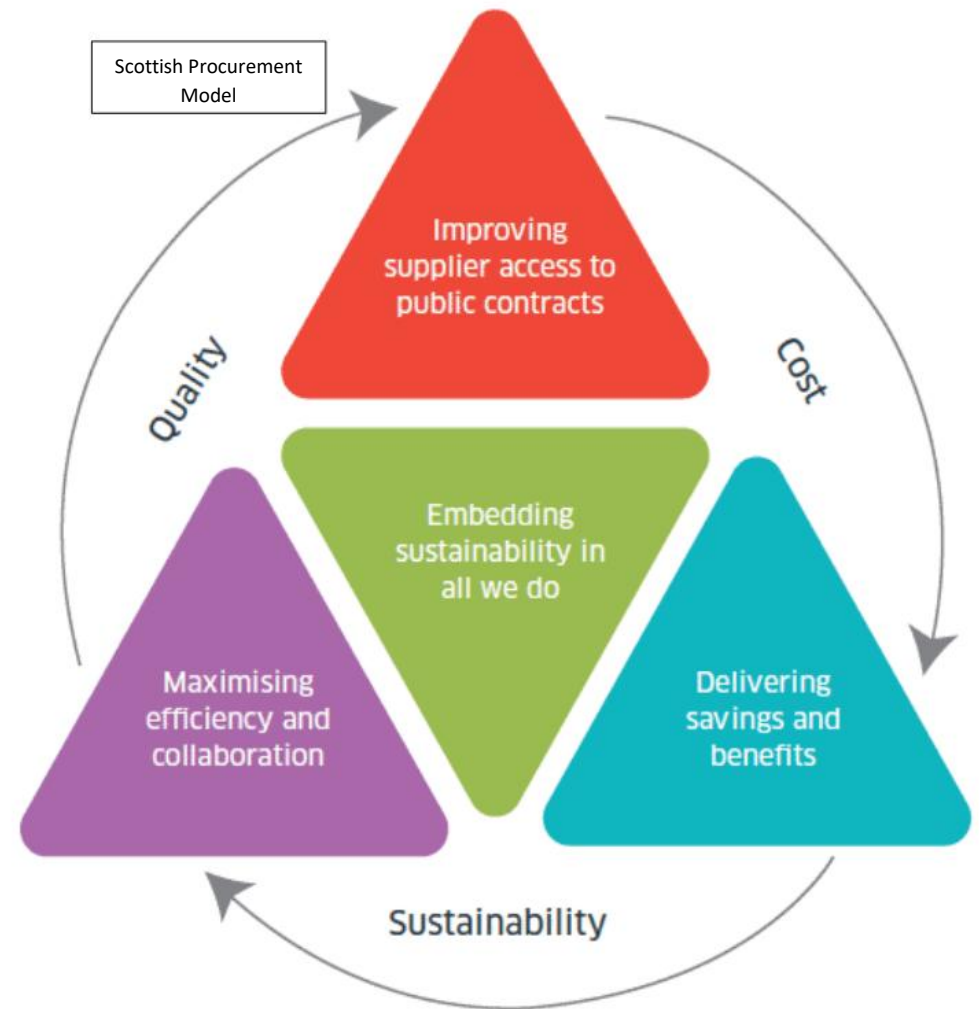
# Procurement for Moray

Procurement is the total process of acquisition and disposal, starting from the identification of a requirement. It therefore includes pre-contract activities (options appraisal and sourcing) and post contract activities (contract management and supplier relationship management).

The Council is mindful that the impact of procurement is far greater than this definition of a 'process' and our vision, objectives and principles as set out in this strategy illustrate the contribution that effective procurement arrangements can make to wide ranging socio-economic agendas. These include equality and diversity, a successful local economy, a thriving voluntary and third sector, environmental issues (including the Council's commitment to Climate Change) and value for money and for Moray.

The Procurement Strategy is built on the successes delivered under the previous strategies by continuing the development of an effective centralised procurement operation.

The Procurement team provide early engagement in service development and continue with support throughout the life of a contract. This can add a strategic element to the process and as a consequence lead to more wide ranging commercial excellence and 'Value for Money' rather than just procurement success



## **Vision Statement for Moray Council Procurement**

To embed commercial excellence throughout the organisation, ensuring that our services always deliver Best Value for Moray through the consistent application of this strategy, embedding community benefit and climate focus in our procurement processes to deliver the corporate priorities of Our People, Our Place and Our Future, supporting an economy based on well-being and inclusion



# Strategy Rationale

To support the Council in achieving its overall aims, details of which can be found in the Corporate Plan 2024, which outlines Moray Council's contribution to the priorities in Local Outcomes Improvement Plan (LOIP). This strategy has been developed to focus on how procurement will deliver our externally provided services.

It is clear from the challenges highlighted in our long term plans that delivering first class, innovative services for Moray will not be easy. Every contract opportunity will have to be explored to ensure that all aspects of the requirement are considered before tendering, the request clearly sets our requirement; the resultant submissions are evaluated according to our priorities, adopted in the most efficient manner and monitored throughout the delivery of the contract.

It is therefore essential that the content of this strategy forms the basis of every procurement, with all stakeholders committed to delivering its direction.

Current Moray Council limits determine the direction of any procurement:

Under £5,000 – best price

£5,001 to £50,000 – Quick Quote (QQ)

£50,001 + – regulated tender

£50,001 to £2,000,000 – following supplier selection process, a quotation process for certain construction projects.

# Procurement Spend and Savings

Moray Council procurement spend is measured in a number of ways, using the systems and data to best present an accurate picture.

The following uses the latest set of complete data (2022/23) to provide context for this Strategy and shows how much we spend by contract category and by department along with data on both cash and non-cash savings.

## Contract Register Values

At the point of contract award an impact statement is prepared for each project highlighting the values associated with that contract. This data is used to populate the contract register and calculate the following values for contracts live during the relevant year:

<b>2022/23 Estimated Contract Annual Value and Number by contract category</b>		
Category A – National	£7.8M	30
Category B – Sectoral	£34.1M	152
Category C – Local	£61.4M	284
Category C1 – Collaborative	£3M	15
Category O – Other Organisations	£9.2M	108
<b>Regulated Total</b>	<b>115.4M</b>	<b>589</b>

In addition to the register entries for all contracts that have been awarded via the competitive tendering process we also record all sub-regulated value contracts that are awarded by the Quick Quote (QQ) process (individual contracts each with a total estimated value of less

than £50,000 across the life of the contract).

Non regulated - QQ	1.51M	74
<b>Total including QQ</b>	<b>£117M</b>	<b>663</b>

The figures above are based on the estimated annual value for the Council's live contracts during 2022/23. However, in order to determine the true overall picture we have to analyse the spend information available from the Council's financial management systems. This shows us the actual relevant spend was £127M for the year with £1M non-commercial (ie. refunds, grants, etc.) £115M spend was with contracted suppliers leaving a total of £12M with non-contracted suppliers. Spend with non-contracted suppliers is regularly reviewed to identify areas where the Council would benefit from having a contract in place ie potentially recurring expenditure as opposed to expenditure which is likely to be one-off.

Given the seasonal nature of and varying annual spend on some of our commodities it is hard to be totally accurate when estimating total contract spend over the life of the contract.

## Savings

As well as recording the contract values the impact statement for each contract also identifies the anticipated savings categorised as follows:

1	Anticipated cash saving Budget not adjusted	Savings insignificant Budget too diverse Budget not identified
2	Anticipated cash saving Budget Adjusted	Budget adjusted in line with Impact statement
3	No baseline – savings cannot be established	Data not available at commodity level Baseline is historic (infrequent purchase) Contract will be reviewed (annual anniversary) with contracted supplier to establish savings
4	No Savings anticipated	Contract has resulted in no savings or indeed an increase

5	Non Cash	Non cash benefits
6	Capital (new for 2017)	Capital projects delivering savings against estimated budget at contract award
7	Rebate (new for 2018)	Centralised collection of rebates

The Council had set a procurement savings target of £1M for 2022/23 and reported the following savings for that year:

### 2022/23 Cash Savings – 1.639M

1 – Unadjusted Budget

2 = Adjusted Budget

Contract Category	Savings Type 1	Savings Type 2
Category A - National	£0.042M	£0.132M
Category B - Sectoral	£0.016M	£0.012M
Category C - Local	£0.621M	£0.801M
Category O – Other organisation	£0.006M	£0.000M
Quick Quotes	£0.002M	£0.006M
<b>Total</b>	<b>£0.688M</b>	<b>£0.951M</b>
In addition to the above cash savings the Council recorded a capital saving		
Capital Savings Type 6	£3.470M	£0.516M

Non-cash benefit data is categorised into 8 main headings (listed below) with 28 more detailed sub headings.

<b>2022/23 Non cash Contract Benefits</b>	
Cost Avoidance	16
Collaboration/Process	157
Rationalisation	12
P2P Process	7
Environmental	26
Social	12
Community	35
Living Wage	107
<b>Total</b>	<b>372</b>

(All national and sectoral (Category A and B) contracts fall into this category) – see p23 below)

# Procurement Objectives

The following key objectives have been developed to ensure that Moray Council achieves Best Value whilst also delivering on our procurement duties and responsibilities under the Procurement Reform (Scotland) Act 2014.

- a. Savings** – considering the potential savings a contract may deliver. Moray Council has developed a [Procurement Savings Strategy](#) to be applied to each project. A review of the Savings Strategy (written in 2016) is to be carried out in 2023/24 to see if it is still relevant.
- b. Contracts** – managing the forthcoming procurement activity is key to ensuring early engagement and influence by the procurement team. A new process for ensuring capital spend is incorporated at an early stage is being considered.
- c. Compliance** – ensuring that all procurement activity complies with statutory and regulatory requirements both national and local.
- d. Accessibility** – ensuring that contracts can be structured in such a way as to allow access to Council business, wherever practical, to local suppliers, micro, small and medium enterprises and the third sector. Building on the [Community Wealth Building Strategy](#) introduced by the Council in 2023, relevant procurement activities will consider the potential local impact of the contract and service delivery as part of the tender development.
- e. Community Benefits** – ensuring that all relevant contracts have considered the inclusion of community benefits that will, in particular, benefit the local Moray community. Aspects of Community Wealth Building sit within the ambit of community benefits
- f. Sustainability** – ensuring that all relevant contracts are arranged to include sustainable procurement requirements and contribute towards the Council's targets for climate change as detailed in the [Climate Change Strategy and Route Map to Net Zero..](#)

Measurements have been developed to collect outcomes for these objectives and will be incorporated into the Moray Council Procurement Action Plan 2023/24

## **a. Savings**

### **Purpose**

To achieve the targeted savings.

### **Activities**

Various methods will be employed to maximise both cash and non-cash benefits from our contracts:

- Applying the Procurement Savings Strategy to all relevant projects leading to early identification of potential savings.
- Ensuring effective contract management to manage these contracts, ensuring delivery of identified benefits and any other potential added value opportunities that may arise during the lifetime of the contract.
- Increasing use of collaborative contracts with other public sector organisations, thereby effectively sharing and where possible leading on, national and regional benefits
- Developing and implementing more efficient ordering and invoice processing methods

### **Main Measure**

- Savings achieved

## **b. Contracts**

### **Purpose**

To ensure that all contract activity for the coming year is allocated, project managed and effectively delivered within expected timeframe by the Procurement team. All key contracts and suppliers are effectively managed by Departmental Lead officers and supported by the Procurement team throughout the lifetime of each contract.

### **Activities**

Collaborative and forward planning between the Procurement team and Moray Council Departments is key to the getting the right resource at the right time:

- Annual Departmental Action Plan process - The Procurement team engage with Service Heads and Lead Officers to produce their service procurement annual plan, including local, sectoral and national contract activity A new mini DPAP process is being considered for capital projects
- Service procurement plans are merged to produce the annual Moray Procurement Activity Programme
- Resources are allocated on a quarterly basis to meet the planned activity
- Weekly monitoring of Procurement team activity ensures that all projects are progressing, escalating those that are not
  
- All contracts are supported by the development of a Procurement Strategy document, a complete record of the decisions and direction taken during the lifetime of the requirement

### **Main Measure**

- Percentage of unplanned activity taken to award in the year



## c. Compliance

### Purpose

For Moray Council to make the most of our procurements and to avoid challenge and unfair practices, we must ensure compliance with national and local regulation.

### Activities

Managing expectations from a tender exercise will minimise the risk of poor outcomes and potential legal challenge:

- All regulated contracts receive procurement team support to ensure compliance to legislation and council regulation
- Procurement team peer review of each project to ensure compliance
- Procurement team review of quote submissions prior to publication
- Review of Accounts Payable transactions over £5,000 to ensure compliance with procedures. This includes contract background, (which may result in approach to single supplier), Purchasing process (purchase order present), payment in advance and emergency actions
- 
- Moray Council has for some time mandated the use of publiccontractscotland (PCS) portal for advertising our opportunities but also uses the linked electronic tendering system publiccontractscotland – tender (PCST) for all appropriate tenders

### Main Measure

- Percentage of Accounts Payable transactions with a Purchase Order number during year.

## **d. Accessibility**

### **Purpose**

To make sure that Moray Council opportunities are accessible by all

### **Activities**

A number of actions are undertaken at various stages of a procurement to ensure that we reach as wide an audience as possible:

- Early engagement between Department and Procurement team to allow time for market issues to be considered
- Good market research
- Stakeholder engagement
- Sub-contractor and supply chain considerations making use of PCS
- Maintaining links with local and national forums, Scotland Excel (SXL), Business Gateway, TSI Moray, Public Contracts Scotland (PCS)
- Work with the Supplier Development Programme (SDP)
- Work with the Council's Economic Development service and the Supplier Development Forum to engage with local suppliers and develop their ability to tender for council opportunities. This includes a seat on the SDP Regional Group.
- Hold and participate wherever possible in procurement events, promoting access to Moray Council contracts,

### **Main Measure**

- Percentages of contract numbers and values with Small to Medium sized Enterprises during year

## **e. Community Benefits**

### **Purpose**

To maximise our use of community benefits for all contracts – although our legislative duties relating to Community Benefits only applies to contracts over £4M, Moray Council will consider the development and inclusion of such clauses in all our contracts taking into consideration the value and commodity in question.

### **Activities**

- Ensure that the procurement process considers what the Council wants from the procurement and how community benefits can support the objectives providing added value to the commercial process
- Maintain a local focus on the potential benefits arising from any such contract clauses
- Support Scotland Excel in the development of Local Authority (category B) contracts, ensuring the same level of local consideration is included (where possible)
- Report annually on performance based on Moray Council categorisation of benefits
- Challenge contractors to highlight their Fair Work First practices (including their stance on the Living wage) in tender responses
- Challenge contractors to outline their approach to climate change issues in tender responses
- Consider innovation and potential added value developments during tender development and the lifetime of the resultant contract

### **Main Measure**

- Number of contracts commenced during the year which have a non cash benefit by category

## **f. Sustainability**

### **Purpose**

To deliver sustainable outcomes from each contract that support the Council's overall sustainable targets in the Corporate Plan and to widen this approach to at least consider the impact a contract may have no matter how small.

The Procurement Reform (Scotland) Act 2014 formalised work which had previously been undertaken to develop the wider ranging benefits that can come from a structured procurement project and introduced a set of sustainable procurement duties that public organisations have to incorporate into their process.

### **Activities**

- Procurement team to challenge each project to consider sustainability issues at stage one of the development of the requirement
- Performance reported annually based on Moray Council categorisation of benefits
- The Council will use the Scottish Government Flexible Framework tool to measure our progress against organisational procurement strategies and help build an action plan for future developments in this area
- Make use of the Scottish Government prioritisation tool to establish the sustainable priorities for each Council service
- Complete the actions identified in the Climate Change Strategy attributable to procurement activities – see below

**Climate Change** - Although linked to the Council's commitment to sustainability and the Procurement Reform (Scotland) Act 2014 duties for Economic, Social and Environmental issues, the focus on Climate Change received additional emphasis with the declaration of Climate and Ecological Emergency by the Council in June 2019. This set a goal of being carbon neutral by 2030. To achieve this goal the Council has developed a Climate Change Strategy <http://www.moray.gov.uk/downloads/file136442.pdf> which outlines the actions required by officers and members. This includes a number of specific

actions for procurement but also sets the wider challenge to effect the required culture change in everything we do to ensure that climate change is at the forefront of our intentions, including the development of specifications for external goods and services.

### **Main Measure**

- Percentage of contracts commenced during the year which have a sustainable target.

# Moray Process

## Procurement Structure

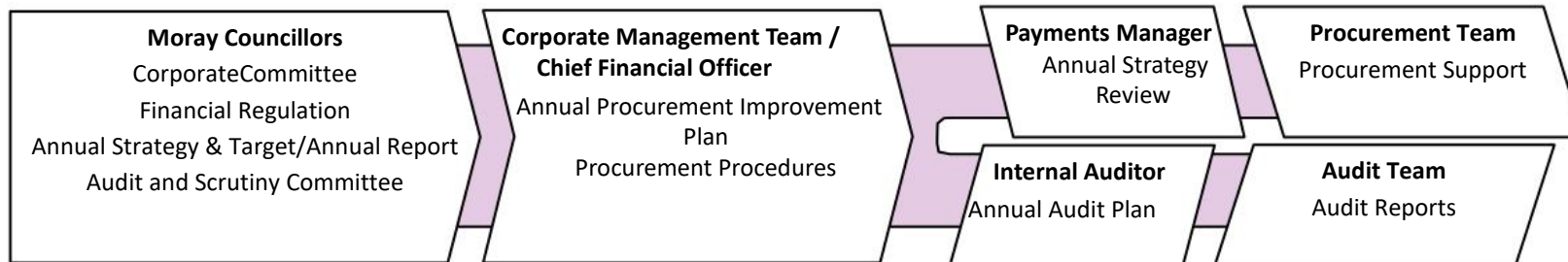
The Council has adopted a centralised procurement operation. The key element to that operation is the Departmental Commodity Lead Officer, the business expert who leads on all procurement projects for that commodity and who is supported by the procurement team.

In order to ensure a consistent approach to procurement across the Council, a standard procurement process has been developed which all officers are required to follow. This is incorporated into our Financial Regulations and Procurement Procedures which provide a step by step guide on the main components of the procurement process. [Procurement procedures](#) must be followed by all officers without exception.

The Procedures are reviewed and updated annually to take account of national and local regulatory changes and initiatives.

Ultimately the Chief Executive is responsible for all procurement carried out within the Council. However governance and accountability for procurement has been delegated:

### Governance

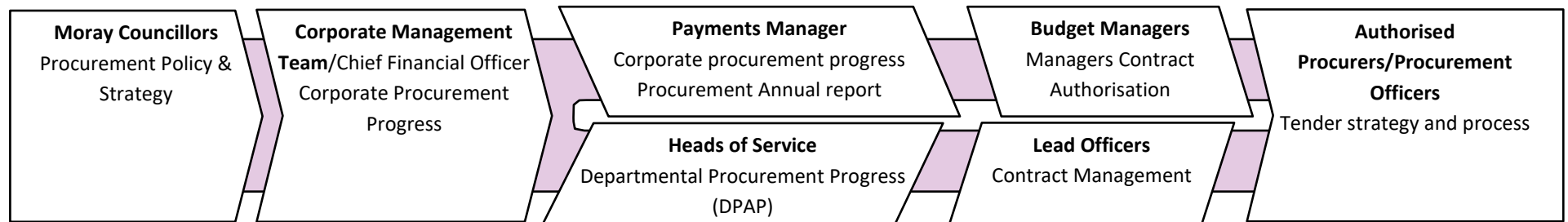


- Moray Councillors will provide the strategic leadership required to ensure that Officers execute their procurement duties effectively, efficiently and economically and that they also promote and establish

constructive supplier and stakeholder relationships in order to deliver best value and quality services to the community and to deliver Best Value for Moray.

- The Procurement Team will support departments in their preparation to meet the governance and accountability requirements.
- Internal and External Audit will be responsible for auditing departmental procedures to ensure compliance.

## Accountability



Moray Council is committed to providing fairness and transparency in the way we procure and all those involved must be responsible for the discharge of their duties in all procurement activities. In the procurement process there are three key distinguishable roles, they are:

- The Head of Service, who will determine the service procurement strategy, prioritising the procurement activity and ensuring that there are sufficient authorised resources to meet their requirements. Given the strategic importance of the Department’s role in the delivery of compliant procurement, an annual Departmental Procurement Action Plan is developed with each Head of Service which is used to inform the procurement priorities for the coming year/eighteen months..
- The Lead Officer/Budget Manager, who perceives the need and makes out the business case to obtain any necessary approval to spend, then commissions the appropriate procurement process. Lead officers may also be assigned to a defined list of commodities and they will represent and take responsibility for the Council in all procurement matters pertaining to the assigned commodity
- The process for H&SCM and Children’s Services differs from the above, in that they have commissioning teams who co-ordinate the early commissioning function and support the longer term contract management. An action has been added to the Procurement Action Plan 2023/24 to review the Procurement Procedures to reflect this different approach.

- The purchaser, who fulfils the procurement role, is responsible for ensuring that the procurement process fully complies with Procurement Procedures.

Six levels of procurement responsibility have been identified and only officers who have completed the mandatory training course can procure on behalf of the Council. All procurements undertaken by trained officers will be supported by the procurement team.

## **Contract Management**

The purpose of contract management is to ensure that all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and providing value for money. It also protects the rights of the parties and ensures required performance against key targets.

The main requirements of the Moray Council approach are:

- All contracts will include quality and performance standards to ensure that the Council achieves value for money from its suppliers
- All contracts will be subject to continual review to ensure suppliers are meeting the agreed performance standards. This will include holding review meetings at suitable intervals
- There will be a clear understanding and monitoring of contractual and supplier risk
- There will be effective handling of contract changes
- A good working relationship will be maintained with all suppliers which includes clear channels of communication

The management of a contract is the responsibility of the departmental Lead Officer. The procurement team provides support for contract where performance is in question and improvement is required.



## Collaboration

The Council recognises that collaboration in procurement can achieve significant benefits such as:

- Reduced duplication of procurement effort
- Better utilisation of scarce resources and skills
- Aggregation of spend to create greater purchasing power which will, in return, result in greater cost savings
- The spread of best practice

Collaboration can take place at a number of levels :

**National** – through Scottish Procurement and Commercial Directorate (category A contracts)

**Sectoral** – the Council is a member of Scotland Excel, the Centre of Procurement Expertise for local authorities (category B contracts)

**Local** – direct collaboration with other neighbouring organisations i.e. Highland or Aberdeen City and Shire Councils (category C1 contracts)

**Organisational** – utilising existing collaborative arrangements put in place by other organisations e.g. Scottish Procurement Alliance, Scottish Housing Association, etc (category O contracts)

We will actively collaborate wherever possible, subject to detailed contract assessment of the resultant offering to ensure that it meets our aims and objectives.

## **Contract Register**

A corporate contract register is updated monthly and published on the Council website, giving internal management and external visibility of all contracts awarded by the Council thus promoting transparency and fulfilling our duty under the Act. The register is updated by the procurement team as procurements progress through to award. Lead Officers provide benefit information at award stage through an Impact Statement which outlines the benefits and added value the Council will take from the contract.

This data is used annually to report statistical information to Policy and Resources Committee on the Council's procurement activity carried out in the past year and the overall benefits achieved (both cash savings and non-cash benefits).

## **Demand Management**

The centralised Procurement operation in place for Moray Council includes the provision of a central buying team. Well versed in corporate contract content, they receive all Council requisitions (apart from any purchase made via a stock system), source the need and place the order. This centralised focus allows the Council to manage immediate orders, specialist requirements and build on the management information produced to meet changing demands. Working with contracted suppliers we can look for added value within a contract, manage our rationalised lists and identify opportunities based on requested demand.

## **Strategic considerations for individual projects**

In addition to the process employed by Moray Council to deliver the contracts, purchases and payments, during the development of any requirement there is a wider consideration of economic, social and environmental factors that will also support the organisation's ultimate aims. This wide ranging consideration is documented within each procurement strategy and the achievements against the aims set monitored throughout the life of the contract via our contract management arrangements. A summary of the tender development and contract award is prepared for Service Heads at the end of each

project, providing information on the sustainability content and financial impact of the resultant contract.

## **Responsibilities under the Procurement Reform (Scotland) Act 2014**

### **Economic**

The Council is committed to using a mixed supply base to help stimulate innovation and value for money. An important element of this is support for small and medium sized enterprises (SMEs) and voluntary third sector suppliers to make it easier for them to compete for Council contracts. The Council have an on-going ambition to maximise local procurement opportunities whilst still meeting its legal obligations under Scottish law.

The Council aims to encourage local regeneration:

- Advertise all opportunities over £5,000 but under £50,000 on PCS (quick quote) – to include at least one local supplier and/or 1 SME
- Consider SME involvement in opportunity at procurement strategy stage
- Make best use of PCS ‘Supplier Finder’ functionality for supplier selection
- Attend and support relevant partner events (Business Gateway, TSI Moray, etc.)
- Hold supplier events – roadshows, surgeries and meet the buyer events as required
- Make full use of our full membership of the national Supplier Development Programme (SDP) at Board, Regional and local level.
- Sit on a local forum made up of Council procurement, Economic & Development, HIE, UHI, NHS and Business Gateway– to discuss and support supplier development in Moray. This forum will work to encourage local supplier engagement with the opportunities presented by the Council and through

community wealth building also look at opportunities with other anchor organisations in Moray

- Provide supplier debriefs post contract award – to provide performance feedback
- Develop reports to show local and SME involvement in Council procurement activity
- Make the procurement process proportionate to the complexity, risk and value of contract
- Where appropriate make use of contract lotting to allow SMEs to compete for the opportunity
- Encourage the creation of reusable supplier e-tendering profiles) within PCS-T
- Consider the potential use of reserved contracts (see page 26) where the opportunity allows for such a structure
- Consider the supply chain involvement in council procurements – particularly around our use of frameworks and subsequent contractors' use of local sub-contractors.
- Develop contract clauses that look for investment in the skills development of the workforce and insist on prompt payments of sub-contractors in our contracts

## Social

The issues that will be considered during a procurement project are wide ranging and include the social wellbeing of the citizens of Moray. Resilient and inclusive local economies which enhance wellbeing are also part of the ethos of community wealth building. Wherever possible the resultant contract should try to promote good quality and affordable housing, safer communities, supporting children and young people, access to art and leisure opportunities, education. Health related factors are also to be considered to ensure that should our contracts have an impact in this area, it is a positive one. Encouraging the voluntary sector and supporting the Community Empowerment (Scotland) Act 2015 may also influence the content of specification and resultant contract.

The examples above highlight the areas that have been specifically listed in the guidance that supports the Procurement Reform (Scotland) Act 2014 but are not exhaustive. Promoting positive outcomes for Moray citizens should always be one of the key drivers when developing a procurement project.

## Environmental

The Council commits to improve our management practices to reduce our impact on the environment. Our procurement objectives in this area link to the Councils Climate Change Strategy ([insert link](#)) which set a goal of being carbon neutral by 2030. Specific actions have been asked of procurement which include:

- The inclusion of statements around climate change in relevant contracts.
- Deliver and Record climate change sustainability benefits achieved through the procurement process
- Continue to deliver sustainable procurement guidance to officers to raise awareness of climate change aspects in the procurement process

## Other commitments

**Equalities** – The Council is committed to equality of opportunity in the procurement process. We aim to:

- Ensure that all tender opportunities are fair and transparent
- Require companies tendering for Council contracts to practice equalities in employment and service delivery
- Carry out Equality Impact Assessments on services to be procured, where relevant and proportionate, to ensure that services meet the needs of our service users
- Carry out Equality Impact Assessments on the procurement process to ensure equal treatment and non- discrimination of contractors. The process will be reviewed every 3 years
- Include equality issues in our contract management process
- Consider the use of award criteria that will assist the Moray Council in meeting its Public Sector Equality Duties. These criteria will be based on the Equality Impact Assessments of the services to be procured

**Ethical Procurement** – the Council assigns great importance to the role of the local authority in encouraging ethical dealings. The Council therefore commits to support, and promote the use of fair trade products where feasible.

**Provision of food/animal welfare** – all regulated procurement involving the provision of food will consider the potential impact of the food source in the strategy. For any national or sectoral contracts, the Council will request similar considerations at the specification development stage.

**Reserved contracts** – we will consider the use of reserved contracts for supported businesses where the opportunity allows for such an approach. Where a business has as its main aim to socially and professionally integrate disabled or disadvantaged people we will consider reserving the contract opportunity to this sector.

**Health & Safety** – the Council will promote health and safety within the workforce in particular adherence to the Health & Safety at Work Act 1974

**Workforce** – the Council internally promotes a positive workforce culture and would seek the same from its contractors, including but not limited to::

- A positive recruitment and retention policy
- A positive package of remuneration measures, including the supplier’s approach to payment of the living wage
- Training and support
- Ensuring zero hours contracts are not used inappropriately
- Flexible working
- Career breaks

The Scottish government’s Fair Work First ([insert link](#)) guidance provides examples of how workplace practices can be strengthened to enhance worker’s experience at work and this is carried through into the Moray procurement process with the use of weighted questions where appropriate. Moray Council achieved Living Wage accreditation in September 2022 which highlighted the impact council contracts have over the payment of the living wage by relevant suppliers. This work continues by the inclusion of Living Wage criteria in every tender.

# Procurement Measurement

Procurement development targets are set each year in the Procurement Action Plan. These targets are based around legislative changes and guidance from a number of sources:

Scottish Government Policy Notes

Sectoral Best Practice Guidance

The Procurement Training Programme

Lessons Learned process carried out for each tender

Supplier Development Forum input

Compliance activity

Progress against these targets is reported the following year in the Procurement Annual Report

In addition to the development actions identified above the Procurement team also prepare a plan of procurement activity based on the information collected through an annual referral process with Heads of Service. This process considers:

- expiring contracts for the department at all levels
- category A, B, C, and O new requirements
- changing responsibilities
- resources
- off contract spend

This information is used to create a Departmental Procurement Action Plan for each service. The resultant plans are then collated into a Council wide



Procurement Activity Plan.

Monthly updates reporting progress on all procurement activity is provided to the Chief Financial Officer.

## Glossary

**Aggregation** – Adding together the value of separate contracts for the same supply, works or service

**Annual Report** – Legislative requirement to publish performance against strategy objectives

**Award Stage** – this is the stage when the tender evaluation panel determine who the preferred bidder/s are that will be awarded the contract post standstill period

**Best Practice** – The most effective and desirable method of carrying out a function or process derived from experience rather than theory

**Best Value** – Considers price, quality and sustainability to determine the best outcome

**Community Benefit Clause (CBC)** – Clauses incorporated into a specification that look for certain benefits from the resultant contract relating to the local community.

**Community Wealth Building** – an approach which uses the Council’s procurement of goods and services along with those of other anchor organisations to add value to the local economy

**Contract** – A contract is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. The essential elements of a contract are: an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent; legality of purpose, and sufficient certainty of terms

**Contract Administration** – The administration surrounding the award of a new contract:

- Supplier relationship (Account Manager)
- Contract adoption arrangements (launch)
- Communication arrangements
- Management Information
- Catalogue
- Order process
- Delivery arrangements
- Billing and Payment process
- Complaint

**Contract Management** – The management surrounding the contract delivery, carried out by the person responsible for the contract (Lead Officer)

**Contract Value** – The total monetary value of a contract over its full duration (not annual value) including any possible extension periods

**Contract Register** – A record of contracts awarded by the organization – published on the Council’s website

**Contractor** – An organisation or individual who has entered into contract to undertake works, supply goods or provide services

**Departmental Procurement Action Plan** – An annual process during which Service Heads and the procurement team determined the procurement priorities and resources for the coming financial year

**Government Procurement Agreement (GPA)** -This is an agreement of World Trade Organisation (WTO) members to mutually open up their markets for selling goods and services to governments, often including regional and local governments

**Impact Statement** – the record of the impact of any awarded or adopted contracts on Moray Council, both financial and non financial

P2P - Procure to Pay or Purchase to Pay covering all the processes within a Procurement lifecycle, namely Requisitioning, Purchasing and Payment

**Procurement Officers/Team** – officers who support the Departmental Lead officers during individual procurement projects

**Quality** – The level of fitness for purpose which is specified for or achieved by any service, work or product

**Public Contracts Scotland Advert** – [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk) National advertising portal for public sector contracts add web address

**Public Contracts Scotland Tender** – [www.publictendersscotland.publiccontractsscotland.gov.uk](http://www.publictendersscotland.publiccontractsscotland.gov.uk) National electronic tendering portal for the management of the tendering process for both the supplier and public sector buyers

**Specification** – a detailed description of the supplies or services to be purchased

**Sub-contracting** – The process where a contractor assigns part of the contract to another contractor(s)

**Sustainability** – The economic, environmental and social issues to be considered in a procurement exercise including Climate Change and Fair Work.

**Tender** – a written offer to contract to provide goods or services or works precisely as specified in the tender documents at a stated price or rate. Successful tenders result in the award of a contract to deliver the goods, services or works specified.



MORAY COUNCIL PROCUREMENT ACTION PLAN (PAP) 2023/2024		
PART 1 - PCIP Measurements		
Data Warehouse		
Action	Timetable	Aim
1.1 To develop existing contract register to maximise on required functionality <b>ICT dependent</b>	March 2024	Carried forward from 2021/22 Functionality requests submitted to ICT to improve access to data and ease of use To meet Statutory and Council requirements
1.2 Work with SXL to compare contract spend to actual supplier spend	Sept 2023	To ensure that SXL is capturing the accurate supplier spend from their contract – when compared to our Accounts Payable supplier turnover
1.3 Expand the current purchasing card (embedded) process to Education Materials supplier	Sept 2023	To link directly to the online supplier web site for educational material orders which are them paid by embedded purchasing cards, increasing the Pcard rebate received
Leadership & Governance		
1.4 Health & Social Care (MIJB) Support	Ongoing	Targeted support to develop infrastructure for MIJB Maintain contract timeline for monitoring purposes. Establish DPAP process or similar to manage Planned Work Support the development of new procedures and documentation and establish how they fit with the procurement process
1.5		

Review and update the Procurement Procedures to reflect the inclusion of commissioning teams within H&SCM and Childrens Services	March 2024	Identify the areas where commissioning changes the current procurement process Agree interaction points with the commissioning teams Document the changes
1.6 Supplier Development Programme (SDP) and Community Wealth Building	Throughout the year	To continue to support Economic Development with the membership of SDP through the Moray Supplier Development Forum To support the development of a local Community identified benefits system and embed into relevant procurement projects To meet community wealth building expectations
1.7 Review the Procurement Savings Strategy (written in 2016)	March 2024	To establish if still relevant and consider the level of savings sought from each tender (currently 3%)
Development & Tender		
1.8 To support and deliver requirements identified in the Climate Change Action Plan	Throughout the year	To meet climate change action plan expectations and the procurement specific actions within the climate change action plan
1.9 Review the requirement for Equalities Impact Assessments for each contract	Dec 2023	Meet with Equalities officer and review the individual procurement requirement
1.10 Review the GDPR requirements	Dec 2023	Meet with the Records Officer and review the areas which are impacted by GDPR (care, etc)
Contract		
Key Purchasing Processes		

<b>PART 2 – Procurement Measurements.</b>		
<b>a. Savings</b>		
<b>Measure</b>	<b>Target</b>	<b>Will Demonstrate</b>
A1 Percentage of all council expenditure covered by contracted suppliers Total commercial spend – contract register annual estimated values for live contracts in year	95%	Greater contractual exposure
A2 Value of procurement savings achieved through contracts live during the year	£1M	The financial results from contracts
A3 Number of collaborative contracts awarded as a percentage of all commenced in year	40%	Successful collaboration
A5 Percentage of contracts (including call off from framework) commenced in year that contain a contract benefit (all categories)	85%%	Increasing focus on non-financial benefit
<b>b. Contracts</b>		
B2 Percentage of unplanned/ activity during the year	25%	Measure to try and keep unplanned to a minimum
<b>c. Compliance</b>		
C3 Percentage of Account Payable transactions with a Purchase Order (where relevant ie non-recurring) number during year	75%%	Compliance management

Measure	Target	Will Demonstrate
<b>d. Accessibility</b>		
D1 Percentage of contracts (including call offs) commenced during year to SMEs	82%	SME access to our business – volume
D2 Percentage value of annual spend with SMEs for year	55%	SME access to our business – by value
D3 Percentage value of spend with Moray, Highland and Aberdeen council areas	50%	“local” access to our business – value
D4 Number of “events” held or participated in during year	10	Supplier engagement and internal training sessions
<b>e. Community Benefits</b>		
E1 Percentage of commenced contracts within the year that have a community benefit (category 7)	20%	Sustainable duty performance
E2 Percentage of collaborative contracts commenced in the year that have a community benefit (category 7)	20%	Sustainable duty performance
<b>f. Sustainability</b>		
F1 Percentage of contracts commenced in the year that have incorporated a sustainable target (category 5)	20%	Sustainable duty performance
F2 Score on Flexible Framework	Level 3	Sustainable duty performance





**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: TRUST FUNDS – SUMMARY EXPENDITURE FOR 2022/23 AND ESTIMATED DISPOSABLE INCOME FOR 2023/24**

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

**1. REASON FOR REPORT**

- 1.1 To inform Members of the disbursements made from Trusts in 2022/23 and the estimated disposable income available for disbursement in 2023/24
- 1.2 This report is submitted to Committee in terms of Section III B (20) of the Council's Scheme of Administration relating to the Management and Investment of any funds including Common Good and Trust Funds.

**2. RECOMMENDATION**

**2.1 The Committee is asked to:**

- (i) **Note the disbursements made from each of the Trust Funds in 2022/23, shown in APPENDIX 1; and**
- (ii) **Agree the estimated income available for disbursement in 2023/24, shown in APPENDIX 2**

**3. BACKGROUND**

- 3.1 The Council administers 37 trust funds in total, acting as sole trustee for 33 trusts and as one of several trustees for the other four trust funds. The trust funds represent legacies bestowed by various individuals and organisations for the benefit of the community or organisations within Moray.
- 3.2 Moray Council acts as sole trustee for 8 Connected Charity trust funds which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR). The Council are one of several trustees for one other OSCR registered trust fund. The remaining 28 trusts are unregistered with Moray Council being sole trustee for 25 of these and one of several trustees for the other three.

- 3.3 Since 2013/14, the Registered Charitable Trusts require to be audited by an external auditor who is appointed by the Accounts Commission, currently Grant Thornton. This only applies to any Charitable Trust for whom the Council is the sole trustee. Any Charitable Trust for whom the Council is not the sole trustee requires to be examined by an Independent Examiner; Azets (previously Scott-Moncrieff) has been appointed as Independent Examiner for the Auchernack Trust.
- 3.4 Policy and Resources Committee on 2 September 2008 (paragraph 11 of the Minute refers) agreed to only disburse grants from trusts where the disposable income is greater than £50 and to carry forward undistributed funds each year until the disposable income reaches £50. Policy and Resources Committee on 8 October 2013 (paragraph 8 of the Minute refers) agreed that the whole annual income of the trust will be made available for disbursement in accordance with the trust deed (prior to this one third of the income was reinvested) although the policy not to disburse any Trust Fund with disposable income under £50 remains.
- 3.5 Reports to The Moray Council on 14 November 2012 (paragraph 7 of the Minute refers) and 24 June 2015 (paragraph 10 of the Minute refers) agreed to a scheme of Trust reorganisation, and approved the proposal for setting up a new trust along with the wording of the proposed Trust Deed.
- 3.6 In August 2016 OSCR awarded charitable status to the new trust: The Moray Council Charitable Trust (TMCCT) (SC046791) with the planned transfer of 27 individual connected charitable trusts into the new trust. The trusts being reorganised into this new single trust will be utilised, as far as possible, in a manner consistent with the original trust purposes.
- 3.7 In 2018/19 one trust was given approval to be reorganised into TMCCT and during 2020/21 a further 23 trusts were approved by OSCR for reorganisation.
- 3.8 TMCCT has been set up with nine sub categories based on location and charitable purpose, in order to keep in a manner consistent with the original trust purposes. The sub categories are:
- TMCCT Dufftown (poverty)
  - TMCCT Elgin (age related)
  - TMCCT Elgin (poverty)
  - TMCCT Elgin (recreational)
  - TMCCT Elgin & Forres
  - TMCCT Forres (age reasons)
  - TMCCT Forres (poverty)
  - TMCCT Keith (financial)
  - TMCCT Lossiemouth (poverty)

#### **4. DISBURSEMENTS IN 2022/23**

- 4.1 **APPENDIX 1** gives details of the disposable income and disbursements made during 2022/23 from each trust fund.
- 4.2 In total, £84,765 was awarded in the year from twelve of the trust funds. Disbursements included £62,792 from the Education trusts, Moray & Nairn, Banffshire, Donald Manson Fund and the Milne's Institution Trust; £9,508 from the Auchernack trust; £2,669 from the Logie Cottages Trust and £7,285 from The MacDonald Benevolent Fund. A further £2,511 was awarded from other Trusts.
- 4.3 Following the sale of 3 Logie Cottages, Forres it was agreed at a meeting of the Economic Growth, Housing and Environmental Sustainability Committee on 1st December 2020 (paragraph 22 of the Minute Refers) that the money generated from the sale be used for the attainment of pupils at Forres Academy whilst respecting the original aims of the Trust as much as practicable. As part of the plan for using the proceeds of the Trust, it was identified that there was significant interest in the provision of access to warm spaces and food after school to those in need. £2,669 was disbursed from the Trust in 2022/23 to assist with the purchase of kitchen equipment in support of providing this service.

#### **5. 2023/24 DISPOSABLE INCOME**

- 5.1 **APPENDIX 2** shows the estimated disposable income for each trust fund in 2023/24. The estimated income figure is calculated to assist Local Members' decision making when awarding funds. The figures are only there as a guide. The total projected funds available for disbursement in 2023/24 is £140,937. Of this, £1,040 is undisbursed from 2022/23. There is £20,158 of committed expenditure. £5,300 is from disbursements agreed by Council in respect of the the cost of living crisis which have been paid out in 2023/24, £11,920 from disbursements agreed to be made from the Auchernack Trust as agreed at their meeting on 1<sup>st</sup> June 2023 and £2,938 from the Moray & Nairn Educational Trust.
- 5.2 The reorganisation has reduced the number of trusts that have either nil or less than £50 disposable income, ensuring that as much income as possible from the trust funds can be passed on to beneficiaries as efficiently as possible. There are still some trusts that have loans pool balances invested in the Council's Loans Fund, and they earn annual interest on this balance, however a share of administration costs is also allocated to these trusts and this then reduces the available income to below the £50 threshold.
- 5.3 In the calculation of disburseable income for 2023/24 it is recognised that continued homeworking for many has impacted car park income which affects the River Lossie and Cooper Park trusts. Investment income earned on endowment investments could also vary depending on the markets. With this in mind, a prudent estimate for both has been projected.

5.4 The interest on balances held in the Council's bank for 2023/24 has been calculated using the two year fixed PWLB rate as at 1 April 2022 of 2.35%.

5.5 The estimated administration charge to be allocated over all trusts in 2023/24 is £18,550 (actual 2022/23 £17,617 and 2021/22 £12,914).

## 6. **SUMMARY OF IMPLICATIONS**

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

Although there is no direct link to the Moray 2026 Corporate Plan, the reorganisation of the Trusts will result in efficiencies within the Trust funds.

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

The Council's adoption of the policy of disbursing the whole annual income maximises funds available for disbursement.

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

In 2022/23 there was £166,153 of funds available for disbursement with £84,765 disbursed in the year from twelve of the trust funds, as identified in **APPENDIX 1**.

**APPENDIX 2** shows the estimated disposable income for each trust fund in 2023/24. The total projected funds available for disbursement in 2023/24, plus carry forwards of undisbursed income from 2022/23, is £140,937 for trusts with available income over the minimum £50 level. The carry forward from the Moray and Nairn Educational trust is permitted through the deeds of the trust, allowing a carry forward of any unspent funds into the following year.

The amount committed to date is £20,158 as shown in **APPENDIX 2**.

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

There is a risk of overspends exceeding disposable income if any unforeseen emergency major repairs are required for properties owned by Trust Funds. Close monitoring of costs and the condition of properties will be undertaken by officers in order to mitigate this risk.

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

There are no staffing implications arising from this report.

### (f) **Property**

The condition of all Trust Fund properties will be monitored in order to keep reactive repairs to a minimum.

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

There are no equalities issues arising directly from this report.

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

There are no climate change and biodiversity impacts arising directly from this report.

**(i) Consultations**

Local Members are consulted on discretionary disbursements particular to their ward.

**7. CONCLUSION**

**7.1 Details of disbursements for 2022/23 for each Trust Fund are detailed in APPENDIX 1 and the estimated income available for disbursement for each Trust Fund for 2023/24 is shown in APPENDIX 2.**

Author of Report: Susan Alexander, Accountant  
Background Papers:  
Ref: SPMAN-1293228629-936



## Trust Funds Disbursements 2022/23

APPENDIX 1

Ward	TRUST FUND	Total Available for Disbursement 2022/23 £	Actual Disbursement 2022/23 £
All	Burial Grounds PERPS	628	628
All	JB Mair Fund	775	-
All	Burial Grounds TRUSTS	183	183
All	The Moray Council Charitable Trust	3,858	-
Elgin North	Craigmoray Bequest(Bishopmill)	11,697	-
Elgin North	John Pringle Bequest	1,160	100
Elgin South/North	Laing Mortification	7,319	-
Elgin South/North	Young	200	-
Fochabers Lhanbryde	Milne's Institution Trust	14,585	7,916
Forres	Auchernack	19,953	9,508
Forres	Donald Manson (Edinkillie) Fund	9,980	9,980
Forres	Donald Manson (Forres Burgh) Fund	2,547	2,547
Forres	Logie Cottages, Forres	-	2,669
Heldon & Laich	Boyd Anderson Trust	399	-
Keith & Cullen	Glenisla Comforts Fund	4,163	-
Keith & Cullen	William Lawtie	3,448	-
Old Banffshire Boundary	Banffshire Educational Trust	27,876	27,497
Old Moray Boundary	Moray & Nairn Educational	20,518	14,752
Old Moray Boundary	The Pringle Trust	2,403	1,700
Public Trust	River Lossie	11,293	-
Public Trust	Grant Park	2,385	-
Public Trust	Cooper Park	12,030	-
Speyside Glenlivet	The MacDonald Benevolent Fund	6,893	7,285
Speyside Glenlivet	Speyside Comforts Fund	1,860	-
TOTAL		166,153	84,765

## Trusts with Disposable Income under £50

Ward	TRUST FUND	Total Available for Disbursement 2022/23 £	Actual Disbursement 2022/23 £
Elgin South/North	Young	-	-
Elgin	Jubilee Cottages	-	-
Elgin	Ladyhill Cottages	-	-
Forres	Castlehill Trust	-	-
Forres	Grant Park Trust	-	-
Keith & Cullen	Keith Poor Funds	-	-
Speyside Glenlivet	Dufftown Food	-	-
TOTAL		-	-





Trust Funds Projected Disbursement 2023/24

APPENDIX 2

Ward	TRUST FUND	Projected Disposable Income 2023/24 £	Undisbursed Income 2022/23 £	Total Available for Disbursement 2023/24 £	Committed Expenditure 2023/24 £
All	Burial Grounds PERPS	605	-	605	-
All	JB Mair Fund	834	-	834	-
All	Burial Grounds TRUSTS	160	-	160	-
All	The Moray Council Charitable Trust *	4,434	-	4,434	3,791
Elgin North	Craigmoray Bequest(Bishopmill)	12,834	-	12,834	-
Elgin North	John Pringle Bequest	1,299	-	1,299	-
Elgin South/North	Laing Mortification	7,465	-	7,465	1,509
Elgin South/North	Young *	189	-	189	-
Fochabers Lhanbryde	Milne's Institution Trust	8,694	-	8,694	-
Forres	Auchernack **	22,093	-	22,093	11,920
Forres	Donald Manson (Edinkillie) Fund	11,531	-	11,531	-
Forres	Donald Manson (Forres Burgh) Fund	2,919	-	2,919	-
Forres	Logie Cottages, Forres	1,999	-	1,999	-
Heldon & Laich	Boyd Anderson Trust *	664	-	664	-
Keith & Cullen	Glenisla Comforts Fund	4,602	-	4,602	-
Keith & Cullen	William Lawtie	3,383	-	3,383	-
Old Banffshire Boundary	Banffshire Educational Trust	21,355	-	21,355	-
Old Moray Boundary	Moray & Nairn Educational *	15,123	1,040	16,163	2,938
Old Moray Boundary	The Pringle Trust	2,275	-	2,275	-
Public Trust	River Lossie	6,883	-	6,883	-
Public Trust	Grant Park	951	-	951	-
Public Trust	Forres Squash Courts	560	-	560	-
Speyside Glenlivet	The MacDonald Benevolent Fund	6,994	-	6,994	-
Speyside Glenlivet	Speyside Comforts Fund	2,051	-	2,051	-
	<b>TOTAL</b>	<b>139,897</b>	<b>1,040</b>	<b>140,937</b>	<b>20,158</b>

Trusts with Disposable Income under £50

Ward	TRUST FUND	Projected Disposable Income 2023/24 £	Undisbursed Income 2022/23 £	Total Available for Disbursement 2023/24 £	Committed Expenditure 2023/24 £
Elgin	Jubilee Cottages	-	-	-	-
Elgin	Ladyhill Cottages	-	-	-	-
Forres	Castlehill Trust *	-	-	-	-
Forres	Grant Park Trust *	-	-	-	-
Forres	Cooper Park	-	-	-	-
Keith & Cullen	Keith Poor Funds *	-	-	-	-
Speyside Glenlivet	Dufftown Food *	-	-	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* To be audited by Grant Thornton

\*\* To be audited by Azets






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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: DRAFT ALLOTMENT REGULATIONS - PUBLIC CONSULTATION**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the requirement to make allotment site regulations and to seek Committee approval for public consultation on the draft Allotment Regulations, set out in **Appendix 1** in accordance with the Council's duties under Part 9 of the Community Empowerment (Scotland) Act 2015
- 1.2 This report is submitted to Committee in terms of Section III (B) (41) of the Council's Scheme of Administration relating to formulating and reviewing Council wide policy, strategies, priorities and objectives in relation to cross cutting issues. .

**2. RECOMMENDATION**

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

- (i) **approves in principle the draft Allotment Regulations set out in Appendix 1;**
- (ii) **agrees to officers carrying out a public consultation on the draft Allotment Regulations, in accordance with the Council's duties under Part 9 of the Community Empowerment (Scotland) Act 2015; and**
- (iii) **note that a report will be brought to this Committee after the public consultation with details of any representations made together with a proposed final version of proposed Allotment Regulations, for consideration and approval.**

### 3. **BACKGROUND/**

- 3.1 The revised Moray Council Allotment Policy (**Appendix 2**) was approved at Corporate Committee on the 15 March 2022 (paragraph 10 of the minute refers) It was also agreed that the duty to maintain waiting lists, make allotment site regulations and progress the provision of allotments in line with the legislation be delegated to the Head of Education Resources and Communities.
- 3.2 Draft Allotment Regulations have been prepared (**Appendix 1**), which set out the required regulations for allotments as set out by the Community Empowerment (Scotland) 2015 Act. This includes mandatory requirements covering allocation of allotments, rent, cultivation, maintenance, buildings and other structures that may be erected, the keeping of livestock, landlord inspections and make provision for the delegation of some of the Council's functions in relation to allotments as set out in the revised allotment policy.
- 3.3 In terms of Part 9 of the Community Empowerment (Scotland) 2015 Act public consultation is required on the proposals before Allotment Regulations can be adopted by the Council. In accordance with the legislation the following is required:-
- At least one month before making the regulations, the Council must place an advertisement in at least one newspaper in circulation in the local authority area giving notice of:
    - the Council's intention to make the regulations;
    - the general purpose of the proposed regulations;
    - where the proposed regulations can be inspected;
    - the fact that any person can make written representations in relation to the proposed regulations;
    - provide a timescale within which someone can make representations,
    - provide the address to which representations must be sent.
  - The Council must make copies of the proposed regulations available for inspection by the public without payment at its office, and if practical at the allotment sites to which the regulations are to apply.
  - The public consultation process will be managed online through the Moray Council consultation web page. This will provide access to the relevant information and provide the means by which representation can be made.
- 3.4 Following this period of public consultation a report with details of representations and a proposed final version of proposed Allotment Regulations will be brought back to Corporate Committee for consideration and approval.

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

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

This report links to the Corporate Plan Priority

- Empowering and supporting communities to build capacity

And the LOIP outcome

- Empowering and Connecting Communities

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

Under the terms of the Community Empowerment (Scotland) Act 2015 Section 9, The Council is required to produce draft allotment regulations which must go out for public consultation

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

There are no specific financial implications arising as a result of this report.

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

If the consultation on the draft regulations does not take place, the Council will be in breach of its statutory requirements under the Community Empowerment (Scotland) Act 2015

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

There are no specific staffing implications arising as a result of this report.

##### **(f) Property**

There are no specific property implications arising as a result of this report

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

There are no equalities or socio-economic issues arising directly from this report

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

Section 7 of the draft allotment regulations concerns the cultivation of allotments and includes a clause about encouraging allotment tenants to improve biodiversity within their allotment plot.

**(i) Consultations**

The Head of Governance, Strategy and Performance; the Acting Head of Education Resources and Communities; the Head of Housing and Property; the Head of Economic Growth and Development; the Head of Environmental and Commercial Services; the Chief Financial Officer, Lindsey Robinson, Committee Services Officer; the Head of HR, ICT & OD; the Human Resources Manager and the Equal Opportunities Officer have been consulted on this report and are in agreement with the contents as regards their respective responsibilities.

**5. CONCLUSION**

- 5.1 The Committee is asked to approve in principle the draft Allotment Regulations set out in Appendix 1 and that officers carry out a public consultation on the draft Allotment Regulations , as required under Part 9 of the Community Empowerment (Scotland) Act 2015**

Author of Report: Dawn Brodie, Community Learning and Engagement Manager

Background Papers: Appendix 1: Allotment Regulations  
Ref: SPMAN-9425411-267  
SPMAN-9425411-268  
SPMAN-9425411-269

**MORAY COUNCIL**

**ALLOTMENT REGULATIONS**

**1 COMMENCEMENT**

- 1.1 These allotment regulations (the “**Regulations**”) adopted by resolution of Moray Council (the “**Council**”) dated \_\_\_\_\_ relate to all Allotment Sites owned and/or managed by the Council or otherwise by an Allotment Association. The Regulations are made in accordance with the Council’s powers under Part 9 of the Community Empowerment (Scotland) Act 2015 (the “**2015 Act**”).
- 1.2 The Council discharges the duty to manage Allotment Sites through a system of delegation, through which independently managed Allotment Associations enter into leasing arrangements with the Council to operate allotments on Council owned land in terms of section 107 of the 2015 Act. These Regulations are made with the support of this statutory function and to support Tenants in understanding their responsibilities and relationship with their respective Allotment Association.
- 1.3 The Regulations shall come into force on the day after the date of execution under section 116 of the 2015 Act (the “**Commencement Date**”).

**2 INTERPRETATION**

- 2.1 In the Regulations, any reference to:
- (i) “**Allotment Association**” shall mean any allotment association, society or group leasing the relevant Allotment Site from the Council;
  - (ii) “**Allotment Plot**” shall mean any single area of land designated as an allotment plot by the Allotment Association within an Allotment Site;
  - (iii) “**Allotment Site**” shall mean any area of land owned or leased by the Council and leased to the Allotment Association and consisting wholly or partly of allotments and including other land that may be used by Tenants in connection with the use of their Allotment Plots;
  - (iv) “**Allotment Site Rules**” means site specific rules published by the Allotment Association from time to time governing a particular Allotment Site, which rules will previously have been approved by the Council (including any amendments to rules previously approved);
  - (v) “**Allotment Tenancy**” means a tenancy agreement between the Allotment Association and a Tenant for an identified Allotment Plot;

- (vi) **"Applicant"** shall mean the person, persons or Third Party Organisation who have completed a request for an Allotment Plot in the form prescribed by the Allotment Association;
- (vii) **"Data Protection Laws"** shall mean any law, statute, subordinate legislation, regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body which relates to the protection of individuals with regard to the processing of Personal Data to which a Party is subject including the Data Protection Act 2018 and any statutory modification or re-enactment thereof and the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
- (viii) **"Eligible Person"** shall mean a resident aged 16 years or over, who is solely or mainly resident at premises the postal address of which is in the Council area or any Third Party Organisation;
- (ix) **"Joint Tenancy"** shall mean two or more individuals jointly responsible for an Allotment Plot;
- (x) **"Relevant Circumstances"** shall mean any illness, bereavement, injury or disability, or other extenuating circumstances;
- (i) **"Relevant Period"** shall mean 21 days;
- (ii) **"Residence"** shall mean any residential property which is the sole or main residence of an Eligible Person;
- (xi) **"Tenant"** shall mean an Eligible Person, to whom an Allotment Plot has been leased in terms of the Allotment Tenancy;
- (xii) **"Termination Date"** shall mean the date upon which the Allotment Tenancy is terminated, and the Tenant is required to remove all their possessions from the Allotment Plot and the Allotment Site;
- (xiii) **"Third Party Organisation"** means an organisation appropriately constituted with its registered address, or where there is no registered address its principal business address, in the Council area and which supports group allotment gardening;
- (xiv) **"Waiting List"** shall mean the list established and maintained by the Allotment Association in respect of each Allotment Site of Applicants; and
- (xv) **"Micro Allotment Plot"** shall mean a very small temporary allotment plot that may be used to enable persons on the Waiting List to test their interest and ability to manage an allotment plot.

2.2 References to "consent of the Allotment Association" or words to similar effect mean a consent in writing signed by or on behalf of the Allotment Association and "approved" and "authorised" or words



to similar effect mean (as the case may be) approved or authorised in writing by or on behalf of the Allotment Association.

- 2.3 Unless the context otherwise requires, words in the singular shall include the plural and words in the plural shall include the singular.
- 2.4 Headings are for convenience, do not form part of these Regulations and shall not be used in their interpretation.
- 2.5 Any references to a specific statute include any statutory extension, amendment, modification or re-enactment of such statute and any subordinate legislation made thereunder and any general reference to “statute” or “statutes” includes any subordinate legislation made thereunder.
- 2.6 Where there is a contradiction between these Regulations and the 2015 Act the terms of the 2015 Act shall apply.
- 2.7 Where there is a contradiction between these Regulations and the Allotment Site Rules, these Regulations shall have priority.
- 2.8 Allotment Site Rules and any subsequent amendments will be subject to prior written approval by the Council.

### **3 EFFECT OF REGULATIONS**

- 3.1 Failure by the Tenant to comply with the terms of these Regulations shall be a breach of the Regulations and may result in the Tenant being subject to termination of the Allotment Tenancy for the Allotment Plot in accordance with section 126 of the 2015 Act.

### **4 ALLOCATION OF ALLOTMENT PLOTS**

- 4.1 A request for an Allotment Tenancy must be made by submitting an application to the Allotment Association in the form to be prescribed by the Allotment Association in their Allotment Site Rules.
- 4.2 Applications must include the applicant’s:
- 4.2.1 name;
- 4.2.2 address;

- 4.2.3 date of birth;
- 4.2.4 preferred Allotment Site(s);
- 4.2.5 preferred size of Allotment Plot;

and may include the applicant's:

- 4.2.6 email address (if applicable); and
- 4.2.7 Relevant Circumstances (if applicable) that the applicant wishes the Allotment Association to be aware of.

- 4.3 The Allotment Association must comply with the requirements of the Data Protection Laws to ensure that the Tenants' personal information is held securely and only lawfully disclosed.
- 4.4 All Eligible Persons who apply for an Allotment Plot shall be placed on the Waiting List(s) for the Allotment Site(s) requested.
- 4.5 The Allotment Association shall maintain a Waiting List for each Allotment Site and will offer an available Allotment Plot to the first applicant on the Waiting List for the relevant Allotment Plot having regard to what has been requested and the provisions of the 2015 Act.
- 4.6 The Allotment Association shall report to the Council annually confirming the following:-
  - 4.6.1 The proportion of land on each Allotment Site that is not subject to an Allotment Tenancy;
  - 4.6.2 The annual subscription fee payable for each Allotment Plot on each Allotment Site;
  - 4.6.3 How the annual subscription fee was decided by the Allotment Association;
  - 4.6.4 The number of Applicants on the Waiting List on a per Allotment Site basis;
  - 4.6.5 The number of Applicants who have been on the Waiting List for a continuous period of more than 5 years on a per Allotment Site basis;
  - 4.6.6 Number of Allotment Plots on a particular Allotment Site that are accessible by a disabled person;
  - 4.6.7 Number of Applicants applying for adapted Allotment Plots or for adjustment to existing plots;

4.6.8 Any such other information as may be prescribed by the Council.

The Council reserves the right to inspect any Allotment Sites and Allotment Association records without giving prior notice to ensure that the Allotment Sites and Allotment Plots thereon are being managed in accordance with these Regulations.

- 4.7 If the Allotment Association offers an Applicant an Allotment Plot which is not of the size specified by the Applicant, the Applicant will remain on the Waiting List, unless the Applicant accepts the offer, in which case the request will be treated as agreed and the Applicant will be removed from the Waiting List. Where the Allotment Association makes an offer of an Allotment Plot of the size requested and such offer is unreasonably refused the applicants may be removed from the Waiting List.
- 4.8 Tenants may make a request in writing to Allotment Association to move to a different Allotment Site. In considering whether to allow a move to a different Allotment Site the Tenant's application date must be prior to the application date of any Waiting List customers for the Allotment Site requested. In considering whether to allow a move to a different Allotment Site the Council or Allotment Association shall have regard to the length of relevant Waiting List and to the cultivation and maintenance of the Tenant's current Allotment Plot and any Relevant Circumstances of the Tenant.
- 4.9 Tenants may make a request in writing to the Allotment Association to move to a different Allotment Plot. In considering whether to allow a move to a different Allotment Plot the Allotment Association shall have regard to the length of relevant Waiting List and to the cultivation and maintenance of the Tenant's current Allotment Plot and any Relevant Circumstances of the Tenant.
- 4.10 Micro Allotment Plots may not be an option available for an Applicant to select as their preferred size of Allotment Plot. The Allotment Association may offer an available Micro Allotment Plot to an Applicant on a temporary basis. An Applicant who accepts a Micro Allotment Plot will maintain their position on the Waiting List and be offered an Allotment Plot of the size they requested in their application, when it becomes available. Applicants who accept a Micro Allotment Plot are required to comply with all Regulations and sign an Allotment Tenancy on terms provided by the Allotment Association.
- 4.11 Where a new Allotment Site is established, the Allotment Plots within that Allotment Site ("New Allotment Plots") shall be allocated on the following basis:
- 4.11.1 Where reasonably practicable, 50% of the New Allotment Plots shall be offered to Eligible Persons, who are solely or mainly resident in the area within one-kilometre radius of the entrance to the new Allotment Site and who apply for a New Allotment Plot.
- 4.11.2 The remaining unallocated New Allotment Plots shall be offered to Eligible Persons on the Waiting List for existing Allotment Sites. Individuals on Waiting Lists for existing Allotment Sites who are solely or mainly resident in the area within two-kilometre radius of the entrance to the new Allotment Site will be given priority.

- 4.12 The Allotment Association will continually review demand for Allotment Plots and may change the size of Allotment Plots; or split vacant Allotment Plots into smaller Allotment Plots or change the status of a Micro Allotment Plot to an Allotment Plot. The Allotment Association may decide to reserve the above e.g. to create larger Allotment Plots. The Allotment Association may require to change the size of Allotment Plots due to other circumstances.
- 4.13 All Tenants are required to sign an Allotment Tenancy on terms provided by the Allotment Association at the start of their tenancy. The Tenant may not exchange Allotment Plots with any other Tenant, transfer their Allotment Tenancy of an Allotment Plot to any other person, or sub-let their Allotment Plot without the prior consent of the Allotment Association.
- 4.14 Where a Tenant is no longer an Eligible Person, the Allotment Association will terminate the Allotment Tenancy.
- 4.15 The Allotment Association shall allocate a maximum of one Allotment Plot per Residence unless their property is registered as a House of Multiple Occupancy.
- 4.16 Regulation 4.14 shall not affect Tenants who were allocated more than one Allotment Plot prior to the Commencement Date.
- 4.17 Should an Allotment Site or Allotment Plot be removed from service all displaced Tenants will be placed at the top of the Waiting List for either the Allotment Site in which the relevant Tenants' original Allotment Plots were located, or an alternative Allotment Site as determined by the Allotment Association.

## **5 ALLOTMENT PLOT RENT**

- 5.1 The annual subscription fee under the Allotment Tenancy shall be paid annually, by a Tenant to the Allotment Association on the date specified by the Allotment Association. The annual subscription fee shall be determined by the Allotment Association at its annual general meeting or by its management committee, notified to the members and publicised through appropriate media and reported to the Council.
- 5.2 When determining the level of the annual subscription fee the Allotment Association shall take account of:
- 5.2.1 the services provided by, or on behalf of, the Allotment Association to the Tenants of the Allotment Sites, including but not limited to site improvements, general repairs and maintenance, utility charges, grounds maintenance works;
  - 5.2.2 the costs of providing those services;

5.2.3 any concession applicable to the Tenant, as stated on the Council website from time to time; and

5.2.4 the size of the Allotment Plot in terms of an Allotment Tenancy to a Tenant.

5.3 Changes to circumstances, including any Relevant Circumstances, affecting a Tenant's ability to pay rent should be advised in writing by the Tenant to the Allotment Association.

5.4 Concessions on the level of annual subscription fee payable shall only apply where all Tenants of an Allotment Tenancy are eligible for a concession.

5.5 Where a Tenant fails to pay the annual subscription fee within the period prescribed by the Allotment Association in their Allotment Site Rules (which for the avoidance of doubt shall not be less than 30 days after the later of the annual subscription falling due and/or the invoice date, if applicable) the Allotment Association may recover the subscription fee from the Tenant in the same manner as any other case of landlord and tenant, and the Allotment Association shall seek to recover the rent on a pro rata basis for the period of time that the Tenant has occupied the Allotment Plot. In addition, the Allotment Association shall be entitled to recover as a debt any administrative costs reasonably incurred by it in respect of any delay in payment;

## **6 BOUNDARIES AND POSSESSION OF ALLOTMENT PLOTS**

6.1 The Tenant may not exchange Allotment Plots with any other Tenant, transfer their Allotment Tenancy to a third party, or sub-let their Allotment Plot without the prior consent of the Allotment Association.

6.2 If there is any dispute between Tenants as to the boundaries of their Allotment Plots, the Allotment Association shall adjudicate and settle the dispute at its own discretion.

6.3 Where there is a dispute between Tenants as to the allocation of land per Allotment Plot, the Allotment Association shall consult with the affected Tenants to determine whether changes to Allotment Plot boundaries are required. Any decision made by the Allotment Association is final and Tenants must comply with this decision.

6.4 Individuals added to a Joint Tenancy will be eligible to take over full tenancy only if the start date of their Allotment Tenancy is prior to the application date of existing waiting list applicants for the site.

## **7 CULTIVATION OF ALLOTMENTS**

7.1 An Allotment Plot shall be used wholly or mainly for the cultivation of vegetables, herbs, flowers or fruit.

7.2 Excluding permitted buildings, structures and paths at least 75% of the Allotment Plot must be cultivated to the satisfaction of the Allotment Association.

- 7.3 For new Tenants, a minimum of 25% of the Allotment Plot requires to be cultivated within three months (excluding the winter period) and 75% of the Allotment Plot cultivated within 12 months, all to the satisfaction of the Allotment Association.
- 7.4 The Allotment Association may assess the condition of an Allotment Plot at the start of the tenancy and any adjustment to the time frames specified at 7.3 will be at the sole discretion of the Allotment Association.
- 7.5 Tenants will demonstrate good management practices on their Allotment Plot at least to the standard outlined in the Allotment Site Rules by ensuring:
- 7.5.1 That weed growth is controlled and must ensure that weeds do not spread to neighbouring Allotment Plots.
  - 7.5.2 The use of pesticides and insecticides is limited to those which have been previously approved by the Allotment Association.
  - 7.5.3 Control of pernicious weeds, such as those that spread through the extension of rhizomes (e.g. couch grass and ground elder) or through the production of unwanted plants from growing tips in contact with the soil (e.g. brambles).
  - 7.5.4 Removal of uncontrolled vegetation or detritus that is likely to harbour slugs and snails which may forage into a neighbouring Allotment Plot.
  - 7.5.5 Invasive vegetation must be controlled to ensure those plants do not encroach on a neighbouring Allotment Plot, or communal paths.
  - 7.5.6 Invasive non-native plant species are not allowed to be grown and if found, will require to be controlled by the Tenant in accordance with relevant legislation from time to time including the Wildlife and Countryside Act 1981 and the Environmental Protection Act 1990, and any direction of the Council.
- 7.6 The Allotment Association encourages Tenants to improve biodiversity within their Allotment Plot.
- 7.7 The Allotment Association encourages Tenants to follow organic gardening methods. Tenants shall be responsible for ensuring that appropriate pest and disease control is carried out on their Allotment Plot. If Tenants choose to use pesticides or herbicides, then they should use products which avoid impacts to health and wildlife. Tenants must adhere to the manufacturer's product label if using pesticides or herbicides. Spraying equipment and products must be stored in an enclosed locked unit and must not be left unattended when not in the locked unit.

## **8 SALE OF SURPLUS PRODUCE**

Tenants may sell produce grown by them on the Allotment Plot. Produce shall not be sold or advertised for sale within the Allotment Site. Any proceeds or income generated from the sale of such produce may only be used for social enterprise or community advancement and not for the purposes of making a profit, trade or business.

## **9 MAINTENANCE OF ALLOTMENT PLOTS**

9.1 The Allotment Plot, including any structures thereon, must be kept in good condition to the satisfaction of the Allotment Association. In considering whether the Allotment Plot is in good condition the Allotment Association shall have regard to any weeds, detritus or dilapidated buildings or structures on the Allotment Plot and the level of cultivation.

9.2 When considering whether an Allotment Plot is in good condition, the Allotment Association shall have regard to any impact that a lack of maintenance of the Allotment Plot could have on neighbouring Allotment Plots.

9.3 Damaged and surplus allotment items must be removed from the Allotment Plot and Allotment Site by the Tenant.

9.4 All waste material arising on site is the responsibility of the Tenant and should be composted where possible.

9.4.1 All other non-compostable waste material e.g. wood, corrugated iron, stones, glass, tyres and plastics in all forms must be removed and disposed of at a licenced recycling facility or through the Tenant's own waste collection.

9.4.2 Tenants must not leave green waste or dispose of anything (including green waste) on any other Allotment Plot, or any other part of the Allotment Site.

9.5 Allotment Plots must be left in an acceptable condition for the next Tenant. If costs are incurred in bringing an Allotment Plot up to an acceptable condition, the Allotment Association may decide to recover these costs from the previous Tenant.

## **10 MAINTENANCE OF ALLOTMENT SITES**

10.1 Tenants shall be responsible for keeping boundaries, paths adjacent to their Allotment Plot and paths between Allotment Plots in a clean and tidy condition and free from obstructions. Where a path is adjacent to two or more Allotment Plots the respective Tenants shall share responsibility. Should dispute between Tenants arise in this regard, the Allotment Association shall direct the Tenants as to how maintenance is to be carried out. This excludes Allotment Site boundary fences.

- 10.2 Tenants shall not block or obstruct the access to the Allotment Site, nor any of the access paths and roads within the Allotment Site.
- 10.3 Any keys to the Allotment Site remain the property of the Allotment Association and are issued to the Tenant strictly for the purposes of access to the Allotment Site and are not transferable to any other person. Keys should not be copied as they will damage locks. Replacement keys can be arranged through the Allotment Association.

## **11 SHEDS, GLASSHOUSES AND POLYTUNNELS**

- 11.1 The erection of any sheds, glasshouses or polytunnels on an Allotment Plot must have the prior consent of the Allotment Association.
- 11.2 Regarding the measurements of sheds, glasshouses and polytunnels on Allotment Plot;
- 11.2.1 a shed for storage shall not exceed width 2.5m x length 3m x height 2.5m;
- 11.2.2 a glasshouse shall not exceed width 2m x length 3m x height 2.4m; and
- 11.2.3 a polytunnel shall not exceed width 3m x length 10m x height 2.5m .
- 11.3 The erection of any building or structure must be in accordance with planning legislation/aesthetic guideline and any materials used must be of suitable durability, in that they must be of a standard that would last at least five years and be consistent with the traditional aesthetic of the other structures on the Allotment Site. All structures must be maintained in a good and safe condition to the satisfaction of the Allotment Association. Any modification to an existing building or structure, other than as part of a regular repair, shall require the prior written consent of the Allotment Association.
- 11.4 Tenants are solely responsible for the safety and maintenance of any structure, including boundary fences, on their Allotment Plot with the clear exception of Allotment Site perimeter fencing.

## **12 MICRO ALLOTMENTS**

- 12.1 As Micro Allotments are for temporary use, the following are not permitted: garden sheds, polytunnels and greenhouses; trees and shrubs; permanent pathways; carpets; machinery left on site; fences (unless appropriately authorised by the Allotment Association).
- 12.2 The following will be permitted on a Micro Allotment: compost area not exceeding approximately 1 cubic metre; and a garden storage unit up to 1.5m wide x 1m deep x 1m high.

## **13 ACCESS BY PERSONS (OTHER THAN TENANTS) AND DOMESTIC ANIMALS**

- 13.1 Tenants shall be responsible for ensuring that any visitor whom they allow to visit the Allotment Site complies with these Regulations and the Allotment Site Rules. Failure of visitors to comply may result in the Tenant being in breach of these Regulations.



- 13.2 Dogs and other pets may be brought on to the Allotment Site but must be kept under close control and not be allowed to enter any Allotment Plot without the permission of the relevant Tenant.
- 13.3 Any Tenant who brings or allows a pet onto the Allotment Site shall ensure that any fouling is bagged and disposed of promptly and properly.
- 13.4 Pets that become a nuisance or annoyance or cause a disturbance to other Tenants should be removed from the Allotment Site.
- 13.5 Tenants shall not kennel dogs or other animals overnight on the Allotment Plot.

#### **14 THE KEEPING OF LIVESTOCK**

- 14.1 Tenants shall not keep livestock including poultry and other birds on the Allotment Plot.
- 14.2 The keeping of bees shall not be permitted other than with the consent of the Council. Any Council consent may be subject to conditions.
- 14.3 The keeping of Bees will be considered, however, numbers will be limited per site, and is at the sole discretion of the Council. The keeping of bees will be subject to a separate agreement covering, but not limited to, the following requirements of the Beekeeper:
- 14.4 A Beekeeper must demonstrate that they have sufficient experience as determined by the Council
- 14.5 The Beekeeper must comply with the Risk Assessment carried out by the Council.
- 14.6 The Council will implement spot checks to ensure compliance of the Risk Assessment and consider any alterations required to the assessment.
- 14.7 A Beekeeper must have Public Liability Insurance of £5 million which can be obtained through membership of the Scottish Beekeeper's Association. A Beekeeper must maintain insurance cover and provide proof of the insurance cover to the Council.

#### **15 ACCEPTABLE USE**

- 15.1 The following conditions apply to all Allotment Plots and Tenants:
- 15.1.1 **Barbed Wire:** Tenants shall not have or use barbed wire on the Allotment Plot;
- 15.1.2 **Bonfires:** Tenants shall not burn any material on the Allotment Plot or the Allotment Site unless it is organic material arising from the Allotment Plot and the material cannot be composted. Bonfires must never be left unattended. Tenants must give due consideration to other Tenants and neighbouring properties when choosing when and where to have a bonfire in accordance with local site rules and where relevant any rules applying to

neighbouring properties and the bonfire must not compromise or cause nuisance to other Allotment Plot Tenants or neighbouring properties. Bonfires are only permitted between 1 October to the 30 April. Allotment Site Rules will apply and may further restrict the use of bonfires at other times.

Prior to burning material, Tenants must notify the Allotment Association and the Fire Service. The Allotment Association must be notified by email with the details of the bonfire including the name of the Tenant responsible, contact details, date when burning taking place, Allotment Site and Allotment Plot number or location.

The Allotment Association reserves the right to suspend or ban bonfires on individual Allotment Sites if, in the opinion of the Allotment Association, the Allotment Association has received reasonable and justifiable complaints regarding burning on the Allotment Site.

- 15.1.3 **Compost bins:** Where there is no Allotment Site Rules for compost bins all compost bins must be to the satisfaction of the Allotment Association. Materials composted should be green waste grown on the site only and should not attract vermin.
- 15.1.4 **Fences & Hedges:** Tenants shall not erect fences or plant hedges on the Allotment Plot other than for the protection of crops. All fences and hedges must be in keeping with the traditional aesthetic of the Allotment Site and must be to the satisfaction of the Allotment Association. Hedges must be maintained to a maximum height of 1.2 metres and not cause any issue with a neighbouring Allotment Plot Tenant. Willow or elder hedging are not permitted.
- 15.1.5 **Fruit cages:** Tenants must ensure that fruit cages are kept in a safe condition and must be to the satisfaction of the Allotment Association. Fruit cage areas cannot exceed 25m<sup>2</sup> unless permission from the Allotment Association has been obtained and they should not trap birds.
- 15.1.6 **Sheds:** On sites with an Allotment Association installed shed Tenants must regularly maintain this shed and treat it with water-based preservative (non-toxic) in green, black, brown, or cedar. The Allotment Association accepts no responsibility for the maintenance or replacement of any such sheds.
- 15.1.7 **Nuisance:** Within the Allotment Site, the Tenants and any invited guest(s) shall behave in an appropriate manner and shall always be considerate to other Tenants. Tenants and guests must not do anything or cause anything to be done which is or may become a nuisance or annoyance or cause a disturbance to any other Tenants. A Tenant is responsible for the behaviour of their guest(s).
- 15.1.8 **Pathways:** Tenants shall not block or obstruct the access to the Allotment Site, nor any of the access paths within the Allotment Site.

- 15.1.9 **Material:** A Tenant must not allow their Allotment Plot to be used for the storage of including glass, timber, refuse or any other material deemed unsuitable by the Allotment Association. Any material deemed unsuitable shall be removed immediately at the request of the Allotment Association.
- 15.1.10 **Trees:** No new trees other than fruit trees on shall be cultivated or allowed to grow on the Allotment Plot. New fruit trees shall be cultivated on dwarf stock only. Fruit trees must be maintained within the Allotment Plot and shall not grow into or cause shade to be cast on neighbouring Allotment Plots. Upon request by the Allotment Association, the Tenant must remove any fruit trees that are not maintained in accordance with this clause at the Tenant's own expense.
- 15.1.11 **Water:** Allotment Site water supplies must be used only for the upkeep of the Allotment Plot. The Tenant should use water responsibly, and where possible, take measures to conserve water. Water taps are for the use of all Tenants equally and no permanent hose connections supplying an individual Allotment Plot should be attached to a tap.
- 15.1.12 **Flags, flag poles, signage, advertising banners:** Tenants shall not erect any flags, signage, flag poles or advertising banners within their Allotment Plot or any communal area without prior permission from the Allotment Association.
- 15.2 Play structures such as trampolines are not permitted within the Allotment Site.
- 15.3 The use of asbestos sheeting or any asbestos based material is prohibited. The discovery of such material must be reported to the Allotment Association. The Allotment Association will report any discovery of asbestos based material to the Council as soon as reasonably practicable.
- 15.4 Ponds are not permitted unless written permission is given by the Allotment Association. The suitability of the site and safety aspects will be contributory factors in making that decision. The Tenant will require to provide a detailed plan of the pond prior to approval given. Where ponds are permitted, children must be supervised at all times and warning signs must be displayed in prominent positions.
- 15.5 Tenants must also have regard to any Allotment Site Rules that pertain to the relevant Allotment Site.

## 16 INSPECTIONS

- 16.1 The Allotment Association shall be entitled to inspect any Allotment Plot at any time without notice. Tenants will require to provide the Allotment Association unhindered access to carry out inspections.
- 16.2 The Allotment Association may carry out general inspections/audits of allotments as often as it deems reasonably necessary which includes identifying unworked Allotment Plots i.e. not being cultivated as per the Regulations.

- 16.3 Tenants must ensure that their Allotment Plot is clearly marked with the designated Allotment Plot number and visible to the Allotment Association's inspector/auditor.

## **17 ENFORCEMENT**

- 17.1 Where a Tenant is consistently fails to meet the required standards and is in breach of these Regulations, the Allotment Association may, issue an enforcement letter to the Tenant, setting out the reasons for the breach (the "Enforcement Letter").

- 17.2 The Tenant must, within the Relevant Period of receiving an Enforcement Letter, either:

17.2.1 rectify the breach to the satisfaction of the Allotment Association; or

17.2.2 provide an explanation of any Relevant Circumstances that justify the breach to the satisfaction of the Allotment Association.

- 17.3 If, at the end of the Relevant Period, the Tenant has not either:

17.3.1 rectified the breach to the satisfaction of the Allotment Association; or

17.3.2 provided a suitable explanation of Relevant Circumstances to the satisfaction of the Allotment Association.

the Allotment Association may issue a Final Warning Letter in accordance with regulation 18 of these Regulations.

- 17.4 If a Tenant has received two Enforcement Letters within a 12-month period, and the Allotment Association intends to issue a third Enforcement Letter within that 12-month period, the Allotment Association shall instead issue a Final Warning Letter in accordance with regulation 18 of these Regulations.

- 17.5 Any information communicated to the Allotment Association to support a claim of Relevant Circumstances shall be dealt with confidentially and in accordance with applicable data protection legislation.

## **18 TERMINATION**

- 18.1 One month prior to issuing a notice of termination of a Lease, the Allotment Association shall write to the Tenant, informing them that the Allotment Association is proposing to give notice of termination (the "Final Warning Letter"), which shall include:

18.1.1 the reasons for this proposal to issue a Final Warning Letter; and

18.1.2 where appropriate, the reasons for rejection by the Allotment Association of any previous explanation of Relevant Circumstances provided by the Tenant.

18.2 The Tenant shall then have the opportunity to make representations in writing to the Allotment Association in relation to the Final Warning Letter, including an explanation of any Relevant Circumstances that justifies any failure to rectify the breach, which the Allotment Association shall take account of in making any decision. Such representations must be submitted to the Allotment Association within 28 days of the date of the Final Warning Letter.

18.3 If at the end of 28 days following the issue of the Final Warning Letter, either:

18.3.1 the Tenant has rectified the breach to the satisfaction of the Allotment Association; or

18.3.2 following consideration of the Tenant's representations, including any Relevant Circumstances, the Allotment Association no longer proposes that the Allotment Tenancy shall be terminated;

the Allotment Association shall write to the Tenant informing them of this.

18.4 If at the end of 28 days following the issue of the Final Warning Letter, either:

18.4.1 the breach has not been rectified to the satisfaction of the Allotment Association; or

18.4.2 the Tenant has not provided an explanation of any Relevant Circumstances to the satisfaction of the Allotment Association;

the Tenant shall be in breach of the Regulations and the Allotment Association may terminate the Allotment Tenancy of whole or part of the Allotment Plot by giving written notice in the form of a letter (the "Termination Letter").

The Termination Letter shall state the Termination Date, which shall be a date no less than one month from the date of the Termination Letter, and the reasons for termination.

18.5 Upon the termination of the Allotment Tenancy, the Tenant shall remove, unless otherwise agreed with the Allotment Association, all buildings and/or structures on the Allotment Plot. Where the Tenant has not returned the Allotment Plot to a lettable condition, in the reasonable opinion of the Allotment Association, the Allotment Association will advise the Tenant of the cost of this work and may carry out the works and recover from the Tenant any expenses reasonably incurred by the Allotment Association in so doing. Any buildings, structures or equipment left on an Allotment Plot will become the property of the Allotment Association and may thereafter be offered to the next Tenant.

18.6 Each Tenant is responsible for returning the keys to the Allotment Site to the Allotment Association at the end of their tenancy.

18.7 A Tenant can terminate their Allotment Tenancy at any time by giving 14 days prior written notice, however no refund of rent already paid will be made.

- 18.8 In the event of any dispute regarding the interpretation and application of these Regulations, the matter shall be referred to such of the Council's Officers, or such other person, as may be nominated for this purpose from time to time. The Council shall have regard to the 2015 Act and any regulations and guidance made under it in arriving at its decision.

## **19 EXTREME CIRCUMSTANCES**

- 19.1 If a Tenant behaves in a manner which causes fear, alarm or severe disruption to any person, the Tenant shall be issued with a Final Warning Letter, and access to the Allotment Site may be suspended.

## **20 LIABILITY FOR LOSS OR DAMAGE TO PROPERTY**

- 20.1 The Tenant shall be responsible for the safekeeping of any objects or materials (including tools, machinery, equipment, goods, plants, fertilisers and compost) which the Tenant keeps or brings on to the Allotment Site. The Allotment Association shall not be liable for the loss of, or damage to any such objects or materials, howsoever caused.

## **21 CONTACT DETAILS**

- 21.1 contact details below should be used to contact the Allotment Association regarding these Regulations or associated allotment issues:-

Allotment Association address, email address and telephone contact.

## Appendix 2



**Moray Council  
Allotment Policy**

**1. Introduction**

1.1 Allotments can provide the people of Moray with a number of benefits and can contribute to a number of objectives of Moray Council and its partners. They can produce good quality food which will contribute to food security planning; reduced carbon emission associated with importing foodstuffs and help meet the Climate Change challenge. They provide a healthy activity benefitting people's physical and mental wellbeing and the food produced can encourage healthy eating and help tackle obesity. They contribute to the partnership aim of building strong and sustainable communities by encouraging community engagement, through opportunities for lifelong learning and developing the capacity of local communities to contribute and respond to health, food security, environmental and community issues.

1.2 The Community Empowerment (Scotland) Act 2015 Act updates and simplifies legislation on allotments and allotment sites and places certain duties upon local authorities. These include the **requirement** to maintain waiting lists, take reasonable steps to provide allotments if the waiting lists exceed certain trigger points and develop allotment site regulations.

- 1.3 The meaning of 'allotment' and 'allotment site' are defined within the act as;

Allotment means land that –

Is owned or leased by the local authority

Is leased or intended for lease by a person from the authority,

AND

Is used or intended for use –

Wholly or mainly for the cultivation of vegetables, fruit, herbs or flowers,

AND

Otherwise than with a view to making a profit

Allotment site means land that –

Consists wholly or partly of allotments, AND

Land owned or leased by a local authority that may be used by tenants of allotments in their use of allotments

Community Management Group –

A group who represents the interests of all or the majority of the tenants of the allotments on a particular site. The 2015 Act sets out the management functions that are permitted to be delegated to an individual or group.

## 2. Policy Statement

- 2.1 This policy is to provide guidance and principles that will allow the Council to work with all stakeholders to identify and develop allotment sites. It also provides information on responsibilities and guidance to support partnership working between Moray Council, voluntary sector agencies, Community Management Groups, and other stakeholders in managing allotment provision.

## 3. Policy Objectives

- 3.1 The Council will work with voluntary sector agencies, Community Management Groups, individuals and statutory organisations to deliver allotments which are:
- Community led through Community Management Groups;
  - Valued and valuable local green spaces, which protect and enhance the environment and promote improved biodiversity;
  - Providing amenity;
  - Easily accessible for all;



- Well maintained;
- Well used, with a high rate of occupancy;
- Fit for purpose, with appropriate facilities;
- Managed consistently and well, in collaboration with empowered community groups;
- Economically sustainable

## 4. Policy

### 4.1 Waiting Lists

4.1.1 The Council will disseminate, and also display on the Council's website, information about all current allotment sites within Moray, including leased and privately managed sites.

4.1.2 Where allotment sites aren't currently available the Council has a duty to establish and maintain a waiting list of residents who have requested an allotment. The Waiting List will be recorded on a community-by-community basis.

4.1.3 Individuals who wish to have their name added to their local waiting list will complete an Allotment Application form, which will be available to download on the Moray Council website (or by hard copy available on request from the Moray Council Contact Centre), and submit it to the council. Once received it will be held on the relevant "Waiting List". Requests for allotments will only be accepted from persons over the age of 18 who are resident in Moray.

The Waiting List will include

- The name and contact details of the person making the request
- Any special requirements;
- The size of allotment requested, if specified but no more than 250 square metres (full plot size).
- Information about the distance of the person from nearby allotment sites;

And

- The date on which the person was added to the list.

4.1.4 The Council will publish details of length of waiting lists on a community basis.

4.1.5 Details of people on a waiting list held by a Community Management Group MUST be shared with Moray Council to enable the Council to meet the requirements set out in the Community Empowerment Act for managing waiting lists and providing sufficient space for allotments.

## 4.2 Allotment Provision

The Community Empowerment (Scotland) Act 2015 Act, under Section 112, requires that once the waiting list within a particular community reaches 15 applicant, the Council takes reasonable steps to provide allotments including, but not limited to:

- Analysing demand
- Disseminating information
- Developing partnership working
- Identifying all land in the area that is suitable for growing
- Ensuring there is sufficient suitable land to satisfy future demand
- Understanding individual needs of those on the waiting list

### 4.2 Analysing Demand

4.2.1 The Council will consult with a wide range of stakeholders when carrying out an analysis of demand for allotments within a community and use on-line consultations and other methods to obtain the views of local residents. The analysis should identify local residents' needs in terms of the growing space that they need and want, and where that demand is located.

### 4.3 Disseminating information

4.3.1 The Council will advise communities once a waiting list has reached 15 applicants and clearly communicate next steps for that community.

### 4.4 Developing Partnership Working

4.4.1 Services across Moray Council will work together and with voluntary sector agencies, Community Management Groups, individuals, and other stakeholders in the design and delivery of new allotment sites.

4.4.2 The Council will work with partners to identify and support the establishment of Community Management Groups. Where these groups are suitable and willing they can apply to have management responsibilities for allotment sites delegated.

4.4.3 In order to be considered suitable a Community Management Group must:

- a) Have a suitable constitution;
- b) Be able to show it is representative of at least a majority of tenants/residents;
- c) Show an understanding of the regulations relating to the management of allotment sites in Moray.

#### **4.5 Identifying all land in the area that is suitable for growing**

4.5.1 The Community Empowerment (Scotland) Act 2015 requires each local authority to prepare a food growing strategy.

4.5.2 [The Moray Food Growing Strategy](#) aims to ensure there are more opportunities for people who would like to grow their own food to do so. A variety of different community food growing spaces including allotments have been identified in towns and villages across Moray.

4.5.3 The Council will engage with communities, Council Services and other stakeholders to identify potential allotment sites within Moray.

4.5.4 Where Council-owned land has been identified by the Council for provision of allotments, and a Community Management Group is available, the Council will ensure the land is accessible and serviceable and lease the land to the Community Management Group who will be responsible for developing and managing the allotments.

4.5.5 The Council will support Community Management Groups by obtaining planning permission for identified allotment sites.

4.5.6 The Council will work with partners to support Community Management Groups to develop allotment sites by signposting resources and sharing best practice.

#### **4.6 Ensuring there is sufficient suitable land to satisfy future demand**

4.6.1 Where there is an unmet demand for allotments and there is no suitable Council owned land available, the Council will work with partners to approach private landowners to discuss options for making additional land available for allotments provision and support Community Management Groups to agree lease arrangements with the relevant landowner.

4.6.2 If there is sufficient demand but no current Community Management Group then the council should consider direct provision, with ongoing capacity building support provided to the allotment users to develop into a management group, at which point the council can lease to the Community Management Group.

#### **4.7 Understanding individual needs of those on the waiting list**

4.7.1 The Council will work with partners to offer allotments of the size requested as reasonably close to a person's place of residence as possible (where possible within a 3 mile radius of the person's residence or within a 20 minute journey on public transport).

4.7.2 If the closest available size of allotment to that which was requested is offered and rejected, the person shall remain on the list until an allotment of the size requested is offered and accepted.

- 4.7.3 To ensure those on the list have the best chance of obtaining the size of allotment requested, the Council will signpost individuals to private sites in the area, and remove the individual from the waiting list if they subsequently accept such an alternative arrangement and formally withdraw their request for an allotment from the local authority.

## 5. Lease Arrangements

- 5.1 Leases between the Council and Community Management Groups will take into consideration the relevant provisions of the Community Empowerment Act.

## 6. Allotment Site Regulations

- 6.1 The Council will make allotment site regulations which provide for all allotments within the local authority area, which may include different provisions for different areas or allotment sites. The Council will consult widely with a wide range of stakeholders (e.g. allotment holders and persons on the waiting list) and take their views into consideration when preparing regulations.

## 7. Delegation of Management of sites

- 7.1 Where a site is leased by a Community Management Group they have the right to request delegation of management functions (to the extent of the functions listed in section 123(3) of the Community Empowerment Act. Delegation of functions is not a substitute for local authority duties regarding the management of allotment sites and waiting lists, and the setting or regulations.

7.1.1 In this instance management functions relates to all actions regarding the management of allotment sites.

7.1.2 Requests must be made in writing (or email) and must include both the name and address of the person(s) making the request and any other information necessary to handle the request.

7.1.3 Once a request is made the Council will respond with its decision within 28 days of the initial request, unless further information is required.

7.1.4 Where the Council requires further information this will be made no more than 14 days after the date of the initial request.

- 7.1.5 Where there has been a request for additional information the Council will take no more than 56 days from the initial application to determine the outcome of the request.
- 7.1.6 If a request is approved then an agreement will be created in collaboration with the group making the request as to which duties will be delegated and when that delegation will be reviewed.
- 7.1.7 Where a request is refused the group will be informed as to the reasons why.
- 7.1.8 Where a subsequent request is made following a refusal the group is expected to outline any actions that have been taken to address the reasons for the initial refusal.
- 7.1.9 The Council will monitor the operation of delegated functions. Any material disagreement between the local authority and Community Management Group will be dealt with under the Councils existing complaints procedure.
- 7.1.10 The Council has the power to revoke delegated functions where it reasonably believes that they are not being carried out satisfactorily.

7.2 At the entrance to each allotment site a full list of all regulations relating to the allotment site will be displayed.

## **8. Use of Council and other premises for meetings**

- 8.1 A Community Management Group may request use, free of charge, of a Council premises, or a premises run on the Council's behalf, for the purposes of holding a meeting of the tenants of allotments on the site about the site.
- 8.2 The request must be made in writing, contain contact information and details of the proposed meeting and be made at least one month before the date on which the meeting is proposed to take place.
- 8.3 The Council must within 14 days of receiving the request
- Grant the request
  - Offer the person an alternative date, time or location for the proposed meeting, or

- Refuse the request.

## 9. Disposal of Allotment Sites Owned by the Council

9.1 The Council may not dispose of, or change the use of, the whole or part of an allotment site without the written consent of the Scottish Ministers. Any transfer of ownership of whole or part of an allotment site without the consent of the Scottish Ministers will be of no effect.

9.2 The Council must offer the tenant of the affected allotment(s) a lease of another allotment of an area the same as or similar to that of the tenant's allotment on the same allotment site or within a reasonable distance of the allotment site, if practical and necessary.

## 10. Termination of lease of allotment or allotment site

10.1 The Council may terminate the lease of the whole or part of the allotment or allotment site on a specified date but only if;

10.1.1 The tenant of the allotment or the allotment site has been given one month's notice of termination in writing where there has been a breach of allotment site regulations by the tenant.

Or

10.1.2 The tenant of the allotment or the allotment site has been given notice of termination in writing at least one year before the specified date if the Scottish Ministers have consented to the disposal or change of use of the allotment site or the renunciation by the Council of lease of the site.

## 11. Resumption of allotment or allotment site by local authority

11.1 Where a Community Management Group or other group of individuals leases an allotment or an allotment site from the Council, the Council may resume possession of the whole or part of the allotment or the allotment site only if

- (i) The resumption is required for building, mining or any other industrial purpose or for the construction, maintenance or repair of any roads or sewers necessary in connection with any such purpose

And

- (ii) The Council has given the required notice in writing at least three months before the date on which the resumption is to take place and it specifies that date

And

(iii) The Scottish Ministers have consented to the notice

11.2 The Council must offer the tenant of the affected allotment(s) a lease of another allotment of an area the same as or similar to that of the tenant's allotment on the same allotment site or within a reasonable distance of the allotment site, if practical and necessary.

## 12. Annual Allotments Report

12.1 By the 30<sup>th</sup> June each year, an annual report will be prepared covering;

For each allotment site-

- Location, size, and number of allotments
- Number of persons on waiting list as of last day of reporting year
- Number of persons waiting more than 5 years on list

Where the list is more than 15 or more than one person has been on list for more than 5 years-

- Any reasonable steps being taken to address the need of these person(s)
- Reasons why the duty to provide has not been met

General-

- Number of persons added/remove from lists
- Any other reasonable and relevant information relating to the performance of allotment sites

12.2 The report will be published on the Council's website.

## 13 Allotment Requests - Tasks and Responsibilities

Supporting the development of allotments requires work across several Council services. These are outlined in the table below.

	<b>Task</b>	<b>Responsibility</b>	<b>Lead Officer</b>
1	Point of contact for enquiries – through dedicated e-mail address	Communities Service	
2	Updating allotments page on Council website	Communities Service	
3	Management of waiting list	Communities Service	

4	Capacity building support for Community Management Groups to become established	Communities Service	
5	Identification of land suitable for allotments	Economic Growth & Development	
6	Provision of technical information on specific sites (access, utilities, basic infrastructure)	Economic Growth & Development	
7	Preparation and submission of planning application	Economic Growth & Development	
8	Undertaking works to ensure allotment site is accessible and serviceable	Housing & Property Services	
9	Drawing up of lease	Housing & Property Services	
10	Development of Allotment Site Regulations	Housing & Property Services	
11a	Annual report Information on waiting lists and actions taken to meet need.	Communities Service	
11b	Annual Report information on current sites and occupation levels	Economic Growth & Development	
11c	Annual Report – information on all available sites on website	Economic Growth & Development	
	<b>If the trigger number on the list is reached and a community management group cannot be established to develop and manage the site then there will be additional tasks to set up a site and manage the allotments on an ongoing basis</b>		
a	Identifying suitable sites for allotments	Economic Growth & Development	
b	Securing sites for allotments	Housing & Property Services	
c	Developing sites to create allotments	Housing and Property Services	
d	Setting of fees for allotment holders	Environmental & Commercial Services	



e	Administration work to collect annual fees for sites	Environmental & Commercial Services	
f	Inspection of sites	Environmental & Commercial Services	
g	Capacity building support for allotment management groups to become established	Communities Service	

WORKING DRAFT






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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: ARMED FORCES COVENANT UPDATE**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 The report provides an update to Committee on the progress made in supporting the armed forces community in Moray through the Armed Forces Covenant
- 1.2 This report is submitted to Committee in terms of Section III (B) 41 of the Council's Scheme of Administration relating to formulation and review Council wide policy, strategies, priorities and objectives in relation to cross cutting issues.

**2. RECOMMENDATION**

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

- (i) Note the progress being made in delivering on the Armed Forces Covenant; and**
- (ii) Acknowledge the significant achievement in Moray Council receiving the Ministry of Defence Gold Employer Recognition status.**

**3. BACKGROUND**

- 3.1 Moray Council is a signatory to the Armed Forces Covenant which is 'a promise by the nation ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly.' Moray Council reaffirmed its support for the Armed Forces at Full Council on 29 June 2022 ([Paragraph 8 of the minute refers](#)) and requested an update on how the Council can '*support our serving and veteran community across the full range of services we provide and strengthen partnerships with the Armed Forces community*'.

- 3.2 [The Armed Forces Act 2021](#) introduced a new requirement for some public bodies, including the NHS and local authorities, to pay due regard to the principles of the Covenant when carrying out specific public functions in the areas of **education, housing and healthcare**. In Scotland these duties sit with the local authority for housing and education and the Integration Joint Board (IJB)/Health Board in relation to healthcare.
- 3.3 Moray Council has an elected member Armed Forces Champion who chairs the Armed Forces Covenant Group which reconvened in October 2021. The group meets twice yearly and brings together council and partner services along with representatives from 39 Engineer Regiment, Kinloss and RAF Lossiemouth. The group updated their Terms of Reference in November 2022 to take account of the 2021 Act.
- 3.4 There are currently two focussed working groups one for Education, and one for Childcare – with a regular update on Health from the NHS Armed Forces Champion. NHS Education Scotland have committed to supporting the [Military Access Programme](#) which aims to recruit individuals from the armed forces community to the NHS. Communications will be going out to public sector armed forces champions to make them aware of this.
- 3.5 It is anticipated that Housing will be represented on future groups and will be able to share information around how they are responding to the Covenant – for instance in the refreshed Allocations Policy which is under development.
- 3.6 An Education sub-group has been brought together for head teachers from schools with a high level of military pupils. These schools have been working to share good practice and have submitted collective funding bids to draw down Armed Forces Covenant funds. Most recently, the schools were awarded £90k for a new project which will largely pay for Pupil Support Workers for the academic year 23-24 in five schools.
- 3.7 Education colleagues have made progress with the Dandelion Project which will offer support to military families relocating to Moray. The Education Children’s and Leisure Services Committee approved the approach which will see a new support officer in place in Education to offer direct support to families as they relocate to Moray ([Paragraph 18 of the minute refers](#)). Military partners noted how timely this was with the projected increase in families coming to Moray. The approach will be to focus on Forres and Lossiemouth Associated School Group (ASG) areas first before looking to roll out across Moray
- 3.8 Childcare is an issue which has been consistently highlighted by military partners – with the RAF citing the lack of wraparound childcare provision as an operational risk in terms of staff relocation and availability. There is no statutory expectation to provide wraparound childcare which falls outwith the statutory requirements upon the Council for Early Learning Childcare (ELC) and for school education. There are particular challenges for dual serving families and single serving parents, often due to the lack of a familial support network. 39 Squadron also noted the younger demographic profile of their personnel and associated wraparound childcare needs.

- 3.9 The childcare challenges in Moray are significant – and a recent survey of around 1400 parents confirmed that insufficient wraparound childcare provision was preventing many parents, from both military households and the wider community, from fulfilling their economic potential. Moray Economic Partnership (MEP) have formed a Strategic Working Group to explore the issue, which includes direct input from military stakeholders to continue to address this and it will remain as a standing item for the Covenant Group.
- 3.10 The Covenant Group have also had strategic input from human resources (HR) colleagues. The Council has been delivering on an Improvement Plan (as part of the process of achieving Gold Employer Recognition Status) which included military service leavers and veterans Recruitment events in autumn 2022 and spring 2023 There have also been site visits to RAF Lossiemouth with elected members and staff to continue discussions on how we can work effectively together.
- 3.11 All the work undertaken in support of the Armed Forces Covenant commitment along with specific work and focus from Human Resource and Organisational Development colleagues has contributed to Moray Council receiving Gold Level status in the [Defence Employer Recognition Scheme](#) which acknowledges the embedded good practice in the organisation in relation to armed forces support. The move to Gold status award demonstrates that Moray Council recognises the value of service personnel and the Ministry of Defence Regional Employer Engagement Director, noted: “I am absolutely delighted that Moray Council have been awarded the Employer Recognition Scheme Gold award. Their commitment to support local Regular and Reserve forces and their families is at the centre of the Armed Forces Covenant, and I look forward to continuing to work with this wonderful organisation to make Morayshire a desired destination for our Regular forces, Reserve Forces and Veterans in the future.
- 3.12 The council continues to be proactive in promoting information to our colleagues who are part of the local Armed Forces community, having a dedicated intranet page on our staff communication platform. This page hosts content and monthly updates from Army Headquarters (Scotland), Age Scotland and the Veterans Project providing information on finance, careers & training, deployment and community initiatives. A recent addition to this page was a new section created for MOD Sponsored Cadet Forces.
- 3.13 HR Policies already support the needs of Armed Forces Reservists. The Special Leave policy accommodates requests for time off for attending training camps, mobilisation and/or time to support family due to emergent needs. The Flexible Working policy accommodates adjustments to the working environment to balance life and work demands. The provision of these policies provides support for both the Armed Forces community and our wider workforce

- 3.14 The Council is a major employer within Moray and welcomes the opportunity to demonstrate support publicly to the Armed Forces community. We do this in supporting Armed Service days and through activities such as flag raising and attendance at HR events which demonstrates publicly our support to the wider forces community. In February 2023, awareness raising amongst service managers was enhanced by a presentation on the RAF Benevolent Fund to a key operational manager meeting, which will be repeated on at least an annual basis.
- 3.15 Moray and Highland Council have worked together to develop learning materials to raise awareness of the Armed Forces Covenant amongst front line staff. These materials are hosted on CLIVE, the Council's in house Learning Management System – and are also available to other Community Planning partners to use. All new staff will be encouraged to undertake the Introduction to the Armed Forces training on CLIVE as part of their induction.

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

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

The report is consistent with Corporate Plan intention to create '...opportunity for all where people can thrive in vibrant communities and we work together to enrich our future' and recognition of 'the influence of the MOD on the population and job market'.

**(b) Policy and Legal**

The Council is meeting the requirements of the Armed Forces Act 2021 through the facilitation of the Armed Forces Covenant Group and associated working groups.

**(c) Financial implications**

None

**(d) Risk Implications**

None

**(e) Staffing Implications**

None other than officer involvement in Covenant Group

**(f) Property**

None

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

None

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

No climate change or biodiversity implications have been determined in relation to the council support to the Armed Forces Covenant.

**(i) Consultations**

The Head of Head of Governance, Strategy and Performance; the Chief Financial Officer; the Head of HR, ICT & OD; the HR Manager; the Acting Head of Education Resources and Communities; the Head of Education (Chief Education Officer); the Business Support Team Manager; Lindsey Robinson, Committee Services Officer and the Equal Opportunities Officer have all been consulted and are in agreement with the contents of this report as regards their respective responsibilities

**5. CONCLUSION**

**5.1 Committee is to note the progress being made in Moray to meet our commitment to the Armed Forces Covenant the significant achievement in Moray Council receiving the Ministry of Defence Gold Employer Recognition status.**

**5.2 The Armed forces Covenant Group, chaired by the elected member Champion has been successfully re-established and will continue to be the main forum where council services and partners can interact with the Armed Forces in Moray.**

Author of Report: Kevin McDermott, Communities (CLD) Service Manager

Background Papers:

Ref: SPMAN-9425411-266







**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: ICT AND DIGITAL STRATEGY AND PLAN 2023-2026**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform Committee of the progress made against the current Information and Communications Technology (ICT) and Digital Strategy and Plan and to consider the revised Strategy and Plan for the period 2023-2026.
- 1.2 This report is submitted to Committee in terms of Section III (B) (34) of the Council's Scheme of Administration relating to the development and implementation of information technology policies.

**2. RECOMMENDATION**

**2.1 It is recommended that Committee:**

- (i) **Note the progress made against the 2020-23 ICT Plan (APPENDIX 1);and**
- (ii) **approve the ICT and Digital Strategy 2023-2026 (APPENDIX 2)**

**3. BACKGROUND**

- 3.1 The Council's ICT and Digital Strategy and Plan set the direction and work required to respond to, support and achieve the priorities of the Council.
- 3.2 The ICT and Digital Strategy sets out how efficient and effective technology enables services to meet current and future service requirements in delivering the Council's priorities. The ICT and Digital Plan refers to the business needs within service departments and ensuring that the Council's systems and infrastructure are maintained and fit for purpose. The plan also helps ensure the sound management of ICT resources to maximum effect and efficiency.

- 3.3 The Strategy recognises the financial constraints within which the Council is operating, whilst at the same time continuing to enable development of improvements and modernisation through transformative activities. This includes supporting strategic and service priorities while seeking to contribute towards and enable long term sustainability.
- 3.4 Continued development of digital technologies will enhance service delivery both within and across different services. This includes, for example, digital inclusion and participation and seeking improvements in the use of data, improving the quality of data, more intelligent and automated use of data and improved skills in this regard.
- 3.5 Technological change is fast paced and dynamic. Keeping up with the rapid pace of change and requirement for digital developments to be intrinsic in the delivery of high quality public services brings both opportunities and challenges. Adoption of new technologies will be solution oriented, evidence based, provide value for money and have clearly defined outcomes to ensure that good decisions are made that enable robust planning allowing the Council to fully resource, implement and support any new digital investment.
- 3.6 To help inform the future vision and direction for digital technology and innovation within and across services, the Council is progressing through its first Digital Maturity Assessment, the outcome of which will be used to contribute towards guiding further developments. The report from the first Digital Maturity Assessment will be available from mid-autumn following which more detailed work will be undertaken to consider the outcomes and translate those into the action plan for further development.
- 3.7 As well as digital development, the ICT Service ensures that the current infrastructure and systems remain fit for purpose. The scale of behind the scenes work this involves is significant and forms a substantial part of the action plan. Examples of the type of work this involves are essential system upgrades, patches and fixes, server and network maintenance, contract management and support services to both corporate and education network users.
- 3.8 The other most significant area which has seen a much higher profile in recent years is cyber security and resilience. Cyber-attacks across a number of public sector bodies and other organisations have been well publicised. Other factors that are seen to raise the potential for increased risks are from geopolitical developments and the impact of a more dispersed workforce. The demands arising from this for the service have grown exponentially and this remains a critical area of focus for the ICT Service.

## Progress on 2020-2023 Strategy and Plan

3.9 Progress has been made on the majority of the actions as follows.

### Transformation:

Increased number of services available digitally to the public - these include Short Term Lets, Nursery Registration, 2-Year Old Registration. Now 89 services available online via e-Forms up from 54 in 2020/21, leading to 42,804 digital submissions in 2022/23. Other Services are also available to the public online e.g. Council Tax, Housing Rent / Points & Positions, Parents Portal etc.

Increased number of users of additional online services - see above plus Table 1 which illustrates the numbers of Councils Website Users, Sessions and Page Views have all increased between 2020/21 and 2022/23.

TABLE 1: Total Council web site usage stats for the last 3 years

Period	Users	Sessions	Page views
20/05/22 – 29/05/23	1,098,667	1,354,079	1,913,299
29/05/21 – 29/05/22	822,402	1,051,799	1,622,326
29/05/20 – 29/05/21	795,930	969,239	1,597,254

M365 - developed and implemented. The M365 project is now 71% completed and a roll out of the core solution is scheduled to take place by the end of October.

Roll out of hardware (e.g. laptops / phones) and software (e.g. Microsoft Teams) to support mobile and flexible working, and taking this work forward as part of the Smarter Working project.

When system contracts are being renewed the option of having that system hosted is considered and a move to the cloud is taken when there is a strong business case and a suitable risks / benefits return. e.g. Gladstone, M365, Parents Portal, Public-i.

### Decision Support

Increased provision of Dashboards and automated reporting, Data Sharing work with DHI on Patient Personal Data Store, Teams Federation with NHS and other Councils.

### Compliance

Accreditation work for both the corporate and education networks, implementation of an online learning platform to raise security awareness and to enable regular phishing simulation exercises.

## Forward Planning

Support for the preparation of an updated ICT strategy for schools.

- 3.10 Additional demands have arisen due to a growing demand for digital from services to drive efficiencies and provide the public with a more streamlined service. There is also an increased number of upgrades and patches required on systems to ensure they remain secure. Opportunities from working in partnership with other Councils and Public bodies (DHI, NHS Federation, Digital Scotland etc.) are useful but do require an allocation of resource.

Further additional demands have come from the increase in cyber incidents and cyber security related work, unplanned work (e.g. replacement of the corporate anti-virus solution), supporting a much larger proportion of remote workers as support calls generally take longer, recruitment challenges and responding to the priorities of other services.

## Proposed ICT and Digital Strategy 2023-2026 – Key Themes

- 3.11 The proposed ICT and Digital Strategy continues to build on the progress made to date and provides a sharper focus on the further development of the council's digital maturity through exploration, identification of and implementation of digital technology across services. This includes technology that supports the virtual and collaborative nature of hybrid working, the use of Artificial Intelligence and Cloud services. Fundamental to this developing maturity will be proactive and positive engagement with services on potential digital developments for both current and new technologies.
- 3.12 Developments encompassed within the overall strategy which will carry a high priority include:
- Digital Developments - advancing technologies e.g. Artificial Intelligence, Power Apps, tools for increased collaboration
  - Cyber Resilience
  - Cloud Computing
  - Intelligent Use of Data including further collaboration and shared access
- 3.13 Developments within Education are also key to maximising the use of digital inclusion in learning and teaching that will support improving attainment as well as providing positive skills and confidence that form a firm foundation for future employment and other positive destinations for our young people.
- 3.14 Demands related to cyber security and resilience have increased following a number of high-profile cyber-attacks on large public institutions, geo-political developments and the potential risks associated with increased remote working. This is also reflected within the Strategy and Plan.
- 3.15 Working collaboratively with partners and developing our approach to enhanced use of data, including 'big' data, analytics and data sharing also gains prominence in the strategy and plan.

- 3.16 Taking account of the ongoing requirement to 'keep the lights on', ensuring the Council's ICT systems and infrastructure remain fit for purpose and compliant with appropriate standards also remains a core part of the proposed approach.

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

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

The contents of this report are in accordance with the priorities set out in the Corporate Plan and set out how to make best use of technological resources to support the Council to meet current and future objectives and challenges.

**(b) Policy and Legal**

None.

**(c) Financial implications**

There are no immediate financial implications the pace of technological development is rapid and trends within the technological environment will be monitored for potential risk and impact e.g. the push from providers to move to Cloud based services.

In addition to this, ICT devices and infrastructure as a result of increased remote working will require to be maintained and replaced potentially at a faster rate than the previous desktop personal computer estate, therefore, in the medium term consideration of a revised rolling programme of maintenance will be required, which will have to be accommodated in the council's financial planning.

**(d) Risk Implications**

The ICT and Digital Strategy and Plan are based on assessment of the issues and risks anticipated in relation to the council's technological requirements and identify actions to address these. The actions in the ICT plan have been prioritised and if necessary, activity will be reduced or ceased on those actions ranked lowest. Given the focus on transformation through responding to the Best Value Audit Report, budget related changes, modernisation and improvement it will be challenging for the ICT service to deliver on all of the work identified and so there is a risk of slippage that could have an impact on services. Any issues and proposed remediation will be identified for consideration CMT-SMT. The requirement for additional ICT support on an ongoing basis to support the number of mobile devices in use across the council (140% increase over the course of the pandemic) also remains a demand which continues to be monitored.

With reference to links with the ICT and digital developments within Education, the main objective is to ensure the ICT infrastructure is in a state of readiness to support further digital developments such as equitable access and digital learning environments to minimise the risks of further digital inequity and the consequent impact on learning and teaching, attainment and achievement.

**(e) Staffing Implications**

There are no direct staffing implications arising from this report. However, if the resources required for the ICT service to deliver the actions in the ICT will be monitored carefully.

As the Council continues to respond to the pandemic, seeks to transform and modernise and prepares its financial plans, it is likely that specific technological issues will emerge. Account will be taken of the whole council strategic management of these technological issues as they emerge by involving the ICT team in the planning of the required changes.

**(f) Property**

None.

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

The ICT team continually monitor accessibility standards ensuring the internal and external websites are compliant.

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

The ICT service is represented on the Council's Climate Change Board and works closely with the Climate Change Team to achieve actions in the Climate Change Action Plan. Supporting the move to increased remote working contributes towards the reduction of carbon emissions from commuter travel.

**(i) Consultations**

CMT-SMT and Service Managers have been consulted on the draft documents and their views incorporated into the proposals. The report has also been circulated to Committee Services and comments incorporated.

**5. CONCLUSION**

- 5.1 The ICT Section continues to enable efficient and effective service delivery and transformation. While there has been a particular focus on facilitating mobile and remote working for large numbers of the workforce more recently, there has also been progress in catching up on the backlog of work that resulted from the diversion of resources during from March 2020 through to approximately Autumn 2022 that were working on pandemic related impacts.**
- 5.2 The ICT and Digital Strategy and Plan recognise the importance of making progress with enhanced use of digital technologies whilst maintaining business as usual systems, infrastructure and security.**
- 5.3 The Committee is asked to approve the revised ICT and Digital Strategy 2023-2026 and supporting action plan which will be reviewed annually with services.**

Author of Report: Frances Garrow, Head of HR, ICT & OD  
Background Papers:  
Ref: SPMAN-1656699058-137 / SPMAN-1656699058-138 /  
SPMAN-1656699058-139





**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

## APPENDIX 1

Priority Rating:				
1 – critical in terms of scale of impact and/or to success of other actions				
2 – wide scale impact and/or supports achievement of other outcomes				
3 – clear benefits but importance may be outweighed by other actions				
4 – ongoing area of work where further development is not required at this stage				
PROJECT/ACTION REQUIRED	PLANNED OUTCOME	Lead	Timescale	Priority Rating
<b><u>PRIORITY 1: Transformation</u></b>				
1.1 <u>Develop the Council's Digital Approach</u>  Liaise with services to identify and promote development of digital technologies that support effective and efficient service delivery using insight from the Digital Maturity Assessment as a guide.	Expansion and enhancement of the use of digital technologies across services to improve the efficient and effective delivery of services and ways of working  <u>Measures:</u>  Increased number of services available to the public online  Increased number of users of additional online services  Increased use of digital technology to strengthen learning, teaching and assessment  10% increased use of digital technologies in key strategic projects	Info Sys Mgr	Mar 24/5 or per project	1
1.2 <u>Develop Cloud Strategy</u>  Proactively investigate options to deliver efficiencies through the adoption of "cloud" / "online" services where they comply with PSN requirements, provide cost effective solutions and do not introduce unnecessary risk to the operation of the council.	Benefits of adopting cloud based solutions are identified and incorporated where there is a robust business case for doing so.  <u>Measure:</u>  10% of services moved to the Cloud as assessed viable through agreed procurement and contract management procedures	Info Sys Mgr	Mar 25/6	2
1.3 <u>Shared Services</u>  Participate in further development of a shared network protocol with NHS to enable improved capabilities for shared working with IJB.	Approach to shared services with NHS supporting future data sharing and joint working initiatives.  <u>Measures</u>	Info Sys Mgr	Mar 2025	• 2

**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

**Priority Rating:**

- 1 – critical in terms of scale of impact and/or to success of other actions
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PROJECT/ACTION REQUIRED	PLANNED OUTCOME	Lead	Timescale	Priority Rating
	Network protocol agreed and implemented enabling effective shared working for Health & Social Care.			
<p><b>1.4 <u>Intranet Improvement</u></b></p> <p>Further develop the intranet to provide secure access to all staff and to promote the intranet as a staff engagement vehicle.</p>	<p>Improved intranet facility with a clear focus on corporate communication that support the council's culture and the employee</p> <p><u>Measure:</u></p> <p>Secure access to interchange for all staff and underlying content</p> <p>Noticeboard functionality opened up to all council staff</p> <p>All staff have the facility to subscribe to alerts for council services</p>	Info Sys Mgr	Oct 2024	2
<p><b>1.5 <u>M365 Project</u></b></p> <p>Complete the M365 project.</p>	<p>Collaborative working fully facilitated through implementation of M365</p> <p><u>Measures:</u></p> <p>90% online staff with access to M365 suite</p> <p>90% online staff using M365 suite</p> <p>Increase in number of staff that feel they have the communication tools they require for hybrid working</p>	Info Sys Mgr	Oct 23	2
<p><b>1.6 <u>Smarter Working:</u></b></p> <p>Support the Smarter Working project in embedding hybrid working in relevant areas</p>	<p>Hybrid working established as the norm. Council has the capacity to flex and contract homeworking in line with the organisational, national and regional requirements</p> <p><u>Measures:</u></p> <p>Equipment for hybrid meetings rolled out</p>	Info Sys and ICT Infra Mgrs	Oct 23	2

**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

**Priority Rating:**

- 1 – critical in terms of scale of impact and/or to success of other actions
- 2 – wide scale impact and/or supports achievement of other outcomes
- 3 – clear benefits but importance may be outweighed by other actions
- 4 – ongoing area of work where further development is not required at this stage

PROJECT/ACTION REQUIRED	PLANNED OUTCOME	Lead	Timescale	Priority Rating
	<p>Infrastructure for expanded WiFi implemented in line with Smarter Working project plan</p> <p>80% office based staff utilising mobile devices</p> <p>80% office based staff working flexibly</p> <p>Reduction in number of fixed workstation requirements</p>			
<b><u>PRIORITY 2: Business Intelligence and Insight</u></b>				
<p><b>2.1 <u>Master Data Management</u></b></p> <p>Continue with the development of a single trusted view of our customer to ensure consistency, accuracy and trust in the data held to the benefit of the customer and to add further efficiency to council services.</p>	<p>Development of a framework to establish a data sharing solution where data is requested once.</p> <p><b><u>Measures:</u></b></p> <p>Expansion of a golden record for those customers who contact the council.</p>	Info Sys Mgr	Mar 2025/6	1
<p><b>2.2 <u>Data Sharing</u></b></p> <p>Share data, where appropriate, with council services and partner organisations to add value to council services.</p>	<p>Data requested once and shared across council services where appropriate.</p> <p><b><u>Measures:</u></b></p> <p>Data sharing agreements documented.</p> <p>Integration with back office systems and golden record.</p>	Info Sys / ICT Infra Mgrs	Oct 24	1
<p><b>2.3 <u>Open Data / Access to Information</u></b></p> <p>Explore and enable data analytics, digital dashboards for staff, elected members and the public to view data and to better understand the underlying trends within their service and the actions required to address any issues or to improve services.</p>	<p>Develop approach and co-design with services use of big data to connect data, develop analytics to inform and drive service efficiency, access to accurate and timely information to enable informed decision making.</p> <p><b><u>Measures:</u></b></p> <p>Suite of datasets identified for inclusion within a digital dashboard environment.</p>	Info Sys/ ICT Infra Mgrs	Mar 24	1

**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

Priority Rating:				
1 – critical in terms of scale of impact and/or to success of other actions 2 – wide scale impact and/or supports achievement of other outcomes 3 – clear benefits but importance may be outweighed by other actions 4 – ongoing area of work where further development is not required at this stage				
PROJECT/ACTION REQUIRED	PLANNED OUTCOME	Lead	Timescale	Priority Rating
	Use of Power BI and Power Apps to mine and use big data effectively			
2.4 <u>Usage Reports</u>  Develop usage reports for managers to understand how their service is making use of ICT.	To make best use of infrastructure used by services  <u>Measures:</u>  Usage reports for licences, equipment and access to systems.	Info Sys Mgr	Mar 25	3
2.5 <u>Automated Monitoring</u>  Introduce automated system monitoring arrangements for our online services	Monitoring tools installed and configured to monitor customer service solutions to deliver regular performance reports and major system alerts.  <u>Measures:</u>  a) Daily reports produced. Alerts for major performance issues	Info Sys Mgr	Oct 2024	3
<b><u>PRIORITY 3: Compliance</u></b>				
3.1 <u>Cyber Resilience</u>  Implement enhanced measures to manage cyber security and resilience risks	Enhanced measures for managing cyber security and resilience risks implemented through a planned and prioritised programme of work  <u>Measures:</u>  Plan implemented for enhanced risk based approach as per timescales  80% of online workforce completed e-learning modules	ICT Infra Mgr	Mar 25	1
3.2 <u>Information security</u>  Review our ICT Security Policy to ensure that security controls are adequate and up to date.	ICT infrastructure and systems are secure and meet the required accreditation standards.  <u>Measures:</u>  Continued PSN accreditation	ICT Infra Mgr	Mar 24	2

**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

<b>Priority Rating:</b>				
1 – critical in terms of scale of impact and/or to success of other actions				
2 – wide scale impact and/or supports achievement of other outcomes				
3 – clear benefits but importance may be outweighed by other actions				
4 – ongoing area of work where further development is not required at this stage				
<b>PROJECT/ACTION REQUIRED</b>	<b>PLANNED OUTCOME</b>	<b>Lead</b>	<b>Timescale</b>	<b>Priority Rating</b>
	Cyber essentials accreditation			
3.3 <u>Windows Desktop</u>  Maintain our desktop estate to ensure it is on a recent version of operating system and office productivity toolset.	Migration to latest version of Microsoft Windows / Office.  <u>Measure:</u>  All devices migrated.	Info Sys Mgr	Mar 25	2
3.4 <u>Business Continuity</u>  Review our business continuity arrangements to mitigate against potential risk to position the council to deliver essential functions in the event of a disaster.	Development of a business continuity plan to ensure that services continue to operate during emergencies or disasters.  <u>Measure:</u>  Business continuity plan documented.	ICT Infra Mgr	Mar 2024	2
3.5 <u>Secure email</u>  Migrate to the next generation secure email for PSN to continue to provide secure email solutions for communicating with government bodies.	Implementation of a secure email solution to ensure continued communication with other government bodies.  <u>Measure:</u>  Secure email blueprint solution implemented.	ICT Infra Mgr	Jan 2024	1
3.6 <u>Support methodology</u>  Enhance the use of ICT support desk platform to introduce robust best practice processes and improved reliability and quality of service.	Consistent approach to support is provided across all aspects of the ICT Service.  <u>Measures:</u>  Evaluation/satisfaction tool implemented	Info Sys Mgr	Mar 2024	3
<b><u>PRIORITY 4: Forward Planning</u></b>				
4.1 <u>Cloud Strategy</u>  Investigate options to deliver efficiencies through the adoption of “cloud” / “online” services where they comply with PSN requirements, provide cost effective solutions and do not introduce unnecessary risk to the operation of the council.	Benefits of adopting cloud based solutions are identified and incorporated where there is a robust business case for doing so.  <u>Measure:</u>  10% of services moved to the Cloud as assessed viable through agreed	ICT Infra Mgr	Mar 24	2

**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

**Priority Rating:**

- 1 – critical in terms of scale of impact and/or to success of other actions
- 2 – wide scale impact and/or supports achievement of other outcomes
- 3 – clear benefits but importance may be outweighed by other actions
- 4 – ongoing area of work where further development is not required at this stage

PROJECT/ACTION REQUIRED	PLANNED OUTCOME	Lead	Timescale	Priority Rating
	procurement and contract management procedures			
<p>4.2 <u>Corporate System Replacements</u></p> <p>Identify, plan and schedule large scale corporate system replacements</p>	<p>Corporate system replacements (Lagan, Care First, Content Management System) are robust, secure and suitable for a digital first Council</p> <p><u>Measures:</u></p> <p>Systems replaced within scheduled timeframes</p> <p>Compliance with procurement procedures and due technical diligence</p>	Info Sys / ICT Infra Mgrs	As required	2
<p>4.3 <u>Corporate and Education network and device infrastructure</u></p> <p>Ensure appropriate technology is available to suit long term corporate and educational requirements, current refresh, network capability and schools own purchases</p>	<p>Corporate and Education users are well equipped with network capability and devices to carry out their work efficiently and effectively.</p> <p><u>Measures:</u></p> <p>Corporate refresh completed in line with budgetary allocation</p> <p>Education refresh completed in line with school requirements and budgetary and device allocation</p> <p>Network capability meets corporate and educational requirements</p> <p>Schools own purchases received, configured and delivered/installed efficiently and timeously</p>	ICT Infra Mgr	Oct 2023	2
<p>4.4 <u>Application development</u></p> <p>Review mobile application development tools and standards.</p>	<p>Benefits of adopting mobile application development tools and standards identified and incorporated into forward plans.</p> <p><u>Measure:</u></p>	Info Sys Mgr	Oct 2024	2

**Moray Council**  
**ICT & DIGITAL ACTION PLAN 2023/4**

Priority Rating:				
1 – critical in terms of scale of impact and/or to success of other actions 2 – wide scale impact and/or supports achievement of other outcomes 3 – clear benefits but importance may be outweighed by other actions 4 – ongoing area of work where further development is not required at this stage				
PROJECT/ACTION REQUIRED	PLANNED OUTCOME	Lead	Timescale	Priority Rating
	Development of mobile application business case.			
4.5 <u>Review the Unix Server infrastructure</u>  Review the Unix server infrastructure to ensure we continue to deliver value for money.	Benefits of continuing with the unix server infrastructure identified and incorporated into forward plans.  <u>Measure:</u>  Development of business case for unix server infrastructure.	ICT Infra Mgr	Oct 2024	1
4.6 <u>Telephony</u>  Review the telephony strategy taking account of any residual potential for unified communications within the council to deliver further efficiency savings, linking with M365 implications where appropriate, accommodating PSTN shutdown and other relevant developments	Benefits of implementing a structured telephony strategy including potential for unified communications, PSTN shutdown and incorporating into forward plans.  <u>Measure:</u>  Development of a telephony strategy  Development of options appraisal for demands arising from PSTN shutdown  Business case for unified communications	ICT Infra Mgr	Oct 23	2
4.7 <u>Rationalise Applications</u>  Review the application portfolio with a view to rationalising the number of applications in use throughout the council, reduce the number of systems to be supported and consolidate the number of data sources.	Benefits of system rationalisation identified and incorporated into forward plans.  <u>Measure:</u>  Development of a business case for system rationalisation.	Info Sys Mgr	Jan 2024	3
4.8 <u>New Solutions</u>  Consider the potential for new solutions e.g. AI, Chatbots, the Internet of Things to deliver improvements to service delivery and efficiencies.	Benefits of implementing solutions eg. AI, Chatbots, IoT identified and incorporated into forward plans within Services.  <u>Measure:</u>  Number of new technologies adopted within Services	ICT Infra/Info Sys Mgrs	Mar 25/6	3





**MORAY COUNCIL**  
**ICT AND DIGITAL STRATEGY (2023-26)**

## 1. Introduction

1.1 The Moray Council ICT and Digital Strategy 2023-2026 sets out how ICT Service will support the delivery of technology, digital and efficiency related demands within the Moray Council's Corporate Plan.

1.2 The ICT service as an enabling service recognises the need to support the ambitions of the council and adopt a transformational approach to the use of ICT and digital to deliver against these priorities.

1.3 In particular this ICT and Digital strategy is aligned with the Corporate Plan to deliver against the priorities through:

- Developing collaborative working through improved capabilities for joined up working and data sharing across services (including schools) and partners
- Increasing the availability and access to easy to use self-service for all employees and customers.
- Supporting employees to develop their digital skills to make best use of technology through specific projects e.g. Smarter Working and M365.
- Providing staff with improved access to the data needed to inform their decision making.
- Making data available to the public to raise awareness of council services and how they work.
- Adopting best practice in key ICT and digital activities
- Protecting the data held by the council through robust security arrangements.
- Preparing plans for the future potential uses of technology in line with service specific and cross cutting digital developments including identification of digital competence gaps, emerging technologies and the acquisition of new skills
- Development of digitally enabled learning environments that support increased access to learning and training, building digital literacy and resilience
- Refining the Council's approach to Cloud Services
- Improving the council's cyber resilience and security arrangements to protect ICT, digital and systems infrastructure
- Supporting the delivery of council services.

## 2. Drivers

2.1 This revision of the Moray Council ICT and Digital Strategy has been developed against the background of the following drivers:

Ways of Working - The impact of the COVID-19 pandemic accelerated changes to the ways of working with the Council readjusting at pace and scale to accommodate increased homeworking and delivery of new and existing services to a digital format. This strategy has been revised to accommodate the substantive changes the pandemic brought in terms of the council's priorities and how the ICT Service has and will continue to contribute as a key enabler towards their achievement.

Corporate objectives - The ICT and Digital strategy is aligned to the council's overarching strategic priorities contained within the Corporate Plan and the Local Outcome Improvement Plan including enabling and supporting transformational change required for modernisation and improvement within and across services.

Services and staff expectations - Council services are becoming increasingly reliant on technology with an increased expectation from and of services to have access to reliable and forward looking technology which helps them do their job rather than constrains them. They require greater flexibility in the way they work and use technology to be more productive whether at their desk, in the field or from home. Services expect:

- Access to accurate, trusted and timely information and data to perform in their role and to assist decision making.
- Development of their services using technology to improve service delivery and achieve efficiency savings.
- To develop their knowledge and skills to deliver change.

Customer expectations - Customers are continuing to be increasingly dependent on digital services and in the same way they expect "on demand" access to commercially available day to day services their expectations of access to council services is also changing. This is driving a change in the way they expect council services to be delivered to them and the council must change to meet their expectations. This includes:

- Placing the citizen at the core of responsive services, accessing services at a time and place that is convenient to them and on their chosen device.
- While acknowledging potential compliance issues most of our customers expect public services to be “joined up” and at the very least with all Departments within the council. Sharing of data within the council and across partner organisations to deliver improvements to service delivery is imperative to the customer experience.
- Consistency and openness in all their dealings with the Council.
- Choice in how they access services. Although there is an expectation that we will provide online services there is a need to balance this with choice. While we aim to deliver online services in an easy to use manner and encourage the uptake of these online services there is a need to cater for those that prefer, or otherwise do not have access to, online solutions, although the expectation of delivering online solutions as opposed to face to face experiences has increased out of necessity due to COVID-19.

Digital Development (Technological change) - Digital developments provide the potential to transform council services and there are increasing demands of service and customer expectations, the opportunities available from new technologies and the challenges these present including increased investment, skills development, security requirements. While the Council has a history of significant digital progress through the Moray Connected project, ongoing work with specific services and responding to the service specific demands of the pandemic, further enhancements and ongoing expansion of digital technology will remain a priority within this strategy.

The Council’s Digital Maturity Assessment (through the Digital Office (Scotland)), and the report and actions arising from that assist in identifying additional drivers for future developments.

In addition to this there are organisational culture and behaviour changes that are often required to support successful implementation of new technology.

Technology developments that will impact on the delivery of this strategy include:

- Digital developments – actions and outcomes from the Digital Maturity Assessment report and action plan
- Cyber resilience - cyber resilience has acquired an increasingly high profile following a number of well publicised cyber-attacks on public sector organisations, geo-political developments and raised warnings from the UK National Cyber Security Centre and SG Cyber Resilience Unit. This has resulted in a significant increase in the work required to comply with standards arising from the UK and SG responses to the external environment

- Supporting increasing numbers of technologies and user bases including for teachers, children and young people through the Digital Inclusion work
- The growth in Cloud computing.
- The use of social media as a service delivery vehicle.

## **4 Principles**

All developments within the strategy will be guided by the following principles to provide consistency and clarity around the work undertaken.

### **4.1 Information management**

ICT solutions will be developed to ensure they maintain the security, confidentiality and integrity of all personal data in line with the requirements of the General Data Protection Regulations (GDPR), other security standards such as the Payment Card Industry Data Security Standards (PCI/DSS) and the Scottish Governments Cyber Resilience Programme.

We will

- Protect the data held through the implementation of best practice security standards.
- Engage with the Scottish Governments cyber resilience programme.
- Encourage the adoption of open data where possible.
- Improve data available for decision making.

### **4.2 Digital first**

To continuously improve digital services with the focus on the customer we aim to adhere to the Digital First Service Standard and the 3 themes of user needs, technology and business capability / capacity for all digital services, processes and supporting ICT.

We will

- Develop systems and processes with the customer at the centre
- Encourage adoption of online, no contact services
- Communicate with our customers electronically where possible.
- Add efficiency to service delivery
- Do it once – share information where possible
- Develop the digital skills of our staff
- Prepare for the future by monitoring developments in technology

### **4.3 Reuse**

The council utilise a range of systems to deliver services to the public and the core applications will become increasingly important as we pursue a joined up

council. Where we are looking for change we will seek to reuse or improve existing applications rather than developing from scratch.

We will:

- Reuse solutions and reduce the total number of solutions supported
- Process redesign through the reuse of existing tried and tested solutions
- Reduce the duplication of data collected and establish a single view of our customer

#### **4.4 Managed risk**

There is a need to employ risk management to drive the service but a balanced approach will be required to avoid risks preventing or inhibiting progress to the detriment of our service users.

We will:

- Work with services to understand their requirements
- Keep services aware of the art of the possible
- Pro-actively look for solutions rather than inhibit development of council services
- Remove barriers where possible, but where there is a valid reason why requirements cannot be met, we will provide a clear explanation

### **5. Priorities**

From the preceding drivers and principles of this ICT and Digital Strategy, 4 key priorities have been identified for this latest 5 year ICT and Digital Strategy.

- Transformation
- Business Intelligence and Insight
- Digital Culture
- Compliance

#### **5.1 Transformation**

The Council seeks to transform services and introduce change for our customers while driving service efficiencies. To support these ambitions the ICT Service will aim to:

- a) Extend the availability of online services available to the public and provide a single view of their transactions with the council via the customer portal.
- b) Participate in the development of a shared network protocol with NHS to enable improved capabilities for shared working Health and Social Care Moray and Digital Health Innovation Group.

- c) Further develop the intranet to provide secure access to all staff wherever they are working and to promote the intranet as a staff engagement vehicle.
- d) Assist in developing a maturing digital culture within the Council. A more informed, mobile and technology or digital aware workforce is one of the main enabling factors for the transformation of service delivery. Employees must be provided with the tools to enable them to provide and manage the delivery of services anytime and anywhere. They must have the training and support to enable them to make best use of the tools available to them.
- (e) Work with Education ICT Strategy Group to deliver the infrastructure to meet the future needs of ongoing Curriculum Reform and key objectives for successful digital learning and teaching.

## **5.2 Business Intelligence and Insight**

Data is one of our most valuable assets and although Moray Council holds vast amounts of data it is primarily held in departmental silos. To unlock the value of this data an open and transparent approach will be developed. Providing open and transparent access to data will provide employees the information to perform their role, managers with the data to manage the service, Elected Members with the data to make decisions based on timely and relevant information and also importantly enable the public to understand the reasons for the decisions we make. To support this priority we aim to:

- a) Continue with the development of a single trusted view of our customer to ensure consistency, accuracy and trust in the data held and to benefit the customer and provide further efficiency to council services.
- b) Share data, where appropriate and as guided by individual services and partners in line with data protection principles and general data protection regulations to add value to council services using robust and transparent data sharing agreements.
- c) Co-design and enable with individual services digital dashboards for staff, elected members and the public to view data appropriate to need and better understand the underlying trends within their service and the actions required to address any issues and/or to improve services with automation built in where possible.
- d) Develop usage reports for managers to understand how their service is making use of ICT and digital technologies.

## **5.3 Compliance**

The ICT service is subjected to an increasing number of compliance regimes including Public Service Network (PSN) accreditation, General Data Protection Regulations (GDPR), Payment Card Industry Data Security

Standards (PCI DSS), Scottish Government Cyber Resilience programme and software licensing. There is a need to develop policies and procedures to ensure an ongoing approach to compliance within the council and this should be supported by a consistent and managed approach to staff awareness. To meet our obligations in relation to compliance and standards we aim to:

- a) Review our ICT Security Policy to ensure that security controls are adequate and up to date, building on identified good practice.
- b) Continue to maintain our device estate to ensure it is built around a recent operating system version of operating system and that the office productivity toolset is delivered to current Windows devices
- c) Review our business continuity arrangements to mitigate against potential risk and to put ICT in a position to assist services to deliver essential functions in the event of a disaster.
- d) Migrate to the next generation secure email for PSN to continue to provide secure email solutions for communicating with government bodies.
- e) Adopt industry standard methodology for the delivery of our support service to introduce robust best practice processes and improved reliability and quality of service
- f) Improve user awareness, knowledge and understanding of role and responsibility with regard to compliance

#### **5.4 Plan for the future**

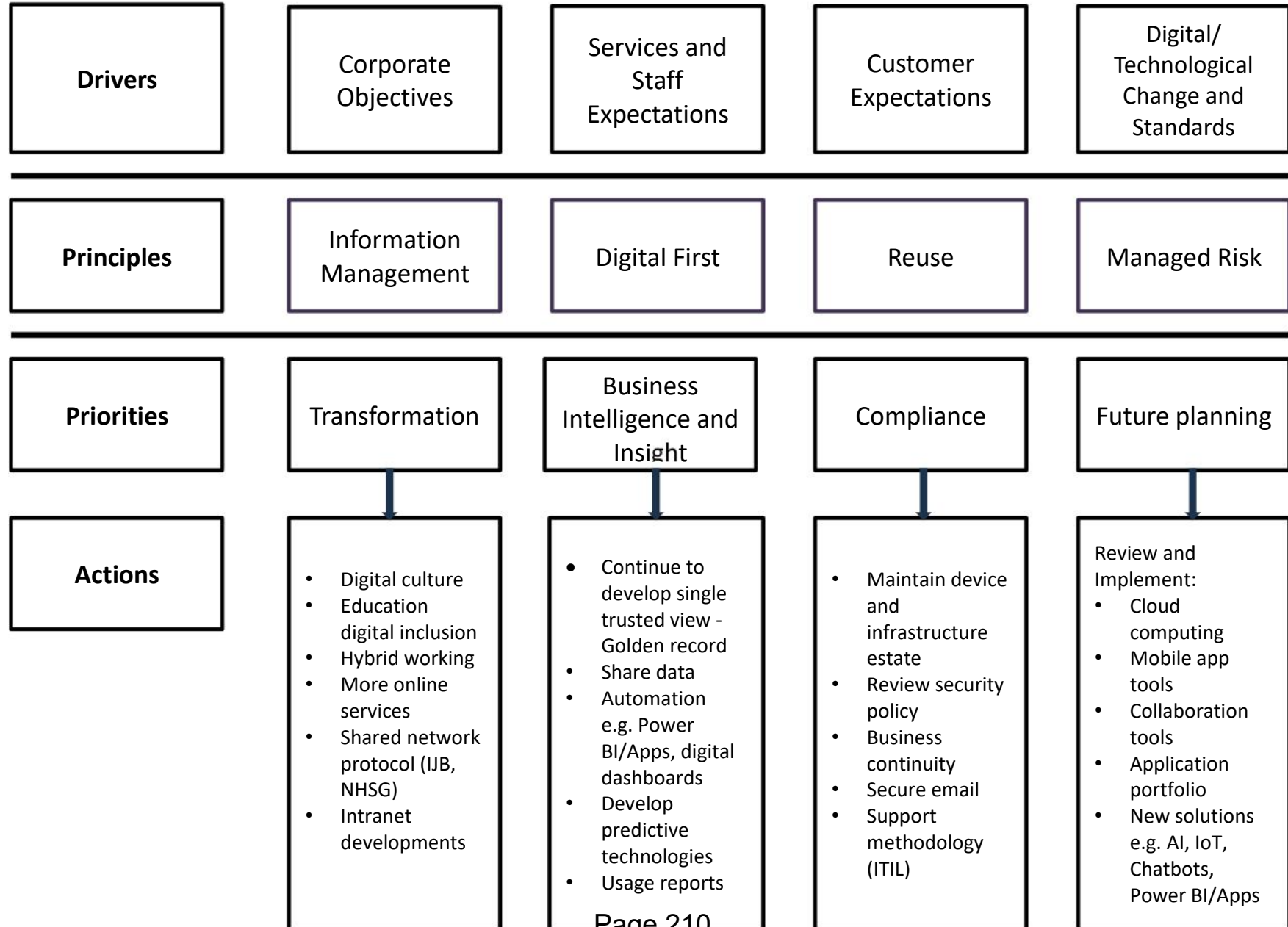
The pace of technology change is increasing and it is important that within the context of a 5 year strategy we continue to plan for opportunities that are presented from advancements in technology. To plan for the future we aim to:

- a) Investigate options to deliver efficiencies through the adoption of “cloud” / “online” services where they comply with compliance requirements, provide cost effective solutions which do not introduce unnecessary risk to the operation of the council.
- b) Review mobile application development tools and standards.
- c) Identify the potential for and implement collaboration tools to deliver further efficiency savings.
- d) Review the application portfolio with a view to rationalising the number of applications in use throughout the council, reduced the number of systems to be supported and consolidate the number of data sources.
- e) Consider and investigate the potential of new and emerging technologies which would be beneficial to the operation of the Council with clear added value for service delivery and efficiencies including but not restricted to e.g. Chatbots, Artificial Intelligence (AI) and Large Language Models, Power Apps/BI, Internet of Things.



- f) Develop digitally enabled environments (including learning), improving digital literacy, resilience, connectivity, collaboration.

## ICT AND DIGITAL STRATEGY 2023 - 2026






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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: CORPORATE RISK REGISTER**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To provide the Committee with a copy of the Council's recently updated Corporate Risk Register.
- 1.2 This report is submitted to Committee in terms of Section III (B) (36) of the Council's Scheme of Administration relating to council wide or corporate risk assessment and the mitigation and management of these risks.

**2. RECOMMENDATION**

- 2.1 **Committee is asked to consider and approve the updated Corporate Risk Register dated August 2023.**

**3. BACKGROUND**

- 3.1 Risk management is an integral part of good governance and to evidence management review of the principal risks facing the Council, a Corporate Risk Register has been developed. This is subject to periodic updating and approval by the Corporate and Senior Management Teams and to annual review by the Corporate Committee.
- 3.2 The register describes the principal risks facing the Council under nine generic themes. For each risk theme there is:
  - a description of the risk;
  - the risk rating 'score';
  - supporting information on risk appetite;
  - details of controls in place describing how each risk is currently being managed, and;
  - details of current/further mitigating actions.

- 3.3 Risk scores are determined by assessing the likelihood of an event occurring and the impact it potentially could have on the council's ability to meet its statutory obligations and deliver on its stated plans. Higher scoring risks, by definition, need more attention from senior management. A consequence of this is that the risk register contains risk themes where residual risks score moderately or highly, despite mitigating measures or controls being in place.
- 3.4 Risk appetite is also an important consideration; taking risks can present opportunities as well as threats; and an assessment of risk appetite considers whether risks can be tolerated (accepted), treated (reduced), transferred (e.g. through insurance) or terminated (if the risk is unacceptable)
- 3.5 Since the prior review the scoring for one risk theme - **Environmental Risk** - has increased. While policy has been developed and practical actions are being taken forward on multiple fronts to reduce the council's carbon footprint, there is an increased likelihood that the council will be unable to secure all of the funding necessary to enable key dates for moving towards net zero to be met. Both Likelihood and Impact scores have increased, the aggregate score moving from 9 (neutral) to 16 (elevated).
- 3.6 Three risk areas have seen a reduction in risk score in the latest review, namely:
- **Regulatory risk** considers the council's ability to meet its statutory obligations. These can be corporate in nature e.g. the duty to secure sound financial management, or apply within services including Education, Housing and Roads. Governance arrangements have been developed over many years and are subject to regular oversight and monitoring to ensure any new obligations are met. Overall arrangements were considered when developing the draft Annual Governance Statement for 2022/23. A neutral scoring has been allocated with a regulatory breach unlikely but possible with the impact potentially in the range from significant to minor dependent on the circumstances presenting. Both Likelihood and Impact scores have decreased, the aggregate score moving from 16 (elevated) to 9 (neutral).
  - **Reputational Risk** has regard to established systems, procedures and controls designed to prevent adverse reputational damage, and how updated policies increasingly reference the need for prioritisation of scarce resources. While recognising, at a time of service reduction and curtailment, that the likelihood of criticism of council services remains high, various mechanisms including community engagement, media reporting and complaints responses mitigate the impact of reputational damage. Likelihood score remains high but the impact score has reduced; the aggregate score moving from 15 (elevated) to 10 (neutral).

- **Operational Continuity and Performance Risk** is an aggregate of various factors, business continuity work is ongoing to strengthen resilience and plan as appropriate to minimise disruption; experience of adapting to new ways of working has increased service flexibility yet threats of service interruption cannot be wholly eliminated. Performance is actively monitored but is likely to diminish in certain areas should services be scaled back due to changes in policy priorities; the assessment is that this is increasingly understood by citizens and service users. Overall the position is assessed as having improved since the prior review with both likelihood and impact decreasing, the aggregate score moving from 16 (elevated) to 9 (neutral).
- 3.7 The risk previously described a “Political Risk” has been re phrased as Leadership Risk to reflect the terminology used in recent Best Value reports and to reflect that member/officer relations form part of this risk.
- 3.8 The completed risk register is attached for consideration by Committee as **Appendix 1**.

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

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

Effective risk management practices are necessary to evidence how the Council identifies and seeks to address any issues that may impact on its ability to deliver its stated priorities and plans

**(b) Policy and Legal**

Effective risk management practice is an essential component of good governance.

**(c) Financial implications**

The risk register recognises the financial challenges facing the council and the importance of addressing these. There are no direct financial implications arising from this report.

**(d) Risk Implications**

Risk and its management is the subject of this report.

**(e) Staffing Implications**

The risk register refers to Staffing Risks. No direct implications.

**(f) Property**

No direct implications.

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

No direct implications.

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

The risk register refers to climate change considerations under Environmental Risks. No direct implications.

**(i) Consultations**

The Corporate Management Team and Senior Management Team have participated in updating of the Corporate Risk Register.

**5. CONCLUSION**








**5.1 Following its review and updating by the Corporate and Senior Management teams, the Committee is asked to consider and approve the latest Corporate Risk Register dated August 2023.**

Author of Report: Atholl Scott, Business Continuity and Risk Management Officer  
Background Papers: None  
Ref: SPMAN-2045703626-292 / SPMAN-2045703626-291





# **MORAY COUNCIL**

## **CORPORATE RISK REGISTER AS AT AUGUST 2023**

SUMMARY OF PRINCIPAL RISKS		Risk Score	Risk Movement
Nature of Risk	Main issues		
1. Leadership	Leadership challenges remain. Central relationships and decision making processes can be strained and ineffective; Risk is unchanged.	20	
2. Financial	Demand for services outstrips available budget. Council is unable to make savings or generate income that meets expectations of government, citizens or regulators. Financial settlements for councils remain uncertain in the longer term. Current position is unsustainable; risk remains very high.	20	
3. HR (Staffing)	Inability to recruit and retain well qualified or experienced staff across a number of service areas, staff workloads are unsustainable. Additional pressures associated with pandemic resulting in increased absenteeism and reduced staff morale. Suite of measures developed in mitigation, but residual risk still assessed as very high.	20	
4. Regulatory	Expected governance standards are unmet. Statutory or regulatory breaches occur. Council is subject to censure. Governance systems and processes mitigate; and upon review, the overall assessment is that this risk has diminished.	9	
5. Environmental	Impact of climate change including severe weather events. Clear route map to zero established and approved. Lessons learned from response to storm events of winter 2021/22 and action plans developed. Limited capacity to drive forward multiple initiatives is evident. Latest assessment is that progress necessary to meet plan targets will require significant external funding; this risk score has increased.	16	
6. Reputational	Council decisions result in litigation/judicial review; expectations from external inspections and of service users are not met; performance targets set at levels not aligned to capacity to deliver. While reputational issues remain likely to occur from time to time given the range and scale of services delivered; the impact of same is typically localised; this risk score has reduced.	10	
7. Operational Continuity and Performance	Council performance falls below targeted levels for sustained period; impacts of the pandemic and the need to focus on priorities; transformational change impacts on service delivery. While this risk cannot be entirely separated from other risks	9	



	identified, increasingly there is a greater understanding of the environment in which the council operates in and a need to manage expectations; in this context the risk score is reduced with likelihood and impact assessed as possible and moderate respectively.		
<b>8. IT (Technological)</b>	Major disruption in continuity of ICT operations; new ways of working create added pressures for ICT staff; data security is compromised. With ICT systems integral to the effective delivery of most if not all services, the impact from disruption to services is at the highest level and notwithstanding risk mitigation measures in place, the potential for disruption e.g. from external threats remains likely. The risk level here is unchanged.	<b>20</b>	
<b>9. Economic Recovery/ Sustainability</b>	The council has delivered its economic recovery plan post the pandemic and refreshed with partners the Moray Economic Strategy. Growth Deal projects are progressing as planned; but challenges remain post pandemic including inflationary pressures and a tight labour market; in overall terms, this risk is unchanged.	<b>16</b>	



### RISK CLASSIFICATION

<b>RISK RATING</b>	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>VERY HIGH</b>
<b>RISK MOVEMENT</b>	<b>DECREASE</b> ↓	<b>NO CHANGE</b> ↔	<b>INCREASE</b> ↑	

The process for managing risk is documented separately in the council’s risk policy, strategy and guidance notes. The risk rating is calculated by reference to assessed likelihood and impact (on a scale of 1 to 5) for each identified risk. The minimum score (lowest risk) being 1x1=1, the maximum (highest risk) 5x5 =25. Scores of 3 and below are ranked low, green; between 4 and 6 medium, yellow; between 8 and 12 high, amber; and 15 and above very high, red, as per the table below.

### LIKELIHOOD

<b>Almost certain</b>	<b>5</b>	5	10	15	20	25
<b>Likely</b>	<b>4</b>	4	8	12	16	20
<b>Possible</b>	<b>3</b>	3	6	9	12	15
<b>Unlikely</b>	<b>2</b>	2	4	6	8	10
<b>Remote</b>	<b>1</b>	1	2	3	4	5
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>Minimal</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Catastrophic</b>


### IMPACT



<b>1.</b>	
<p><b>Description of Risk:</b> <i>Leadership:</i> Political priorities are not achieved; decision making processes are ineffective; partnership working is not optimised. Addressing this risk is central to the future provision of public services in Moray. While wider external political influences will continue to shape the future direction of the council in terms of its ability to deliver services either on its own or in partnership with others, the Best Value Assurance Report (BVAR) - progress report dated March 2022 called for committed decisive leadership and for the council to aim for a positive culture in which elected members and senior officers work effectively together. Work to achieve this has continued with a programme of induction for elected members taken forward. The Chief Executive also provided a meeting of the council with a corporate overview of council priorities, in a report which reinforced the need for a clear strategic direction in difficult times. Despite these interventions, the likelihood of cohesiveness in decision making remains a particular challenge, and is assessed as unlikely to change significantly in the lead up to national parliamentary elections scheduled for 2024.</p>	
<p><b>Lead:</b> Elected Members / Council Administration / Chief Executive / Corporate Management Team</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	<p><b>Rationale for Risk Rating:</b></p> <p>The risk rating is unchanged since the register was last published in August 2022 despite some progress being made to address Best Value, uncertainty remains about the council's capacity to demonstrate strong decisive leadership. Likelihood is assessed as likely at point 4 of the scale 1 to 5 in terms of the risk classification table. Impact remains at the highest level of 5, acknowledging that political differences or a breakdown of trust in member/officer relations may adversely affect progress towards delivery of the strategic priorities of the council. Further planned activity around collaborative leadership should help mitigate this risk.</p>
<p><b>VERY HIGH</b> Likelihood 4 x Impact 5 = Score 20</p>	
<p><b>Risk Movement:</b> increase/decrease/no change</p>	<p><b>Risk Appetite:</b></p> <p>There is a strong appetite for the council to be successful in delivering best value services for its citizens against a challenging background of increasing demand and diminishing resources and a need to identify service priorities. Political stability is key to this success.</p>



Controls:	Current and Proposed Mitigating Actions:
<p>Best Value follow-up report action plan signposting challenges associated with securing continuous improvement</p> <p>Comprehensive elected member induction training programme delivered post 2022 election.</p> <p>Ten year strategic plan - Moray 2027 (the Local Outcomes Improvement Plan) being delivered jointly by the council and its community planning partners.</p> <p>Corporate Plan 2019-2024 in place setting out high level council priorities.</p> <p>Plans emphasise prevention and resilience to reduce partner interventions and aid securing of sustainable outcomes.</p> <p>Suite of Governance Documents in place and regularly updated;</p> <p>Remit of Audit and Scrutiny Committee including Scrutiny Guide reviewed and considered by Council</p> <p>Engagement at councillor and officer level with government, COSLA and audit bodies re political challenges facing the council.</p> <p>Political group leaders meet regularly to discuss areas of risk and determine areas of consensus and disagreement as an aid to collegiate working.</p>	<p>Corporate Management Team/Senior Management Team will continue to provide support and advice to elected members on sustainability of any proposals for change.</p> <p>Corporate Plan under review to ensure stated priorities reflect those of the new council, with progress update provided to Council in February 2023. LOIP aims under review.</p> <p>Monitoring officer to continue statutory role of ensuring legality of decision making processes.</p> <p>Specific resourcing of projects and priorities to provide and advance clear plans to deliver objectives over time.</p> <p>Accounts Commission overview report on Local Government in Scotland 2023 recommendations on leadership, collaboration with others and use of data to inform strategic decision making.</p> <p>Work has been ongoing on collaborative leadership which dovetails with the Best Value Thematic Review on this topic and an action plan will be framed based on findings.</p>
<p><b>Current performance:</b> The framework for political governance has been affirmed using the controls outlined above. The Council has been alerted to the significant challenges it faces from both internal and external pressures as it seeks to continue to deliver Best Value services to the community it serves.</p>	<p><b>Comments:</b> Political risks can be mitigated to some extent by structures and processes that regulate the workings of the council and these continue to be developed. However, risks remain likely in the current economic climate and as a consequence of the political balance of the council.</p>

2.	
<p><b>Description of Risk:</b> <i>Financial:</i> There is a risk of financial failure with demand outstripping available budget. While a budget has been agreed for 2023/24, risks highlighted previously by the Chief Financial Officer remain, including uncertain levels of government funding in future years, price inflation, the potential for further increases in interest rates leading to higher borrowing costs, and pay award settlements unknown. Ring fenced funding, in particular for teachers and pupil support staff, also limits the council's ability to manage workforce numbers and associated budgets.</p> <p>Savings targets required for 2023/24 have been identified as likely to be particularly challenging, with improvement and modernisation of services a key priority for the council to take forward. This has the potential to impact on all sectors of the community, particularly so on those who are most disadvantaged, and the council recognises its duty to minimise inequality by targeting support towards those who need it most. Financial risk is being actively managed with financial monitoring and reporting undertaken throughout the year.</p>	
<p><b>Lead:</b> Corporate Management Team/ Senior Management Team/ Chief Financial Officer (Section 95 Officer)</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	<p><b>Rationale for Risk Rating:</b></p>
<p><b>VERY HIGH</b> Likelihood 5 x Impact 4 = Score 20</p>	<p>The Council has consistently delivered significant savings in recent years but the need to make further savings remains undiminished, and the challenge of continuing to do so while meeting service demands will be increased given the factors outlined above. Likelihood risk remains at the highest level. The impact remains at high noting that the council is committed to protecting the most vulnerable and disadvantaged when any changes in service delivery are proposed.</p>
<p><b>Risk Movement:</b> increase/decrease/no change</p>	<p><b>Risk Appetite:</b></p>
	<p>The council has no risk appetite for financial failure given its statutory requirement to manage its resources in a responsible and prudent manner and to continue to deliver statutory services. However it also recognises, as a consequence of financial constraints, that services being curtailed are likely to result in a diminution of performance. Expectations of service users will require to be managed. There is also a recognition that public finances generally are constrained with uncertainty around future financial settlements, noting that full details of the 'New Deal' that seeks to reset the relationship between councils and the Scottish Government will not be available until later in 2023/24 financial year.</p>




<p><b>Controls:</b></p> <p>Financial plan in place with budget projections in place for current and next two financial years.</p> <p>Financial pressures identified.</p> <p>Short to medium term financial strategy under review.</p> <p>Regular budget monitoring reports (on capital and revenue) presented to council</p> <p>Financial regulations in place and regularly reviewed.</p> <p>Property Asset Management Plan established, including Capital Strategy</p> <p>Treasury Management strategy.</p> <p>Procurement Policies and Practice</p> <p>Energy Monitoring.</p> <p>Internal and External Auditing</p> <p>Plans in place for participatory budgeting</p> <p>Regular reporting of ongoing short to medium term financial planning to committee</p> <p>Annual pricing review on charges for services.</p>	<p><b>Current and Proposed Mitigating Actions:</b></p> <p>Continued development of short to medium term financial strategy and supporting actions to drive and secure savings for 24/25.</p> <p>Financial plan reporting to ensure council oversight and visibility of progress to addressing the budget gap</p> <p>Production of a Medium to Long Term Financial Plan being planned in tandem with consideration of the role of transformation and what the future council will look like in the context of the Council's finances.</p> <p>Work of the 'Transforming the Council' and Programme Boards including the BVAR and the Improvement and Modernisation Programme to inform further change and potential for redesign of services.</p> <p>Optimise, to the extent possible within available resources, access to additional funding streams from government and other external sources, in the form of specific grants or other ring fenced funding.</p> <p>Asset base requires sustainable rationalisation with the Smarter Working and Depot Review projects moving forward as well as school estate strategy.</p> <p>Community Engagement/Public Consultations planned as appropriate.</p> <p>.</p>
<p><b>Current performance:</b> Despite the challenges outlined above an agreed budget for 2023/24 has been secured. The Annual Accounts for 2022/23 have been prepared and published in draft and are currently subject to audit. Financial monitoring of capital and revenue spend continues.</p>	<p><b>Comments:</b> Financial risk is likely to remain very high for the foreseeable notwithstanding controls in place and planned mitigating actions.</p>



3.	
<p><b>Description of Risk:</b> <i>Human Resources (People):</i> Effect of planned staffing reductions on services, both on staff directly affected and on workloads of staff in teams where staff numbers are reduced. The flexible working policy has in part alleviated service pressures but with small teams, competing demands and a need to develop capacity for change, staff morale can be affected. High staff turnover and resultant vacancies also increases the risk of being unable to meet service demands, resulting in a focus on short term requirements to the detriment of planning for longer term service improvement.</p> <p>Inability to recruit and retain well qualified or experienced staff, staff unprepared for change, lack of staff engagement, inadequate health and safety arrangements. With staff the council's most important resource, there is a need to ensure employees are equipped to embrace change and deliver services in different and innovative ways that as far as possible are sustainable at a time when resources are reducing. This will prove challenging given that further budget reductions are required, with potential workforce implications. There is also an increased risk that corporate and service plan targets will not be met, leading to reduced service quality and performance, a failure to deliver Best Value and less than satisfactory reports from inspectorates and other agencies.</p>	
<p><b>Lead:</b> Depute Chief Executive (Education, Communities and OD); Head of HR, ICT and OD.</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	<p><b>Rationale for Risk Rating:</b></p> <p>Reduced ability of smaller teams to deal with competing and complex demands and to forward plan across a wider Council agenda and be ready with a strategic response.</p> <p>Difficult to recruit in a range of areas including certain subject teachers; vehicle technicians; specialist professional posts; senior management; clerical and administrative roles; temporary and relief staff; and community care employees.</p> <p>Staff turnover leads to loss of expertise and 'corporate memory' but workforce planning is used to offset this, especially for key roles.</p> <p>Inability to meet service demands and secure continuous improvement.</p> <p>Staff morale and productivity is adversely affected as a consequence of residual issues arising from the pandemic.</p> <p>Given the foregoing issues the risk rating remains at a very high level with current staffing challenges almost certain to continue, leading to a likelihood score of 5 with consequential moderate to high impacts in service areas directly affected.</p>
<p><b>VERY HIGH</b> Likelihood 5 x Impact 4 = Score 20</p>	




<p><b>Risk Movement:</b> increase/decrease/no change</p> <div style="text-align: center; margin-top: 100px;">  </div>	<p><b>Risk Appetite:</b></p> <p>The council as a responsible employer has a duty to provide a safe, attractive and rewarding place to work, with employees central to the successful delivery of the council's strategic and service priorities. Accordingly, while acknowledging challenges in aspects of public sector recruitment and necessary changes to working practices post pandemic and to secure efficiencies, there remains a strong appetite to ensure staff morale and motivation is maintained at a high level and that the council is seen as an attractive place to work.</p>
<p><b>Controls:</b></p> <p>Corporate Workforce Plan, (reviewed and updated annually) in place          Leadership Development Programme established          Moray Management Methods promote consistency          Employee Review and Development Programmes in place for teaching and non - teaching staff          Employee Communications &amp; Engagement Framework (including Interchange bulletins, senior manager visits and manager forums)          Health and Work Policy          Health and Safety Policies and Annual Report.          Absence Management Policy</p> <p>Living Wage Employer accreditation secured to support recruitment strategies.          Flexible working policy refreshed and rolled out as part of Smarter Working Initiative.          Fire risk assessments completed in line with planned schedule.          Mental health and wellbeing Pulse Survey results used to inform improvement actions</p>	<p><b>Current and Proposed Mitigating Actions:</b></p> <p>Continue to monitor senior management capacity to ensure it is sustainable and sufficient to deliver the transformational change programme required to secure financial stability, in addition to 'business as usual'.          Annual Review of Workforce Strategy and Plan completed and activity to address the main themes of:          Leadership capacity and development; ensuring leaders, managers and supervisors are equipped with skills and behaviours necessary for new ways of working.          Supporting the workforce through a period of change including active management of vacancies and maintaining good employee relations.          Organisational Development, with the workforce empowered and enabled to embrace change through a range of in-person and on-line training opportunities          Reviewing recruitment and retention strategies to make the council an attractive place to work, continuing with apprenticeships and training programmes, and developing succession planning, where appropriate.          Health and Wellbeing initiatives being taken forward to support staff in the workplace with linked objectives of proactively supporting attendance at work and reducing absenteeism.</p>






<p><b>Current performance:</b> HR (staffing) risks were manifold for the duration of the pandemic with a reactive and adaptive response often required to maintain service continuity. Now in the recovery stage, the updated workforce plan gives new focus and direction to the HR service by establishing clear priorities. These are designed to provide both management and staff with the knowledge, skills and disciplines necessary to meet the council's transformation agenda.</p>	<p><b>Comments:</b> This risk is being actively managed but may be impacted upon further should staffing arrangements or levels be subject to change in the incoming period.</p>
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4.	
<p><b>Description of Risk:</b> <i>Regulatory:</i> Expected governance standards are unmet. Council is subject to censure. The council is heavily regulated by statute, by national guidance and through local policy and procedures and, within its systems, has established checks and balances to support delivery of intended outcomes. Adapting council priorities and plans to accommodate new duties is key to limiting the risk of regulatory failure with elected members, on the advice of senior officers, being responsible for creating capacity to accommodate changes to policy and service delivery revisions.</p>	
<p><b>Lead:</b> Corporate Management Team/ Chief Financial Officer/ Monitoring Officer/ Heads of Service</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	<p><b>Rationale for Risk Rating:</b> Governance arrangements have been developed over many years and are subject to regular oversight and monitoring. Systems and processes are subject to on-going review and development within the council and its services. Corporate support and review in relation to performance, audit, and inspection. Change increases the risk of system breakdown and non-compliance with regulatory requirements. In the current economic climate and having regard to the challenges facing the wider public sector a neutral scoring has been allocated with a regulatory breach not likely but possible and the impact potentially in the range from significant to minor dependent on the circumstances presenting.</p>
<p style="text-align: center;"><b>HIGH</b> <b>Likelihood 3 x Impact 3 = Score 9</b></p>	
<p><b>Risk Movement:</b> increase/decrease/no change</p>	<p><b>Risk Appetite:</b> The council has zero appetite for regulatory failure and takes seriously its responsibility to ensure all services are in compliance with statutory regulations and standards. A robust approach is taken to securing governance arrangements which includes suitable systems of internal control, albeit capacity issues can emerge where new duties are placed on the council.</p>
	




<p><b>Controls:</b>          Governance statement prepared annually in line with best practice guidance.          Monitoring officer oversees governance processes.          Constitutional documents available to direct good governance.          External scrutiny and inspection programme          Internal and external audit arrangements          Suite of Governance and Scrutiny documents in place and regularly updated.</p>	<p><b>Current and Proposed Mitigating Actions:</b>          Continue to monitor likely impacts from new policy initiatives that have the potential to require significant council resource inputs.          Consider statutory duties and other directions when updating strategic plans acknowledging these when developing council priorities.          Ensure capacity to deliver new duties is fully considered and anticipate and report on any implications that have potential to lead to non-compliance.          Complete delivery of actions in Best Value action plan.          Pro-active management response to issues raised in inspection reports.          Continued active participation in delivery of joint services with statutory and other partners as appropriate.</p>
<p><b>Current performance:</b> The council considers its current governance arrangements to be generally fit for purpose, acknowledging that these need to remain under active management and review to meet any revised regulatory challenges the council may face.</p>	<p><b>Comments:</b> The public sector is highly regulated with legislation and best practice guidance adopted both corporately and within services to ensure openness and accountability for the use of public funds. Established practices remain likely to be challenged by change and by expectations of service users.</p>



5.	
<p><b>Description of Risk:</b> <i>Environmental:</i> Ability of the council to respond to climate change emergency, to keep up with the pace of changing carbon reduction, waste and environmental targets. Impact of climate change and severe weather events; ability to deal with unforeseen emergencies is compromised by inadequate resilience. The council continues to invest in projects to address climate change issues, to manage energy use and ensure it is well placed to respond to crisis situations in conjunction with the emergency services and other partners.</p>	
<p><b>Lead:</b> Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	<p><b>Rationale for Risk Rating:</b> This risk, although multi-faceted and challenging, has been partially mitigated by progress made to reduce current and future threats through the development of clear action plans, noting that longer term achievement of climate targets will only be feasible if additional external funding is secured. Given this and wider economic challenges, the likelihood of targets slipping has been increased, and thus impact will also increase should plans for achieving net zero be delayed. The situation remains under close review by the Climate Change team. It also remains the case that any reduction in workforce from budget balancing exercise could impact on the council's ability to respond to emergency environmental situations arising from adverse weather events.</p>
<p style="text-align: center;"><b>HIGH</b> <b>Likelihood 4 x Impact 4 = Score</b> <b>16</b></p>	
<p><b>Risk Movement:</b> increase/decrease/no change</p>	<p><b>Risk Appetite:</b> Proportionality is reflected in risk appetite such that the development and application of preventative measures mitigates risks to pre-determined and achievable levels recognising it is neither feasible nor affordable to eliminate every environmental risk that may be faced.</p>
	




<p><b>Controls:</b>  Climate Change Strategy for 2020-2030 in place  Climate change route map to zero updated and subject to ongoing monitoring  Climate change and energy teams in place  Recycling awareness promoted and high rates achieved.  Residual waste no longer sent to landfill but processed through energy from waste plant.  Street light replacement programme completed to reduce carbon emissions and energy costs.  Electric pool cars introduced as part of council fleet de-carbonisation together with cycling/walking initiatives.  Housing investment programme which aims to achieve energy efficiency standards  Moray Development Plan considers climate change issues  Council part of North of Scotland Regional Resilience Partnership  Council Co-ordination Centre established and operational; crisis communications secured  Emergency response co-ordinators and support staff identified and trained.</p>	<p><b>Current and Proposed Mitigating Actions:</b></p> <p>Growth Deal –Bus Revolution being implemented to improve access to greener travel.  Coastal erosion/ protection – strategy under development  Smarter Working policy developed and Depot Review being progressed– both contributing to de-carbonisation through reduced staff travel and smaller portfolio of buildings to service and maintain.  Route map to zero monitoring and reporting.  Supporting locally sourced procurement to limit environmental impacts.  Planning for emergency disruption from extreme weather events continues.  Continue working with partners where appropriate to secure additional funding that will support climate change mitigation initiatives e.g. Just Transition Fund</p>
<p><b>Current performance:</b> Existing controls and mitigating actions seek to maintain and enhance Moray’s reputation as a thriving area and a great place to live. The practicalities and costs of achieving the climate change commitments will remain challenging throughout delivery of the programme to secure net zero. The latest data available indicates that 2030 remains in the range of possible dates when net zero will be met; this however is dependent on the council committing to an aspirational approach to reducing carbon emissions in key areas, while accepting that the ability to implement such an approach is currently uncertain unless significant external funding is secured.</p>	<p><b>Comments:</b> Climate change targets and associated costs are significant and will impact on all Council services.</p>

6.	
<p><b>Description of Risk:</b> <i>Reputational:</i> Not meeting agreed performance targets (e.g. on educational attainment); Not delivering on key projects within Improvement and Modernisation Programme, over spending or failing on a school build; failure on Best Value delivery plan; Major adult or child protection failure: Missing a major policy direction or funding opportunity because resources are so tight.</p> <p>The council provides services to all sectors of the community and while committed to high service standards, the diversity of service provision and the expectations of the public may increase the risk that the council's reputation could be called into question. This risk generally is considered to be managed through performance management, organisational development, the application of codes of conduct, complaints procedures and similar, however any reduction in services to any individual or group of individuals may justly or otherwise impact on the Council's reputation.</p>	
<p><b>Lead:</b> Corporate Management Team/ Heads of Service/</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	
<p><b>HIGH</b> <b>Likelihood 5 x Impact 2 = Score 10</b></p>	<p><b>Rationale for Risk Rating:</b></p> <p>The risk rating has regard to established systems, procedures and controls designed to prevent adverse reputational damage, and how updated policies increasingly reference the need for prioritisation of scarce resources. This recognises that at a time of service reduction and curtailment the likelihood of increased criticism of council services remains at the highest level albeit the impact following consideration has been reduced. In part this is based on it being evident that service delivery challenges apply across the public sector and through various mechanisms including community engagement, media reports nationally and locally, and complaints responses there is an increased understanding of the challenges faced. As such the impact from any reputational damage the council may face has been reduced from moderate to minor.</p>
<p><b>Risk Movement:</b> increase/decrease/no change</p>	
	<p><b>Risk Appetite:</b></p> <p>The council endeavours to avoid reputational risk and is committed to continuous improvement in the delivery of services either on its own or with partners. It seeks to deliver these services having regard to its equality duty and has set targets for doing so through a customer charter. However it is accepted that reputational damage is a potential consequence of service reduction or cessation.</p>



<p><b>Controls:</b>  A suite of policy, strategy, governance, organisational development, project management and performance management measures are in place to enable delivery of the services to a standard which mitigates the risk of significant damage to the council's reputation.  Consultation protocols established and range of consultation and engagement with public and workforce carried out over period of time.  Customer charter in place and customer focus strategy developed to improve citizen engagements and provide a consistent experience across services  Formal complaints procedures in place  Performance management reporting framework updated  Corporate Management Team monitors external inspection processes and outcomes.  Freedom of Information processes.  Risks fully considered in committee reports requiring a decision.  Suite of Governance and Scrutiny Documents in place and regularly updated.</p>	<p><b>Current and Proposed Mitigating Actions:</b>  Ongoing review, redesign and implementation of policy, strategy governance, organisational development, project management and performance management.  Regular meetings with officers and inspection agencies to support and challenge progress towards improvement.  Effectiveness of customer focus strategy to be monitored  Means of communicating changes impacting service users to be monitored  Improved outcome reporting of service delivery and linked performance indicator measures  Progress Improvement and Modernisation Programme to optimise service delivery arrangements</p>
<p><b>Current performance:</b>  It is unlikely the risk of reputational damage can ever be fully eliminated given the breadth of services the council provides, nonetheless, the council takes its obligation to mitigate risk through the establishment and application of controls detailed above.</p>	<p><b>Comments:</b> A range of measures are in place to regulate how the council interacts with citizens and to address any issues where recipients of services are dissatisfied with outcomes.</p>

7.	
<p><b>Description of Risk:</b> <i>Operational Continuity and Performance:</i> The council is unable to deliver services or performance falls below acceptable levels for a sustained period; insufficient business continuity planning; changes in working practices impact on service delivery. Going forward it is recognised that operational continuity and performance may be affected as a consequence of service re-design and changes in service delivery and challenges remain to ensure alignment of available resources to service delivery standards.</p>	
<p><b>Lead:</b> Corporate Management Team/ Heads of Service</p>	
<p><b>Risk Rating:</b> low/medium/high/very high</p>	<p><b>Rationale for Risk Rating:</b> The risk rating is an aggregate of various factors, business continuity work is ongoing to strengthen resilience and plan as appropriate to minimise disruption; experience of adapting to new ways of working has increased service flexibility yet threats of disruption e.g. from extreme weather events, remain. Performance is actively monitored but is likely to diminish in certain areas should services be scaled back due to changes in policy priorities; in such circumstances this risk will require active management. Overall the position is assessed as having improved since the prior review with likelihood and impact assessed as possible and moderate respectively.</p>
<p><b>HIGH</b> Likelihood 3 x Impact 3 = Score 9</p>	
<p><b>Risk Movement:</b> increase/decrease/no change</p>	<p><b>Risk Appetite:</b> The risk appetite acknowledges the responsibility the council has to maintain delivery of statutory services and ensure the needs of the vulnerable service users are met.</p>
	
<p><b>Controls:</b> List of critical functions agreed by Corporate Management Team Programme for updating business continuity plans in place for critical services. Organisational Development Team promoting workforce and leadership development Communication strategy for informing service users of impending changes to services developed. Improvement and Modernisation Programme</p>	<p><b>Current and Proposed Mitigating Actions:</b> Update service risk registers. Update Business continuity procedures and plans to take into account staff changes and service reconfigurations Ensure clear links between identified risks and service plans are maintained. Review Performance Management Framework to ensure it aligns appropriately to revisions to service provision.</p>





<p><b>Current performance:</b> A range of measures is in place to secure operational continuity and performance for current service provision, with it being recognised that these measures may need to be revisited as a consequence of change. The focus remains on ensuring that key and vital services are provided as a priority.</p>	<p><b>Comments:</b> Developments under this risk category are predicated on change with risks around operational continuity and performance dependent on the nature and scale of services delivered in future periods.</p>
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<b>8.</b>	
<b>Description of Risk:</b> <i>IT (Technological)</i> Major disruption in continuity of ICT operations; data security is compromised. Changes in working practices post pandemic more reliant on ICT infrastructure, capacity and support. The risk of cyber-attacks remains and cannot be eliminated, with attacks being nuanced over time and requiring the council to constantly be alert to new threats. The prevalence of working from home results in greater isolation, and increases the risk of malicious emails and data breaches.	
<b>Lead:</b> Corporate Management Team/ Depute Chief Executive (Education, Communities and OD)/ Head of HR, ICT and OD	
<b>Risk Rating:</b> low/medium/high/very high	<b>Rationale for Risk Rating:</b> A recurring theme from senior management relative to their experiences during the course of the pandemic is that the success of their services in many respects is predicated on the availability of robust and adaptable ICT systems. This creates an elevated risk that has been recognised centrally, albeit it brings with it a number of challenges in terms of resourcing changed ways of working both to infrastructure and in terms of staffing to support that change in a timely manner. Meanwhile cyber security continues to have a high profile and the ICT service has a suite of controls in place to mitigate known risks in this area. Intelligence in relation to recent successful cyber-attacks has highlighted that the disruption to the affected organisations can be widespread, and the recovery process is likely to take a significant amount of time to restore business operations fully.
<b>VERY HIGH</b> <b>Likelihood 4 x Impact 5 = 20</b>	
<b>Risk Movement:</b> increase/decrease/no change	<b>Risk Appetite:</b> There is zero appetite for service interruption or data loss, as this has the potential for catastrophic impact on service delivery and the cost of system disruption or data protection breaches can run to hundreds of thousands of pounds. The security and continuity of ICT services is therefore of vital importance and this is reflected in the range of controls in place.
<b>Controls:</b> Corporate Information Security Policy. Senior Information Risk Officer. External accreditation processes for Network Security(Public Services Network, Cyber Essentials Plus) Environmental Controls for Data Centre (cooling, fire, flood and backup power) Boundary Firewalls and Internet Gateways (email and web filtering) Data control enhanced through network controls Malware Protection Cyber resilience standards aligned to SG Cyber Resilience Framework	<b>Current and Proposed Mitigating Actions:</b> Information Security Policy review /update underway Computer Use Policy to be refreshed Assess controls as part of plans for continuing development of digital services. Penetration testing for applications implemented to deliver digital services Participation in the Scottish Government Cyber Resilience Programme Extend accreditation process to include the Education ICT network Continue with implementation of programme of work to address awareness raising, e-learning and phishing campaigns to educate



<p>Cyber Incident Response Plan                  Patch management (Applications and Infrastructure)                  Third Party Maintenance Agreements (Applications and Infrastructure)                  Main financial system supported in-house                  Information Assurance Group                  Records Management Policy                  Data breach reporting arrangements                  Working from home policy/guidance</p>	<p>users of ICT systems– attempting to mitigate and reduce the ‘human error’ element.                  Complete the review of the ICT Business Continuity Plan                  Cyber Resilience – ongoing monitoring and application of emerging best practice                  Continue to monitor feasibility of insurance cover for cyber-attacks.</p>
<p><b>Current performance:</b> The risks associated with the delivery of ICT are constantly evolving, and the controls outlined above together with on-going vigilance are necessary to prevent disruption to critical services.</p>	<p><b>Comments:</b> The suite of controls in place reflects the council’s commitment to securing data held and used in the effective delivery of modern council services.</p>

9.

**Description of Risk:** Economic Sustainability. Risk of prolonged economic downturn following the pandemic and exit from European Union. Higher inflation and increases in interest rates have the potential to an impact on capital projects including the Moray Growth Deal. The cost of doing business and higher energy costs adversely impact on the business community. Increased strain on household incomes /budgets may impact on council tax revenues and income from council house rents; business failures may create similar pressures on business rates. There is increased demand for welfare benefits and money advice services. Many of these are factors outside the control of the council, but continue to have an influence on how it reacts and plans for the future.

**Lead:** Corporate Management Team/ Depute Chief Executive (Economy, Environment and Finance)

**Risk Rating:** low/medium/high/very high

**HIGH**  
**Likelihood 4 x Impact 4 = 16**

**Rationale for Risk Rating:**

The risk rating is unchanged. While progress has been made in delivering an economic recovery plan prepared in response to the circumstances presenting since the pandemic, challenges remain. The cost of living crisis, a reduction in the working age population, housing, and childcare are significant barriers to economic growth. These are reflected in an updated Moray Economic Strategy, which has clear links to the Local Outcomes Improvement Plan.

**Risk Movement:** increase/decrease/no change



**Risk Appetite:**

The Local Outcomes Improvement Plan developed with partners includes as its priorities; a diverse, inclusive and sustainable economy; building a better future for the young; and improving well-being of our population; all of which are dependent on a strong and flourishing economy. As such the council has an appetite for positive risk taking where the implications of doing so are known and understood, while avoiding adverse impacts on activity across all sectors of the economy.

**Controls:**

Moray Growth Deal - Funding for Growth Deal being progressed bringing total investment to the area of over £100m.  
Growth deal governance arrangements in place and elements of programme being delivered in line with timetable  
Moray Economic Strategy ten year strategy refreshed post pandemic and aligned to LOIP outcomes  
Partnership working with Highlands and Islands Enterprise, Moray College UHI, Skills Development Scotland and others.

**Current and Proposed Mitigating Actions:**

Progress Growth Deal projects in line with programme.  
Continue work with partners to develop and deliver support aligned to economic strategy objectives that include:

- Increasing employment levels and number of companies
- Ensuring alignment between skills provision and the changing economy
- Increased productivity leading to growing wages and contributing to closing the gender pay gap
- A labour market that provides the required numbers of workers to take advantage of available opportunities-notably attraction and retention of those aged 16-29
- Maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth Building.
- Continue to seek out opportunities to access ring fence funding



	for levelling up projects i.e. through the UK Shared Prosperity Fund, Just Transition Funding and Strategic Priorities Fund as appropriate.
<b>Current performance:</b> Strategic Community Plans including the recently refreshed Moray Economic Strategy and a new Community Wealth Building strategy present a clear vision of what is needed to improve economic well – being, with a clear framework in place to monitor actions and delivery plans. Alongside the Growth Deal, the council and its partners are well placed to support economic activity in the area.	<b>Comments:</b> With work to support the economic recovery post - pandemic substantially complete, the focus now is on delivering the various strands of the revised economic strategy that underpins a key priority of the Local Outcomes Improvement Plan – Developing a Diverse, Inclusive and Sustainable Economy, and Building a Better future for Young People.





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**REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023**

**SUBJECT: INFORMATION REPORT: SUNDRY DEBT WRITE-OFF  
INFORMATION FOR 2023/2024**

**BY: CHIEF FINANCIAL OFFICER**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the details of Sundry Debt transactions, which are written off during 2023/24 relating to invoices raised up to 31 March 2022.
- 1.2 This report is submitted to Committee in terms of Section III B (1) of the Council's Administrative Scheme relating to the regulation and management of the Council's finances according to policy.

**2. BACKGROUND**

- 2.1 The current Sundry Debt Management Procedures which include the procedure on debt write off, were approved by Policy and Resources Committee on 1 September 2015 (paragraph 9 of the Minute refers). Sundry debts are defined as all amounts due to the Council with the exception of Housing Rents, Non Domestic Rates and Council Tax.
- 2.2 The process of writing off debts is an administrative exercise, which removes the debts from the Council's balance sheet but in practical terms still allows the Council to pursue the debts until they can no longer be legally recovered (time prescribed after 5 years). Wherever possible collection processes continue for debt which has been previously written off particularly where a customer approaches the council for new chargeable services. The old debt has to be cleared before the new service can be delivered.
- 2.3 The write off process only commences after all other avenues of recovery have been exhausted. The other processes are detailed below:
- First Council reminder (day 21)
  - Second Council reminder (day 49)
  - Referral to external debt collector (day 59)
  - Further reminder letters
  - Telephone contact
  - Doorstep collection (where appropriate)
  - Salary arrestment (where appropriate)

- Court action (where appropriate)

2.4 To avoid referring debt to the external debt collector a number of additional actions are taken by Finance staff:

- Instalment arrangements are offered when required
- Regular debt management information reports are produced for departments to review
- Regular meetings are held with departments to discuss potential defaulters.
- Regular contact with departments regarding sensitive debt (eg for social care services). Departmental knowledge of their customers can lead to recommendation for write off on economic grounds. The majority of these are invoices for Social Care services.

2.5 A summary of reasons for invoices being written off after the year end are shown in the table below. The value of debt written off has risen but represents only 1.45% of the sundry debt raised during the year. Future reports will report the percentage of sundry debt written off as well as the amounts written off.:

Reason	Value (£)	Count	% of total value written off	% of total number written off
Department recommendation	18,606.59	67	8.39	6.49
Bankrupt/Sequestration	22.53	1	0.01	0.09
Gone Away	14,706.57	37	6.63	3.59
External debt collector recommendation	188,482.58	927	84.97	89.83
<b>Total 2023</b>	<b>221,818.27</b>	<b>1,032</b>	<b>100</b>	<b>100</b>
<b>Total 2022</b>	<b>184,257.61</b>	<b>745</b>		

2.6 The same invoices have been analysed by service and are shown in the table below.

Service	Value (£)	Count	% of Total Value Written Off	% of Total Number Written Off
Corporate Services	225.10	3	0.10	0.29
Health & Social Care	45,332.73	332	20.44	32.17
Environmental Services	105,259.73	450	47.45	43.60
Educational Services	4,745.98	133	2.14	12.89
Housing & Property	31,888.19	98	14.38	9.50
Planning & Regulatory	34,366.54	16	15.49	1.55
<b>Total 2023</b>	<b>221,818.27</b>	<b>1,032</b>	<b>100</b>	<b>100</b>
<b>Total 2022</b>	<b>184,257.61</b>	<b>745</b>		



### **3. SUMMARY OF IMPLICATIONS**

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

None directly relating to this report.

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

The process employed to establish the debt for write off is prescribed by the Council's Debt Management Policy.

The Council's Financial Regulations state that the Chief Financial Officer shall act on advice from the Head of Governance, Strategy and Performance, external debt collectors and/or Sheriff Officers when determining debts to be written off for accounting purposes. Details of debts written off shall be retained for credit control purposes and to allow the debts to be pursued at any stage until they become time prescribed.

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

The financial implications are shown in paragraphs 2.5 and 2.6 but all debts will continue to be pursued until the Council is legally prevented from doing so.

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

Regular meetings are held with departments in order to identify and contact defaulters quickly to reduce the Council's exposure to unpaid debt. Any new information received by the Council is used to pursue the debt until legally prescribed.

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

None directly relating to this report.

#### **(f) Property**

None directly relating to this report.

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

None directly relating to this report.

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

No climate change or biodiversity implications have been determined for this policy.

**(i) Consultations**

The process of writing off invoices involves continuous consultation with both the Council's external debt collection agency and the relevant service departments.

**5. CONCLUSION**

- 5.1 All debts will continue to be pursued until they can no longer be legally recovered or it becomes uneconomic to pursue recovery.
- 5.2 Debts amounting to £221,818.27 were considered to be sufficiently unlikely to be recovered as to warrant being written off during 2023/24, which is to say they are no longer included as debtors on the Council's balance sheet.

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Ref: SPMAN-1293228629-932