



Moray Council

Wednesday, 27 September 2023

NOTICE IS HEREBY GIVEN that a Meeting of the **Moray Council** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Wednesday, 27 September 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 Items 17 and 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. **Minutes of meeting of 23 August 2023** **7 - 12**
5. **Written Questions ****
6. **Notice of Motion - Lift the Ban** **13 - 14**
7. **Notice of Motion - Telford Bridge** **15 - 16**
8. **Short to Medium Term Financial Plan** **17 - 40**
Report by Depute Chief Executive (Economy, Environment and Finance)
9. **Treasury Management Performance Indicators 2022-23** **41 - 56**
Report by Depute Chief Executive (Economy, Environment and Finance)

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| 15. | Information Reports - if called in | |
| 16. | Question Time ***

Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

Item(s) which the Committee may wish to consider with the Press and Public excluded | |
| 17. | Re-Alignment of Services [Para 1]
• 1. Information relating to staffing matters; | |
| 18. | Learning Estate Programme - Elgin High School Capacity Expansion Project Update [Para 8 and 9]
• 8 & 9. Information on proposed terms and/or expenditure to be incurred by the Authority; | |

Watching the Meeting

You can watch the webcast live by going to:

http://www.moray.gov.uk/moray_standard/page_43661.html

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

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

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

Moray Council

SEDERUNT

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

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

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

Minute of Meeting of the Moray Council

Wednesday, 23 August 2023

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

PRESENT

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

APOLOGIES

Councillor James Allan

IN ATTENDANCE

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

1. Chair

The meeting was chaired by Councillor Kathleen Robertson.

2. Best Wishes

The Council joined the Chair in wishing Councillor Allan a speedy recovery following his recent stay in hospital.

3. 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.

4. Resolution

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

representatives be excluded from the meeting for Item 11 of business on the grounds that it involves the likely disclosure of exempt information of the class

Para number of the minute	Para Number of Schedule 7a
13	Para 9 Information on terms proposed or to be proposed by or to the Authority

5. Minutes of meeting of 28 June 2023

The minute of the meeting of the Moray Council dated 28 June 2023 was submitted and approved subject to the minute being updated to reflect that Councillor Keith had declared an interest in item 5 on the agenda - Notice of Motion - Save our Surgeries and removed himself from the meeting.

6. Written Questions

The meeting noted the following written question submitted by Councillor Leadbitter and the Council's response thereto:

Scotland's Public Sector Heat Decarbonisation Fund

To ask what plans the Council has to apply for 80% grant funding from the £20m Scotland's Public Sector Heat Decarbonisation Fund recently announced by the Scottish Government and what projects will be considered?

Link to further information: <https://www.gov.scot/news/new-grant-funding-to-decarbonise-public-sector-buildings/#:~:text=Additional%20support%20for%20net%20zero,external%20organisations%20decarbonise%20their%20buildings.>

RESPONSE

Scotland's Public Sector Heat Decarbonisation Fund will replace the Scottish Energy Efficiency Loan Scheme (Salix loans), effectively moving from loans to direct grant awards. The Council has previously received loans from the Salix fund for LED improvements.

Work is currently being undertaken to develop a business case for decarbonising the heating of 10 corporate assets with the assistance of Mott Macdonald via the Non Domestic Energy Efficiency Framework. The intention is to have a proposal presented to the next Asset Management Working Group outlining potential options for these assets and including the option to pursue grant funding via the Public Sector Heat Decarbonisation Fund. A further update on this will be provided either as a stand alone report or incorporated into the annual energy report to Economic Development and Infrastructure Services Committee in November.

As a supplementary question, Councillor Leadbitter sought clarification on whether it would be achievable for the Council to apply for funding given that the fund is only open for a short period of time and may fall outwith relevant Committee meetings to seek approval.

In response, the Head of Economic Growth and Development confirmed that it would fall under one of the actions in the Climate Change Action Plan and delegated authority is already given to apply for grants for this type of work. He further added that the Business Cases need to be robust and follow a sensible route of investment for the Council and decarbonisation.

7. Moray Integration Joint Board Summary

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

Following consideration the Council unanimously agreed to approve the report.

8. Corporate Plan Review Progress

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) seeking Council approval for draft high level priorities for the Council Corporate Plan for 2024 - 29 and to proceed with engagement with the community and Council workforce alongside financial planning engagement activity.

Councillor Morrison highlighted that there was no direct reference to the gender pay gap within the community in the plan. In response the Depute Chief Executive (Education, Communities and Organisational Development) advised that the Corporate Plan had a section relating to Inequalities and Incomes with individual Service Plans aligning to the priority.

Councillor Morrison confirmed that she would like to have the gender pay gap highlighted specifically. The Chair confirmed that she would be happy to have a discussion with Councillor Morrison outwith the meeting.

Councillor Van Der Horn suggested alternative wording in relation to Climate Change. The Chair confirmed that she would be happy to discuss alternative wording with Councillor Van Der Horn following the meeting.

In response, the Depute Chief Executive (Education, Communities and Organisational Development) suggested that if members were happy, Council could delegate to the Chair and Chief Executive through discussion with other members agreed headings for the Corporate Plan.

Following consideration the Council unanimously agreed:

- i) to note the progress made on developing the 2024-29 Corporate Plan; and
- ii) to note the Moray context document (Appendix 2) that provides background, data and context to inform corporate planning;
- iii) the Corporate Plan draft Vision and draft Priorities as set out in Appendix 1 for consultation and engagement;
- iv) that community and workforce engagement takes place on the draft priorities and future direction alongside financial planning engagement activity;

- v) to note a further report will be submitted to Council to consider the outcome of this engagement and to finalise the Corporate Plan and the actions and measures to ensure its delivery; and
- vi) to delegate to the Chair and Chief Executive, through discussion with other members, agreed headings for the Corporate Plan.

9. Draft Strategic Partnership Agreement with Public Health Scotland

The meeting had before it, a report by the Chief Executive seeking Council approval for the signing of the Strategic Partnership Agreement between Public Health Scotland (PHS) and Moray Council, as one of nine organisations comprising the North East Population Health Alliance (NEPHA).

The Chair proposed an additional recommendation to the report whereby the Agreement is presented to the next meeting of the Community Planning Board for noting and endorsement. This was seconded by Councillor Divers.

Following further consideration the Council unanimously agreed:

- i) to authorise the Chief Executive to sign the Strategic Partnership Agreement on behalf of Moray Council;
- ii) to request the North East Population Health Alliance provide the Council with a progress report on the Strategic Partnership Agreement in March 2024; and
- iii) that the Agreement be noted and endorsed by the Community Planning Board.

10. Finance Policy Reviews

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) inviting the Council to approve changes to the Council's Financial Regulations, Authorisation Policy, Grant Funding Procedures and Anti Money Laundering Policy.

Councillor Mustard raised concerns that the documents did not use gender neutral language and that all Council documents should be written in that form.

In response, the Head of Governance, Strategy and Performance confirmed that he would remind Officers of the need for gender neutrality when writing, reviewing and updating Council documents.

Following consideration the Council unanimously agreed to provide comments on the following documents by mid September 2023 which will be further reviewed in light of comments received and submitted to the next meeting of Moray Council on 27 September for approval:

- i) the revised Financial Regulations as set out in Appendix 1;
- ii) the revised Authorisation Policy as set out in Appendix 2;

- iii) Grant Funding Procedures as set out in Appendix 3; and
- iv) The Anti Money Laundering Policy set out in Appendix 4.

11. Review of Second Tier Governance Documents

The meeting had before it a report by the Depute Chief Executive (Education, Communities and Organisational Development) asking the Council to agree a programme of review of the Second Tier Governance Documents.

Following consideration the Council unanimously agreed to approve:

- i) the index and priority for review of the Second Tier Governance Documents contained in Appendix 1; and
- ii) the Notice of Motion flowchart attached as Appendix 2 and Notice of Motion template attached as Appendix 3.

12. Question Time

CCTV Update

Under reference to paragraph 16 of the minute of the meeting of 28 June 2023, Councillor Warren sought an update on the CCTV installation in Buckie.

In response, the Depute Chief Executive (Economy, Environment and Finance) confirmed the following:

Elgin, Lossiemouth and Forres are fully operational, 2 cameras were operational in Buckie and 1 camera in Keith, there are issues with mobile data to the 2nd camera, however once a mobile sim has been received, the cameras will be handed over to the contractor.

Under reference to paragraph 16 of the minute of the meeting of 28 June 2023, Councillor Gatt sought confirmation on what can be done to ensure there is no break in CCTV provision as has been experience recently.

In response, the Head of Economic Growth and Development advised that the work currently being done was as a result of very little maintenance on the previous CCTV system and therefore the equipment and systems had become very antiquated. He further added that the new system is up to date and fit for purpose and more modern technology to get high quality pictures which are fed into the Police station. The main issues in delivering this project has been around lack of broadband capacity within certain towns which resulted in the scope of the project having to be amended to accommodate the issues.

Moray Leisure Centre Expansion Update

Under reference to paragraph 20 of the minute of the meeting of 28 June 2023 Councillor Warren sought an update on the Moray Leisure Centre expansion.

In response, the Depute Chief Executive (Education, Communities and Organisational Development) confirmed that work has been ongoing to investigate and progress the issues that were identified in the previous report to Council, the

issues are particularly complex and Officers are not in a position to give a detailed update at this time other than to assure Members that work is ongoing.

Potential Reduction of Degree Courses at UHi Moray

Councillor Morrison stated that the SNP group had been contacted by concerned constituents alerting the group to the fact of a potential reduction in the number of degree courses being available at UHi Moray, specifically humanity courses such as History and sought agreement from the Council Leader that it is essential that the offer from UHi be as wide and encompassing as possible to ensure that Moray retains a percentage of school leavers and offers are attractive to learners. She further added that the SNP group will be writing to the Minister of Higher and Further Education and Rural Affairs as well as the Chief Executive of UHi Moray to raise concerns and urged other Groups and individual Councillors to do the same.

Councillor Morrison further asked if the issue could be raised at the next meeting of the Community Planning Board and could the Leader seek clarity from the UHi representative on the Community Planning Board?

In response, the Council Leader stated that she would be very happy to support the request.

13. Property Acquisition - Compulsory Purchase Order

The meeting had before it, a report by the Depute Chief Executive (Economy, Environment and Finance) providing an update to the Council on the Elgin regeneration project and asking the Council to authorise use of compulsory purchase powers to secure the delivery of Moray Growth Deal (MGD) projects in Elgin.

Following consideration the Council unanimously agreed to:

- i) endorse the decision to promote a Compulsory Purchase Order (CPO) in respect of the property as detailed in para 5.10 in line with delegated authority referred to in para 4.6, subject to back to back legal agreements being completed between the Council and respective partners;
- ii) continue to negotiate with the owners to seek satisfactory resolution in parallel to the CPO process; and
- iii) delegate to the Head of Housing and Property and Head of Economic Growth and Development, in consultation with the Chair and Depute Chair, to carry out the actions as set out in para 5.11.



NOTICE OF MOTION TO MORAY COUNCIL ON WEDNESDAY 27 SEPTEMBER 2023

Right to work for asylum seekers

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

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

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

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

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

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

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

Action

Council therefore agrees:

- To confirm support for the Lift the Ban campaign and our belief that the right to work is a fundamental human right;

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

Financial Consequences

- There are no financial consequences.

**Proposed by Councillor Fernandes
Seconded by Councillor Leadbitter**

Date Motion Submitted: 5 September 2023



NOTICE OF MOTION TO MORAY COUNCIL ON WEDNESDAY 27 SEPTEMBER 2023

Telford Bridge, Craigellachie - Ownership and Future Development

Background

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

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

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

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

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

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

Actions

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

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

- The known condition of the bridge

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

Financial Implications

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

Proposer: Councillor Juli Harris

Seconder: Councillor Derek Ross

Date Motion Submitted: 13 September 2023



REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023

SUBJECT: SHORT TO MEDIUM TERM FINANCIAL PLANNING

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

1. REASON FOR REPORT

- 1.1 To consider the revised budget for 2022/23 and consequent revisions to the estimated budget position for 2024/25 and 2025/26.
- 1.2 To approve a Short to Medium Term Financial Strategy aimed at closing the estimated budget gap by 2025/26.
- 1.3 This report is submitted to the Council in terms of the Council's Administrative Scheme section (III) (A) (2) relating to considering Capital and Revenue budgets and long term financial plans.

2. RECOMMENDATION

2.1 It is recommended that the Council notes:

- (i) the revised budget for 2023/24 and, based on current estimates, consequent anticipated small improvement in financial position for 2024/25;**
- (ii) the timeline for future revisions of the budget gap;**
- (iii) that there is still considerable uncertainty around key budget assumptions in 2023/24 which will further alter the budget gap;**
- (iv) the risk factors set out in section 6 of this report; and**
- (v) notwithstanding the small improvement in budget position from that reported in June, the structural deficit remains and given ongoing uncertainties, the Council still requires to make very significant levels of savings in a short timeframe.**

2.2 It is recommended that the Council approves the Short to Medium Term Financial Strategy set out in APPENDIX 2 to this report.

3. BACKGROUND

- 3.1 The Council's revenue and capital budgets for 2023/24 were approved at a meeting of Moray Council on 1 March 2023 (paragraph x of the Minute refers). A budget shortfall in 2023/24 of £15.2 million was planned to be funded from reserves and a savings target of £19 million for 2024/25 projected. At the time this budget was set, this level of use of reserves was recognised as a high risk strategy.
- 3.2 Council on 8 March 2023 (paragraph x of the Minute refers) approved £49,000 recurring savings for consultation and further adjustments following finalisation of the unaudited accounts were approved by Council on 28 June. At the update on short to medium term financial planning reported to that Council it was reported that the impact of the funding for the 2022/23 pay award which came in the form of capital grant was being investigated and it was likely that the funding of £2.007 million could be netted off, reducing the budget gap. This has been confirmed and is included in the budget overview for 2023/24 in **APPENDIX 1**.
- 3.3 Scottish Government provided funding in 2022/23 to part fund the teachers' pay award. This was announced as recurring funding but the method of distributing the funding in 2023/24 was not agreed until July 2023. Moray's share of that funding is £2.2 million and that is also included in the budget overview in **APPENDIX 1**. This has the effect of further reducing the budget gap.
- 3.4 The budget gap will be kept under review as it is a fluid area. When estimated actuals are calculated the impact on the Council's reserves will be recalculated and reported to committee in November, along with any emerging budget pressure arising from the estimated actual position. The draft local government settlement is expected in December and a further update will be provided in January 2024. Estimated actuals will be updated and form part of the position to be reported when the budget is approved in March 2024. At each of these points movement in the Council's financial position can be expected. What cannot be foreseen at this juncture is whether the position will improve or worsen. However, there are a number of risk areas which are flagged up in this report and will continue to be reported as part of the wider context in which projected figures are reported.
- 3.5 Further amendments made since the last report to Council are set out in section 4 of this report.

4. BUDGET PRESSURES AND GRANT FUNDING 2023/24 TO 2025/26

Budget pressures

- 4.1 Budget pressures arise in two ways: most budget pressures come from sources external to the Council or from factors which influence the demand for services. Examples would be change in legislation and demographic pressures such as increasing school rolls. The Council cannot directly control this source of pressures, which covers the majority of spend. The second source of budget pressures is Council decisions which increase planned expenditure. Budget pressures approved when the budget for 2023/24 was set are kept under

review and the emergence of new budget pressures will also be reflected in the financial planning process.

- 4.2 One budget pressure has been removed – as reported to Corporate Committee on 29 August 2023 (paragraph 9 and 10 of the Minute refers) the budget pressure of £5,000 for a contribution towards a study on potential energy from renewables has been removed as this is no longer required, with a different approach to the issue being taken.
- 4.3 A provisional amount of £1.5 million was included in the report to Council on 28 June 2023 for an emerging budget pressure relating to Additional Support Needs. Following a report to that meeting of Council the provisional sum has been adjusted to £1.8 million, a one-off sum of £1.1 million and a recurring sum of £0.7 million.
- 4.4 Council at its meeting on 24 May 2023 approved an extension to trade union facility time at a cost of £57,000 and this has been added to budget pressures in the overview.
- 4.5 The net result of this is an increase in budget pressures of £0.352 million and a decrease in budget carried forward to 2024/25 of £1.1 million
- 4.6 Savings required across 2024/25 and 2025/26 are now projected as totalling £15.9 million, with £1.8 million identified, leaving a balance of £14.1 million to find, £13.3m in 2024/25 and £0.8m in 2025/26.

Revenue Support

- 4.7 Two redeterminations of General Revenue Grant in respect of specific services have been notified and are included in the updated overview. Funding of £68,000 for summer holiday activities was announced on 5 July 2023 and reported to Education, Children and Leisure Services Committee on 19 September 2023. Funding of £264,000 for Employability (No-one Left Behind) was announced on 12 July 2023. These have been treated as new burdens funding ie it is assumed that there will be additional expenditure funded by the increase in grant.
- 4.8 As noted in paragraph 3.3 redetermination of £2.2 million was announced on 25 July 2023. Having confirmed that the full impact of the pay award for 2022/23 is included in the budget for 2023/24 the impact of this funding is a reduction in the projected budget gap for that year.

5 FINANCIAL PLANNING

Short to Medium Term Financial Strategy

- 5.1 A Short to Medium Term Financial Strategy to guide the preparation of budget for 2024/25 and 2025/26 has been prepared, with the purpose of the Strategy being to have a balanced budget by 2025/26 with the structural deficit removed i.e. the Council is no longer reliant on the use of reserves to balance its budget.
- 5.2 The Strategy sets out the main financial levers available to the Council within budget preparation: Council Tax and other income; staffing and the Council's asset base. The interplay of these levers create the various budget options

which the Council has to consider. In particular, increased income from Council Tax or other sources enables a lower level of service reduction. Correspondingly, a reduction in staffing and / or the Council's asset base lessens the need to raise Council tax or other charges.

- 5.3 The Strategy sets out the approved Savings Hierarchy of transformation, income generation, service reduction and cessation and links to the Reform Matrix, which underpins the Council's work on service transformation. These together give direction to both short to medium and medium to long term financial planning. Following the hierarchy, the strategy identifies issues for consideration in the short to medium term financial planning process.
- 5.4 The Strategy defines the key strands of work on the short to medium term financial plan as:
- "Savings Max" – the maximum service efficiencies and reductions considered possible at this time, and
 - "Income Max" – opportunities to maximise income and so reduce the need for service cuts including council tax
 - with subsidiary strands of Transformation – what phases 1-3 in the Improvement and Modernisation Programme will be focussed on, and
 - work to identify what the Council will look like in coming years – the "Future Council".

The need for savings is ongoing as budget pressures emerge, and transformation and what the future council will look like will be key features of the medium to long term financial strategy and plan.

- 5.5 The Strategy also identifies the wider context in which short to medium term financial planning will be taking place, from the Corporate Plan, to specific areas of risk for the planning process, to wider considerations such as inflation.
- 5.6 The Strategy is shown in a simplified numerical illustration as the "Budget on a Page", set out in **APPENDIX 3** to this report. This follows the staged and layered approach to savings which has been followed during the year in the financial planning process, reflecting progress to date in closing the budget gap across various themes – transformation, income generation, procurement, workforce strategy, service savings – and showing on a staged basis the various steps which could contribute towards filling the budget gap. The figures used for savings are indicative as further work is required to put together a package of savings for reporting to Council in October.

Medium to Long Term

- 5.7 The Council's Medium to Long Term Financial Plan requires to be reviewed to reflect current circumstances, including the impact of higher levels of inflation, national initiatives which will impact on the Council, and the latest information on demographics. It is planned to report this to Council in October as it requires further development of the future council approach.

6 RISKS

- 6.1 The Short to Medium Term Financial Strategy specifically identifies risk as an important component of short to medium term financial planning. The

importance of considering risk is heightened as the Council's reserves are depleted, as that reduces the capacity the Council has to absorb unexpected or unplanned for costs.

- 6.2 A risk which has been highlighted during the financial planning process in previous years is that of overspend by Moray Integration Joint Board (MIJB). MIJB reported an overspend of over £2 million at the end of June 2023. The Board has plans in hand to claw back the overspend but that is clearly a major task to accomplish within a six month time frame with winter approaching. The Council needs to recognise that there is a risk that it will be called upon to provide additional funding for MIJB, under the terms of the Scheme of Delegation. This will be updated on when the estimated actuals are reported in November 2023, but if the overspend is not brought back under control, based on quarter 1 the council's share of that overspend for 2023/24 would be in the order of £4m.
- 6.3 A budget pressure for Additional Support Needs (ASN) is referred to in paragraph 4.3. Provision has been made for a one-off budget pressure of £1.1m, and there is also one-off funding included in the ASN budget to support the service during the ASN review. There is a risk that the one-off funding is also required to become recurring. This will be quantified and reported in the next update on short to medium term financial planning.
- 6.4 When the budget for 2023/24 was approved, indicative figures for 2024/25 and 2025/26 were based on the forecast assumption at that time that inflation would rapidly return to the Treasury target of 2%. Events in recent months have seen inflation dropping at a far slower rate than forecast at the beginning of the calendar year. The provision for inflation needs reviewing and will be reviewed for the next update in October. An increase in the provision for contract inflation appears inevitable, particularly given the indexation of the payment for PPP schools and the fact that the Council is a Living Wage employer and high inflation will mean a corresponding uplift in the Real Living age. In addition, pay settlements have not yet been agreed for 2023/24 with strike action planned in support of increased settlements.
- 6.5 These are considered to be the major risks at present. However, there are also risks to the Council arising from the fact that we budget for winter maintenance for a mild winter – a late severe winter will always lead to an overspend in this area and currently there is also a significant amount of unbudgeted expenditure on legal fees, for a variety of reasons. Other service areas will be reviewed and added to what will become a budget risk table. This will give earlier warning of potential areas of unbudgeted spend than at present, when emerging budget pressures are reported only as they begin to be quantifiable. All of these factors mean that while the recent small improvement is welcomed, the structural deficit of over £12m remains and as further fluctuations in the budget gap are inevitable, progress to remove that deficit must continue with pace and urgency.

5. SUMMARY OF IMPLICATIONS

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

Financial Planning is integral to the Council's overall planning processes and allows the Council to direct resources to its agreed priorities which include financial sustainability.

(b) **Policy and Legal**

The Council is required by statute to set a balanced budget before the start of the financial year. The requirement is set out in the Local Government Finance Act 1992 (section 93).

(c) **Financial implications**

The Council has an underlying structural deficit of over £12m which will be met from reserves in 2023/24 and a continued and heightened budget gap is forecast for 2024/25 with further savings required in 2025/26.

Early action to tackle the projected funding gap for 2024/25 and 2025/26 is therefore urgently required and the Short to Medium Term Financial Strategy sets out how this is planned to be achieved. There are considerable uncertainties regarding a number of budget pressures, particularly pay awards, and other areas of risk to the budget process. To achieve financial stability and sustainability the creation of further non-essential budget pressures must be avoided as inevitably reserves will be called upon to some extent to help balance the budget in 2024/25.

(d) **Risk Implications**

The forecast deficits for 2024/25 and 2025/26 represent a significant risk to the Council. There is also a risk that the deficits are understated. The main areas of risk are:

Regarding the levels of savings – these represent a high proportion of the Council's budget and not all budgeted spend is under the Council's control.

Regarding the projected levels of deficit -

- Pay awards are unknown at present and the impact of pay awards is significant
- The impact of continuing inflation on procured goods and services may be greater than forecast
- Higher interest rates
- Approved savings might not achieve target
- There may be emerging budget pressures from changing circumstances not captured in the current projections and the areas considered to be pertinent are listed in the report.

(e) **Staffing Implications**

No staffing implications arise directly from this report.

- (f) **Property**
There are no property implications arising directly from this report.
- (g) **Equalities/Socio Economic Impact**
Any savings proposal with an equalities impact will be subject to an Equalities Impact Assessment (EIA) when reported.
- (h) **Climate Change and Biodiversity Impacts**
There are no implications for biodiversity arising directly from this report.
- (i) **Consultations**
CMT and Heads of Service have been fully involved in the preparation of proposed savings and in regular planning meetings to discuss the budget, including budget review sessions with elected members and a series of briefings / workshops.

6. CONCLUSION

- 6.1 There are considerable uncertainties regarding the Council's budgetary position in 2023/24 and beyond, however the underlying position is a substantial deficit, funded by use of ear-marked reserves to balance and that is not sustainable.**
- 6.2 The Short to Medium Term Financial Strategy sets out the proposed approach to tackling this issue.**

Author of Report: Lorraine Paisey, Chief Financial Officer
Background Papers:
Ref: SPMAN-1293228629-951

BUDGET OVERVIEW AS AT 4 SEPTEMBER 2023

	2023/24	2024/25	2025/26
Revenue Expenditure	£000s	£000s	£000s
Service allocations (assuming prior year savings are achieved)	248,752	263,802	248,837
Adjustments to brought forward figure:	690	(5,800)	92
Opening budget	249,442	258,002	248,929
Pay and price increases	3,293	4,236	4,120
(Decrease) / Increase in Loan Charges per budget	2,000	1,500	(495)
New Burdens	2,257	0	0
Budget pressures:			
- Approved or noted for future years when budget set	10,156	1,847	55
- Approved since budget set	0	57	0
Emerging	1,805	18	0
Service developments			
- Approved	704	0	0
- Proposed	0	0	0
	269,657	265,660	252,609
Revenue Funding			
General Revenue Grant / NDRI	195,513	197,800	199,778
New burdens funding not included in grant above	2,257	0	0
Council Tax	49,974	51,908	53,812
Release from Repairs and Renewals Reserve			
Funding from General Reserves:			
Funded from Ear-marked reserves:			
Transformation	1,613	0	0
Council priorities	0	0	0
MGD cash flow	759	1,136	0
Covid	13,686	0	0
	263,802	250,844	253,590
SAVINGS REQUIRED	5,855	14,816	1,056

Savings Summary				
Savings Approved:				
Approved when budget set	3,152	828	47	
Temporary savings including financial flexibility	867	92	0	
Further savings approved	274	181	0	
Indicative Savings from I&M Programme	588	374	245	
Other savings proposed	975	0	0	
Savings to be identified	(0)	13,341	764	
Total savings	5,855	14,816	1,056	
Estimated Free Balance on General Reserves	5,000	5,000	5,000	
Estimated Balance on covid Reserve	9,211	9,211	9,211	
Estimated Balance on Transformation Reserve	3,868	3,868	3,868	
Estimated balance on Council priorities	5,881	5,881	5,881	
Estimated balance on MGD cash flow reserve	3,241	2,105	2,105	
Estimated balance from retrospective service concession saving	11,200	11,200	11,200	

APPENDIX 2

SHORT TO MEDIUM TERM FINANCIAL STRATEGY

Background

- 1.1 The Short to Medium Term Financial Strategy forms part of a suite of documents used in the Council's financial planning:
 - the three year budget reported when the budget for the year is set and regularly updated in reports to Council
 - the indicative 10 year Capital Plan, underpinned by the Council's Capital Strategy
 - the Council's Reserves Policy
 - the Council's Charging Policy
 - the Treasury Management Policy
 - the Medium to Long Term Financial Plan
 - sitting above all these the Council's Corporate Plan.

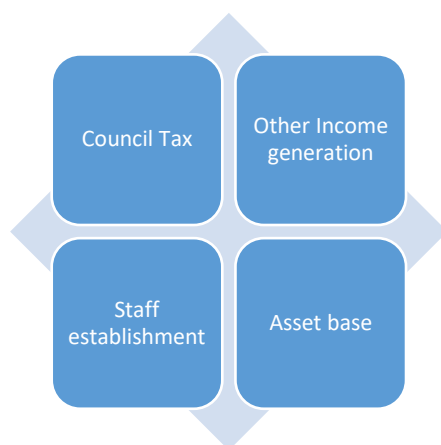
- 1.2 Moray Council in common with all other Scottish local authorities has been delivering service efficiencies and making budget savings for many years. Reserves have been used to make up the shortfall between the cost of services and funding for the Council. This is not a sustainable position. The Council therefore faces two challenges: to remove the reliance on reserves (the structural or underlying deficit in funding) and to contain budget pressures from increased demand or inflation within a reduced funding envelope from Scottish Government. These challenges become more difficult over time, with service efficiencies delivered and many services already reduced or removed.

- 1.3 When the budget for 2023/24 was set it was recognised that a very significant level of savings would be required over the period 2024/25 to 2025/26. That is the period covered by the Short-to-Medium term financial plan and strategy. The Council also has a Medium to Long Term Financial Plan, covering the period 2026 to 2033.

- 1.3 The update on short to medium term financial planning reported to Council on 28 June 2023 set out the approach being taken to identify savings and also longer-term potential remodelling of the council. This document is based on that work and sets out a strategy to achieve a balanced budget in 2024/25 and 2025/26 whilst also looking to the longer term to achieve a sustainable council.

- 1.4 The sizeable structural deficit in 2023/24 indicates the pressing need to achieve significant savings in as early a timescale as possible.

2 Key Financial Levers



2.1 These levers are the key to both the short to medium and medium to long-term financial strategies. Increasing income from Council Tax and other charges lessens the need to reduce expenditure on the main drivers for the cost of our services: staff and our asset base, and so can be used to help protect services. The movement from each of these levers impacts on the required movement from the others.

3 Hierarchy of Savings, Income and Transformation

3.1 The Council has an agreed Savings Hierarchy, with transformation of services as the preferred option, followed by income generation, thereafter service reduction / cessation. Service transformation has been ongoing since 2018 when the **Improvement and Modernisation Programme (IMP)** was first approved. This Programme was based on the Reform Matrix and a number of design principles which together aim to deliver a sustainable council.

Reform Matrix

Transformation (different service)	Centralise/ amalgamate in-house; Share services; Outsource/ Commission; ALEOs/Trusts
Redesign of services (i.e. efficiency – same service leaner/new approach)	Digital Services; Redesign Jobs; Streamline processes (e.g. contact centre, SharePoint, energy management); Rationalise asset base (including Schools, CATs); Simplify Governance
Redefine Services	Stop; Reduce; Community contribution / provision of services
Income generation and commercialisation	Charges; Sponsorship; Council Tax; Investment Portfolio; New services to compete with private sector; Sale of assets

- 3.2 The Savings Hierarchy is based on the Reform Matrix, but looks to prioritise the approaches available where transformation and complex redesign cannot deliver savings in the required timeframe.
- 3.3 The impact of strands of work being progressed under the Improvement and Modernisation Programme (IMP) has been included in successive budget projections and this is updated as these progress. There have been two iterations of IMP, with modest savings being generated to date and estimated savings from work underway incorporated in budget projections. A third programme is in development which also looks at how to transition to a council fit for the future – the **Future Council** - but the timeframe in which this will deliver savings is unlikely to have a significant impact in the span of the Short to Medium Term Financial Strategy.
- 3.4 Recognising the lead-in time for service transformation through IMP 3 is likely to impact most in the medium to long term, Heads of Service have been reviewing their services for what is being described as **Savings Max** for 2024/25 onwards – seeking to look for the maximum service income generation assessed as being achievable coupled with the maximum savings from cuts assessed as feasible in the short to medium term. Given that cumulative savings of £58 million have been taken from the budget over the past 13 years, some of the Savings Max options are unpalatable but the extent of the budget gap makes it unavoidable that these are considered and very serious cuts will have to be made.
- 3.5 In addition to the possibilities of services generating additional income, wider issues of income generation are included – referred to together as **Income Max** – and the main scope which the Council has to generate additional income is through increases to Council Tax. This is an important lever. During the period of the Council Tax freeze locally generated taxation revenue became an increasingly diminished feature of local authority funding. An element of growth in Council Tax would assist to start rebalancing the funding of Council services whilst also giving some protection from inflation. The 3% baseline assumption used over recent years in the budget dates from the Treasury target for inflation of 2% and is clearly out of step with the current economic climate.
- 3.6 These two elements of income and savings from cuts are included in the Budget on a Page appended as Appendix A (**APPENDIX 3** to this report). The Budget on a Page shows the funding gap and focusses on the various potential contributions to filling the gap, grouped thematically.
- 3.7 Looking at the elements set out in the Budget on a Page, potential savings from employer’s pension contributions to the North East of Scotland Pension Fund are also included. It will be October before consultation on potential contributions commences and so no clear estimate is currently available. However, a saving of £1 million is included as a working assumption.
- 3.8 Also shown are some key themes which may generate early savings such as procurement and our Workforce Strategy.
- 3.9 Options looking at Council Tax as a measure to protect services are also set out reflecting potential increases similar to those agreed by some other councils in previous years. Increasing Council Tax by 1% generates around £0.5 million – to bridge the funding gap without the savings max proposals or using reserves would require an increase in Council Tax of 27%. To bridge the funding gap without savings but using covid reserves would require an increase in Council Tax of 8%. A

combination of savings, a Council Tax increase and some limited use of reserves is therefore likely to be required in 2024/25 and this is picked up through the approaches set out in the Communications and Engagement Strategy agreed at Council in August.

Short to Medium Term Financial Strategy

4 The Funding Gap

4.1 On current estimates the Council needs to find savings of £16 million across the two year period 2024/25-2025/26. In both financial years it requires to set a balanced budget. The level of savings required are such that, depending on the way in which the levers described previously are used, these may not be achievable in one year. Use of reserves may therefore still form a limited part of the short term financial strategy. Consideration needs to be given however to the risks inherent in relying on reserves and the extent to which this is prudent. The strategy therefore assumes use of reserves will be kept to a minimum and is the last option to be brought into play when balancing the budget. Free general reserves are already at the policy minimum.

5 Proposed Strategy to Balance 2024/25 budget

5.1 The elements set out below follow the Council approved Savings Hierarchy (see paragraph 3.1):

Proposal	Comment	Potential Scale
Small scale transformation / efficiencies		
Energy saving measures	As set out in the Energy Strategy Report to the Economic Development and Infrastructure Services Committee on 15.11.22	Small £8,000- £10,000 pa
IMP 3 savings	High level estimate already included for IMP 1 and 2 – main impact beyond 2025/26	
Other opportunities if any identified		
Income generation		
Council Tax	3% increase included in base – consider higher increase	Significant (£0.5m per 1%)
Council Tax	Scottish Government (SG) are consulting on increasing ratios for Bands E to H	Significant – would yield £0.75 million (if approved, may be phased in)

Proposal	Comment	Potential Scale
Council Tax on second homes	SG announced (Programme for Government) it will give powers to increase	Significant – up to £1 million
General increase in charges for services (excluding savings specifically identified in Income Max)	Annual review per Council policy	Small to medium – 1% increase on all discretionary charges would generate around £80,000
Further service reductions		
Continued review	Savings Max from service cuts	Significant - @ £4.6 million in total (Green and Amber)
Emergency temporary measures	Review of purchasing card activity Postpone capital projects from 2023/24 Halt service developments Delay recruitment Delay contract awards Temporary building closures	Likely to be small scale

5.2 Consideration of all the above options includes assessing the impact of the Council's statutory duties, the impact on the public, impact on other services of the Council, Equalities and Socio Economic Impact, risks to the Council and Workforce impacts. Conditions placed on Council funding by the Scottish Government are also an important factor as these restrict the Council's options.

6 Use of reserves

6.1 As stated, given the scale of savings to be found, an element of use of reserves to balance the budget in 2024/25 is anticipated. This must be kept to a minimum and planned and managed along with consideration of the costs of transition to a sustainable Future Council because, with only earmarked reserves and minimum free reserves remaining, any use of reserves simply adds to the savings required the following year and as such use of reserves in this way is not sustainable. Remaining Covid reserves by the end of 2023/24 are currently estimated to be £9.2 m. These reserves derive from windfall funding from Scottish Government arising from Barnett consequential and Scottish Government have previously voiced the expectation that they will be used to cover budget pressures in the short term. These are the only

reserves not currently earmarked for other essential purposes, and they can only be used once.

- 6.2 It is important to note that officers have estimated lead-in times for savings max/income max in broad terms – some of these may be optimistic. If covid reserves are fully utilised in 2024/25, flexibility to offset such delays is lost.

7 Proposed Strategy to Balance the Budget in 2025/26.

- 7.1 If, despite efforts to minimise their use, covid reserves are exhausted by the end of 2024/25 then the options the Council has to balance the budget the following year are to take further efficiencies generated by IMP3 if these can be identified and implemented by that point, to generate more income or to further cut services. However, following on Savings Max, opportunities for further cuts will be limited and so the emphasis would have to shift to Income Max.
- 7.2 With this in mind, consideration should be given during the budget setting process for 2024/25 to agreeing an income strategy for a three year period, encompassing both Council Tax and charges for services, the impact of which could then be seen clearly in the Short to Medium Term Financial Plan and also link into the Medium to Long Term Financial Plan. Some savings also have potential to be implemented on a phased basis.
- 7.3 In terms of IMP 3, a number of opportunities which may deliver early savings are in development:
- There may be opportunities to look at wider early income generation, for example related to renewable energy.
 - There may be savings from procurement and energy efficiency measures.
 - Use of Council assets needs to be reviewed, along with the condition of assets and their strategic location. Demographic projections will be relevant and the availability of data from the 2021 census will be useful in this regard. The review of the capital plan in 2023/24 will dovetail with this.
 - Staffing in the widest sense should be considered, for possible savings ranging from further salary sacrifice schemes to changes in terms and conditions.
- 7.4 Horizon scanning will be important, to identify any legislation changes expected and likely impact of UK and Scottish Government plans.
- 7.5 The approach taken to identifying savings must align with the corporate priorities in the new Corporate Plan currently being developed and these priorities will be reflected in the Medium to Long Term Financial Plan.

8 Sensitivity analysis and budget assumptions

8.1 Key budget assumptions are set out below, with the impact of percentage variations on the budget projections

Budget component	Assumption	+/_ 1%	Impact on savings
Scottish Government Grant	Flat cash	+ / £2m	+/- 10%
Pay award	3%	+/- £1.6m	+/- 8.4%
Council Tax in-year collection	96.5%	+/- £0.6 m	+/- 3%
MIJB	Savings achieved and break even	+/- £0.5 m	+/- 2.6%
Loans interest	4%	+/- £2 m	+/- 10%

8.2 The projected budget is based on a number of other assumptions and these have been reviewed for potential risks to the Council or the budget setting process. Current recognised risks are;

- Based on current levels of expenditure, Moray Integration Joint Board may overspend on adult health and social care services. The Council is liable to contribute towards a share of any overspend
- There is a growing demand for Additional Support within Early Years and school settings. Additional funding has been allocated – this may prove insufficient; some funding is one-off – this may require to be converted to recurring funding
- Inflation is running at an elevated level for longer than anticipated at the beginning of the financial year – this is likely to lead to a higher than budgeted increase in the Real Living Wage and therefore to higher contract inflation in 2024/25 than currently budgeted for as well as creating pressures for pay negotiations.
- The Council is incurring significant unbudgeted costs for legal fees.
- The Council budgets for a mild winter in terms of winter maintenance but the actual cost will be higher if weather conditions are less good.

8.3 These and any other emerging risks will be kept under review as part of the short to medium term financial planning process.

9 Link with Medium to Long Term Financial Strategy

9.1 There are emerging proposals for transformation and for the Council of the future operating model which require to be assessed. Any proposals for the short term must be assessed against these emerging transformation proposals aimed to deliver the Future Council to ensure there is no significant conflict and they are aligned.

9.2 Looking at the transition from the short to medium to the medium to long term, the following elements set out earlier will together be key:

Income Max

What: Generation of income from Council Tax or by increasing current charges or introducing new charges

How: Savings hierarchy: income generation

Set current charges to highest tolerable level (a step change from the current very mixed observance of full cost recovery principle for locally set charges) and identify new charges that could be introduced. Tolerance will be judged by the overall level of income generated being increased and its role in bridging the gap relative to other levers, all in the context of and taking account of any impact on priority groups to ensure that the council's equalities and socio-economic duties being met.

Savings Max

What: Reductions in service budgets achieved through:

- Service redesign generating rapid efficiencies that enable the same service provision at less cost
- Redefining the service – reducing or stopping all or some of the service

How: Savings hierarchy: service savings and cessation.

Prioritised approach: to ensure that savings and remaining spend are consistent with council priorities, statutory and external requirements and constraints imposed on savings options (e.g. contractual issues, funding criteria from government)

Savings Max/Income Max:

Budget templates have been developed to show maximum possible savings to provide maximum possible scope to reduce costs from savings. Decisions will be required as to the extent of the whole package of savings to be taken and how to phase these for implementation to be manageable and deliver the savings in the necessary timing.

Transformation/IMP

What: Programme of work to support a financially sustainable council by delivering savings using the Reform Matrix of Transformation, Redesign, Redefine and Income Generation to identify projects and project management approaches to define and deliver.

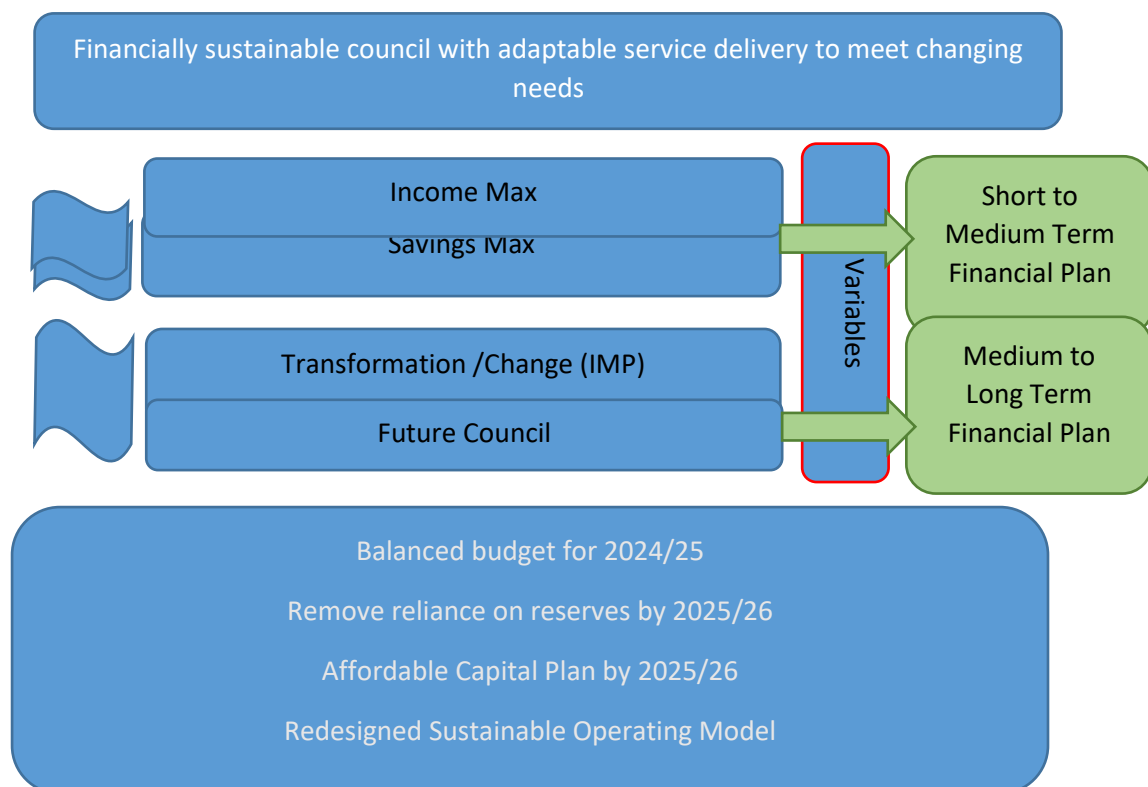
How: Savings hierarchy: transformation of services

Future Council

What: Identify and develop future operating model for council suited to council priorities providing adaptable future service delivery within sustainable balanced revenue budget and affordable capital plan.

How: Savings hierarchy: transformation of services

The interplay across these 4 elements is shown below leading from the overarching purpose to the ultimate objectives:



9.2 The Medium to Long Term Financial Plan is being drafted and will incorporate IMP3, which is in development. The Medium to Long Term Financial Strategy will be reported to Council in October.

10 Capital Plan Review

10.1 In tandem with the revenue focussed Short to Medium Term Financial Strategy set out above, a review of the capital plan has commenced. The review will:

- Reassess borrowing costs in the light of current interest rates
- Update medium to long term costs in the light of current cost estimates
- Identify an affordable capital envelope for the 10 year plan, using the local PI of a cap on financing costs as a percentage of total revenue budget

- Review plans for 2023/24 and 2024/25 to identify potential areas for delay / reduction.
- 10.2 The fourth bullet point directly ties into the Short to Medium Term Financial Strategy in that reduction in planned capital spend for 2023/24 and 2024/25 potentially delivers savings in financing costs for 2024/25.
- 10.3 Part of the capital review should be to consider the potential for reduction of the Council's asset base and this will be a strong theme in the Medium to Long term financial strategy.
- 10.4 The review also needs to consider the length over which planned programmes of capital expenditure will take place and the risks associated with various options, as deteriorating assets can require remedial revenue spend and the balance between capital investment and repairs and maintenance is an important consideration in asset management.
- 10.5 The capacity to carry out capital works from in-house resources must also be taken into account.

11 Other Factors

Other factors likely to directly affect short to medium term financial planning are as follows:

- 11.1 The Verity House agreement will need to be taken into account when further detail becomes available. Baselineing of funding of itself is unlikely to give significant financial flexibility; that will depend on the removal of conditionality and spend reporting requirements. The main elements of conditionality in 2023/24 were funding for Integration Joint Boards and maintenance of teacher numbers and numbers of support staff in schools. Given the financial situation of Moray Integration Joint Board (MIJB), flexibility regarding funding for MIJB is unlikely to yield significant savings. The implications of the three shared priorities within the agreement will also affect what may be possible / desirable.
- 11.2 The potential emergence of other local tax raising powers and potential increase of council tax ratios for Bands E to H.
- 11.3 Updated data for Grant Aided Expenditure. Current projections appear to be that Moray will have a relative reduction in young people compared to Scotland as a whole and that will reduce our grant funding. However, previous census results have proven population estimates to be below actual and that has resulted in increased funding.

12 The Wider Context

12.1 The following are key considerations:

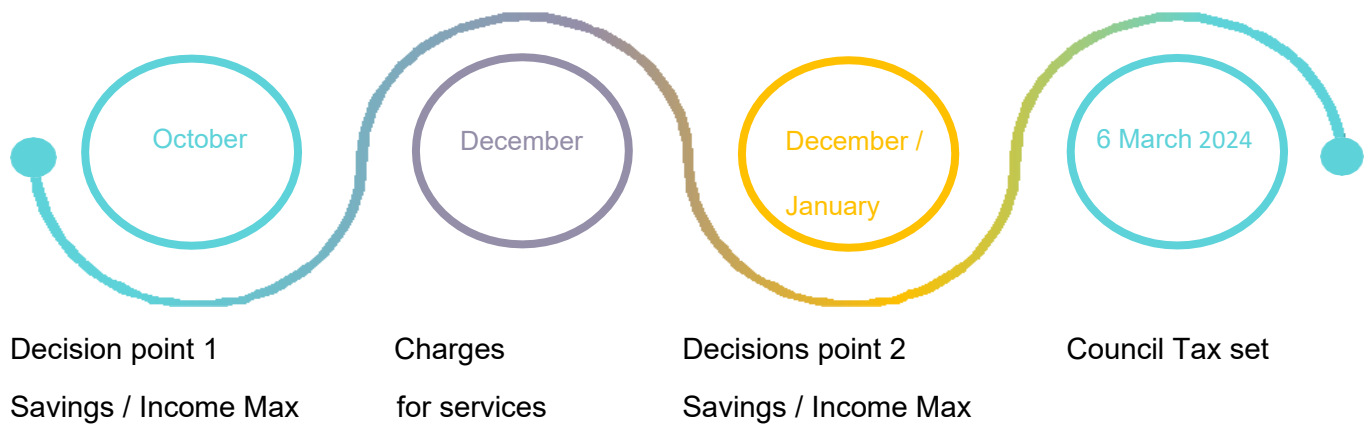
- Risks arising from increased inflation and interest rates, with likely impact on pay claims and general increases in prices across the board;
- Future funding, with Scottish Government finances under pressure and being targeted to specific priorities;
- Significant funding at UK and Scottish Government level coming from bid funds, requiring expertise and effort to access and with considerable monitoring

requirements;

- Demographic pressures and emerging social needs post pandemic;
- Significant difficulties in recruiting staff ;
- Moray Integration Joint Board (MIJB) is overcommitted against its budget and we will have to fund our share of any overspend. The long-term impact of the pandemic on MIJB services is as yet unknown;
- Our school estate requires significant investment to bring facilities up to the Scottish Government’s recommended ‘B-B’ standard;
- The need to keep pace with wider digital transformation.
- Meeting our target of carbon neutral by 2030 will be a financial and technical challenge

13 Timescales and actions to implement the strategy

13.1 Savings Max to be set out as two-stage decision process:



13.2 Workforce consultation and public engagement require to be factored in, commencing August 2023 with high level communications and separate Workforce and Public Engagement Strategies in development.

	2023/24	2024/25	2025/26	
	£000s	£000s	£000s	
Revenue expenditure	263,802	265,660	252,609	
Revenue funding	263,802	250,844	253,590	
Savings required	-	14,816	- 981	13,835
SAVINGS APPROVED				
Transformation				
Children's Services		249	245	
Lean review		125		
Income Generation		194	40	
Procurement				
Workforce Strategy				
Service Savings		815	7	
Total approved		1,383	292	
Balance of savings required		13,433		
Pension -estimated movement from actuarial revaluation		1,000		
Savings - Greens		3,216	177	
Savings - Ambers		991	229	
Total		5,207	406	
Remaing budget gap		8,226	- 406	7,820
Options to bridge the gap:				
Savings - Reds		1,698	1,024	
Council Tax - levy on second homes		1,000		If empowered
Council Tax - increased ratios		750	750	If approved
Council Tax - increase 7%		2,000		Increase above 3%
Council Tax - increase 10%		1,500		Increase above 7%
Total		6,948	1,774	8,722



REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023

**SUBJECT: REPORT ON TREASURY MANAGEMENT PERFORMANCE AND
TREASURY AND CAPITAL INVESTMENT PRUDENTIAL
INDICATORS FOR 2022/23**

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

1. REASON FOR REPORT

- 1.1 To provide Council with the annual outturn report on Treasury Management and details of the Council's Prudential Indicators for Treasury Management and Capital Investment for the year ended 31 March 2023.
- 1.2 This report is submitted to Committee in terms of Sections III B (3) of the Council's Scheme of Administration relating to Treasury Management and the Capital Plan.

2. RECOMMENDATION

- 2.1 **It is recommended that the Council considers and notes the Treasury Management Performance and the Council's Treasury Management and Capital Investment Prudential Indicators for 2022/23 as set out in APPENDIX 2.**

3. BACKGROUND

- 3.1 Members have agreed that reports on Treasury Management Performance are submitted twice annually. One report to agree the Treasury Management and Investment Strategies with relevant Performance Indicators and the second report to submit the annual review and actual performance of Treasury Management activities. Quarterly Treasury Management monitoring reports are posted on the Members Portal throughout the year.
- 3.2 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector 2021 (the Code) and the Local Government Investment (Scotland) Regulations 2010. All treasury management activities are carried out in accordance with the Code and regulations.
- 3.3 The primary requirements of the Code are as follows:

- An approved Treasury Management Policy, which sets out the policies and objectives of the Council's treasury management activities.
 - An annual treasury management strategy report to Council for the year ahead and an annual review report to Council of the previous year.
- 3.4 The Local Government (Scotland) Act 2003 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities and to produce the prudential indicators set out in the Prudential Code. These indicators are designed to support and record affordable and sustainable capital investment and treasury management.

4. TREASURY PERFORMANCE 2022/23

4.1 This annual Treasury Management performance report covers:

- The Economy and Interest Rates 2022/23
- Treasury Management Strategy and Performance for 2022/23
- Annual Investment Strategy and Performance 2022/23
- Investment Outturn for 2022/23
- Long Term Borrowing and Debt Rescheduling
- Short Term Borrowing
- Prudential Code for Capital Finance in Local Authorities

The Economy and Interest Rates 2022/23

4.2 Throughout the course of the year the UK has continued to see high levels of inflation. One of the reasons for this is the effects of the Covid pandemic and the impact that had on the supply chain, resulting in higher prices. The war in Ukraine has meant increases in gas prices and also food prices and this has kept global inflation above central bank targets and the UK economic outlook remained relatively weak.

4.3 At the start of 2022/23 inflation the Consumer Price Inflation (CPI) was at 5.5% and this rose steadily throughout the year, reaching a peak of 11.1% in October 2022. By February it was at 10.4%, with the largest upward contributions coming from food and housing. As we have moved into financial year 2023/24 inflation levels have started to decrease down to a level of 6.8% in July 2023 mainly due to the lower utility price cap, but it is still considerably higher than the Bank of England target of 2%.

4.4 The labour market saw a period of a high number of vacant jobs, but a shortage of available workers during the period, although there was some sign of this easing towards the end of the year as the unemployment rate started the year at 3.8% for April – June and was 3.7% for December to February. Earnings growth for December – February was 5.7% for both total pay (including bonuses) and 6.5% for regular pay. However, once adjusted for inflation both measures were negative for the same period and this was the case throughout the year.

4.5 Quarterly Gross Domestic Product (GDP) saw no great movement during the course of the year, registering a 0.1% gain in the April - June period, before contracting by (an upwardly revised) 0.1% in the subsequent quarter. For the

October - December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

- 4.6 The Bank of England increased the base rate in every Monetary Policy Committee (MPC) meeting during the period, which saw the rate increase from 0.75% in March 2022 to 4.25% by the end of the financial year. With inflationary pressures remaining elevated, this pattern of increases has increased into 2023/24 with rates currently at the highest they have been for a number of years.
- 4.7 Globally economies have seen the same trend as here in the United Kingdom. Both the Federal Reserve in America and the European Central Bank both mirrored the Bank of England by consistently increasing interest rates. Both are also seeing similar inflation patterns to the United Kingdom.

2022/23 Treasury Management Strategy and Performance

- 4.8 The Treasury Management Strategy, incorporating the Annual Investment Strategy, was approved by the Council at its meeting on 22 February 2022 (paragraph 6 of the minute refers).
- 4.9 The Council's main objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which the funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 4.10 Given the significant real reduction in local government funding in recent years and the impact of the pandemic, the Council's borrowing strategy continued to address the key issue of affordability without compromising the longer term stability of the debt portfolio. During 2022/23 short-term interest rates continued to be lower than long-term rates, and it was more cost effective in the short-term to either use internal resources, or to borrow short-term loans. By adopting this approach, the Council was able to reduce net borrowing costs and reduce overall treasury risk. The Council continues to keep this policy under review and take advice from its Treasury Management advisors to determine whether the Councils borrows at long-term fixed rates with a view to keeping future interest costs as low as possible.
- 4.11 The Public Loans Works Board (PWLB) is the Council's preferred source of long-term borrowing given the transparency and control that its facilities continue to provide. The cost effectiveness of short term borrowing has been reviewed relative to medium term borrowing from PWLB.

Annual Investment Strategy

- 4.12 The Council's primary principle when investing is the security of capital and liquidity of investments. As a secondary aim the Council will also aim to achieve the optimum return on its investments, commensurate with proper levels of security and liquidity. It is considered prudent to only invest with highly credited UK financial institutions that have a long-term credit rating of BBB+ or higher and that policy was complied with throughout 2022/23.

- 4.13 The Council's creditworthiness policy was formulated after consultation with Arlingclose, the Council's treasury advisers. The Chief Financial Officer maintains a counterparty list in compliance with the minimum criteria approved by Full Council on 3 March 2020 (paragraph 4 of the minute refers).
- 4.14 All credit ratings are monitored daily and the Counterparty list amended to reflect any changes if necessary – there were not changes during 2022/23.

Investment Outturn for 2022/23

- 4.15 The Council managed its investments in-house and invested with the institutions listed on the Council's approved Counterparty list.
- 4.16 The table below shows the overall investment undertaken by the Council during 2022/23:

	Total Sum Deposited (£m)	Average Rate (%)
Approved Financial Institutions	582.243	1.79
Council's Bankers	34.705	2.20
TOTAL	616.948	1.92

The above figures are cumulative and the actual amounts invested at any one time ranged from £10.285 million to £65.715 million.

- 4.17 The average rate of interest earned on investments during the year was 1.92%, compared to the average 7 day London Inter Bank Bid Rate (LIBID) of 2.31%. When the Bank of England base interest rate increases, the Council's Bank of Scotland call account rate is increased from that day, as is the LIBID rate. The money market funds in which the Council invests the balance of funds take time to catch up as their interest rates are not set and fluctuate depending on the market and the size of investment in each fund. The Council's investments throughout the year were in line with Treasury Management Practices with money deposited in the approved funds, redeeming from the ones with lower rates first.
- 4.18 As at 31 March 2023, the following balance was invested:

Counterparty	Investment	Amount (£m)	Interest Rate (%)
Bank of Scotland	Call Account	8.335	4.20
CCLA	Money Market Fund	5.000	4.12
		13.335	4.17

Long Term Borrowing and Debt Rescheduling

- 4.19 The Council's long term external debt position at 31 March 2023 compared with the position at the end of the last financial year was as follows:

	31 March 2022			31 March 2023		
	Actual (£000)	Rate (%)	Average Life	Actual (£000)	Rate (%)	Average Life

			(years)			(years)
Fixed Rate Funding – PWLB	134,150	4.85	17.26	126,542	4.99	17.35
Fixed Rate Funding – Market	33,400	4.68	52.82	33,400	4.68	50.82
TOTAL DEBT	167,550	4.77		159,942	4.88	

There was no variable rate borrowing in the year.

- 4.20 The Council has been maintaining an under borrowed position which means that the capital borrowing need (Capital Financing Requirement) has not been fully funded with loan debt. Cash supporting the Council's reserves, balances and cash flows have been used as temporary measures to offset the need to borrow.
- 4.21 The strategy of effectively delaying new long term borrowing by utilising internal and temporary borrowing has served well at a time when comparatively cheaper temporary borrowing from other local authorities is readily available, and historically low investment returns give rise to potentially significant carrying costs for new long-term borrowing.
- 4.22 There was no new long term borrowing from the Public Works Loans Board (PWLB) in the year.
- 4.23 No debt rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and PWLB premature repayment rates made rescheduling unviable.

Short Term Borrowing

- 4.24 During the year, nineteen new temporary loans totalling £79.5m were borrowed from other UK local authorities. A table detailing the short term loans outstanding at 31 March 2023 can be found at **APPENDIX 1**.

The Prudential Code for Capital Finance in Local Authorities

- 4.25 The Local Government (Scotland) Act 2003 requires the Council to undertake its treasury activities with regard to the Prudential Code for Capital Finance in Local Authorities.
- 4.26 To comply with the Prudential Code, authorities must not borrow to invest primarily for financial return. The Prudential Code also states that it is not prudent for local authorities to make investment or spending decisions that will increase the Capital Financing Requirement (CFR) unless directly and primarily related to the functions of the authority. Borrowing is permitted for cash flow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that

financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.

- 4.27 The Code requires the Council to produce mandatory indicators aimed at assisting members in ensuring that proposed capital investment levels and treasury management decisions satisfy the key requirements of affordability, prudence and sustainability. The Prudential Indicators for 2022/23 were approved at Full Council on 22 February 2022 (paragraph 6 of the minute refers). Performance against key indicators is shown in **APPENDIX 2**.

5. SUMMARY OF IMPLICATIONS

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

None arising specifically from this report.

(b) Policy and Legal

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

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

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

(c) Financial implications

The financial implications are highlighted within the report and the attached **APPENDIX 2**.

(d) Risk Implications

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

(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 from this report.

(i) Consultations

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

6. CONCLUSION

- 6.1 The Council's requirements for funds continues to be managed in accordance with the agreed Treasury Management Strategy. All treasury management and capital investment activities have been undertaken within the limits set by the Prudential Code Performance Indicators for 2022/23.**

Author of Report: Laurie Milne, Senior Accountant
Background Papers: Various working papers held within Financial Services.
Ref: SPMAN-129-3228629-945

APPENDIX 1

Short Term Loans Outstanding as at 31 March 2023

Organisation	Maturity Date	Borrowing Rate (%)	Amount (£m)
Wandsworth Borough Council London	09/05/2023	1.05%	5.00
West Of England Combined Authority	28/04/2023	0.80%	5.00
Oxfordshire County Council	05/04/2023	1.10%	5.00
West Midlands Combined Authority	16/08/2023	1.30%	5.00
Vale Of Glamorgan Council	21/09/2023	2.00%	3.00
Ryedale District Council	18/09/2023	2.00%	2.00
Blackburn With Darwen Borough Council	18/09/2023	2.00%	5.00
Bridgend County Borough	19/09/2023	2.00%	2.00
Wealden District Council	20/06/2023	1.90%	5.00
Local Government Association	20/06/2023	1.90%	1.50
Preston City Council	30/05/2023	1.90%	5.00
Western Isles Council	26/07/2023	1.90%	5.00
Warwickshire County Council	27/02/2024	4.65%	5.00
Horsham District Council	18/03/2024	4.30%	2.00
London Borough Of Richmond Upon Thames	24/07/2023	4.00%	4.00
Caerphilly Council	31/05/2023	4.30%	5.00
South Cambridgeshire Council	07/09/2023	4.65%	5.00
Elmbridge Borough Council	18/03/2024	4.75%	5.00
Gloucestershire County Council	22/09/2023	4.65%	5.00
TOTAL			79.50

APPENDIX 2

TREASURY AND PRUDENTIAL INDICATORS

External Debt and Treasury Indicators

1. The Authorised Limit for External Debt

The authorised limit for external debt is required to separately identify external borrowing and other liabilities such as Public Private Partnership (PPP), Design, Build, Finance, Maintain (DBFM) Contracts and finance lease obligations. This limit provides a maximum figure to which the Council could borrow at any given point during the financial year.

Authorised Limit	2022/23 Approved Indicator	2022/23 Estimated Indicator	2022/23 Actual Maximum
	£000	£000	£000
Borrowing	389,389	379,527	241,020
Other Liabilities	54,831	54,831	54,346
Total External Debt	444,220	434,358	295,366

The table shows that the limit was not breached.

2. Operational Boundary for External Debt

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

The estimated indicators are based on the approved capital plan as part of the Council's budget setting process. The actual is based on the capital expenditure in the year and there was slippage in various projects which has resulted in a variance.

Operational Boundary	2022/23 Approved Indicator	2022/23 Estimated Indicator	2022/23 Actual Maximum
	£000	£000	£000
Borrowing	374,389	373,542	236,757
Other Liabilities	53,831	53,831	54,346
Total External Debt	392,961	428,968	295,366

The table shows that the limit was not breached.

3. Actual External Debt

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

Actual Debt	At 31 March 2022	At 31 March 2023
	£000	£000

Borrowing	236,757	241,020
Other Liabilities	54,300	50,009
Total Debt	291,057	291,029

Other Liabilities include the PPP finance liability for Elgin Academy and Keith Primary School which became operational during 2011/12 and the DBFM finance liability for Elgin High School.

4. Treasury Management Indicator

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

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

Fixed and Variable Rate Limits

	2021/22 Actual	2022/23 Approved Limits	2022/23 Actuals
Interest Rate Exposures	Upper Limit	Upper Limit	Upper Limit
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	0%	35%	0%

Maturity Structure of Fixed Interest Rate Borrowing

	2021/22 Actual	2022/23 Approved Limits		2022/23 Actual (£m)	2022/23 %
		Lower	Upper		
< 12 months	32.10%	0%	37%	87.254	36.44%
12-24	3.29%	0%	20%	7.100	2.97%

months					
2-5 years	11.78%	0%	25%	25.780	10.77%
5-10 years	9.49%	0%	50%	20.115	8.40%
>10 years	42.30%	0%	85%	99.192	41.43%

Short term rates are low compared to longer term borrowing and in 2022/23 the Council has continued its policy of short term borrowing which remain within the limit approved.

Maximum Principal Sums Invested Greater than 364 days

	2021/22 Actual	2022/23 Actual
Principal sums invested >364 days	£0m	£0m

Capital Expenditure Indicators

5. Capital Expenditure

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

	2022/23 Approved Indicator	2022/23 Revised Indicator	2022/23 Revised Capital Plan	2022/23 Actual
	£000	£000	£000	£000
Capital Expenditure				
General Services	37,036	51,265	43,417	28,356
HRA	24,969	24,709	24,709	17,657
	62,005	75,974	68,126	46,013
Financed by:				
Capital Receipts	400	700	-	-
Capital Grant & Contributions	10,805	28,569	28,484	23,316
Reserves (Council Tax Discount on 2 nd Homes)	-	-	600	688
Revenue	6,276	4,903	4,303	1,397
	17,481	34,712	33,387	25,404
Net Financing Need for the Year	44,524	41,802	34,739	20,612

The General Services Capital Programme for 2022/23 amounted to £43.417 million. Expenditure for the year was £28.356 million, representing a net underspend of £15.061 million. Various projects experienced delays due to ongoing issues stemming from pressures within global supply chains. The NESS Energy from Waste project was underspent by £5.304m and various bridge projects were underspent by £2.869m. The Council's vehicle replacement programme and all ICT projects saw

delays due to extended lead in period for the delivery of component parts and this added £0.823 and £0.298 million to the underspend respectively.

The Housing Capital Programme amounted to £24.709 million and actual expenditure was £17.656 million. Planned expenditure for 2022/23 included new build at Speyview in Aberlour. This project was delayed due to protracted negotiations over development costs in the context of current volatility in the construction industry, along with infrastructure difficulties on site, with the outcome that this project will be delayed until the next update of the HRA Business Plan, planned for 2024/25. The project at Bilbohall, Elgin was deemed to be not financially viable in the form originally tendered, following detailed cost review. Alternative options are being considered. In light of procurement difficulties experienced at Bilbohall and issues in the construction industry the Council has withdrawn its interest in the proposed development at the former Spynie Hospital in Elgin.

Prudence Indicators

6. Gross Debt and the Capital Financing Requirement

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

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

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

	2021/22 Actual	2022/23 Approved Indicator	2022/23 Revised Indicator	2022/23 Actual
	£000	£000	£000	£000
Borrowing	236,757	319,929	311,478	241,020
Other Liabilities	54,365	51,331	51,331	54,365
Gross Debt	291,122	371,260	362,809	295,385
CFR	351,980	398,423	394,713	368,461
Under Limit By	60,858	27,163	31,904	73,076

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

Affordability Indicators

7. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and calculates the proportion of the net revenue budget required to finance the costs associated with borrowing and investment and is calculated by taking the total financing costs, including the costs of PPP/DBFM schemes as a proportion of the income received by the Council. The Council has set a limit of 10% for General Services and 35% for the HRA. The relevant proportions are set out below.

Service	2021/22 Actual	2022/23 Approved Indicator	2022/23 Revised Indicator	2022/23 Actual
General Services	8.27%	9.34%	8.90%	8.72%
Housing Revenue Account (HRA)	20.72%	20.57%	19.26%	21.95%

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

This indicator demonstrates the expected incremental impact of planned capital expenditure and associated borrowing on council tax and rent levels, calculated on the assumption that capital expenditure is funded by an increase in Council Tax and rent.

Service	2021/22 Actual	2022/23 Approved Indicator	2022/23 Revised Indicator	2022/23 Actual
Council Tax – Band D	£(15.88)	£(15.33)	£32.14	£54.45
Average Weekly Housing Rents	£0.62	£1.35	£0.96	£0.79

The calculated amount on Council Tax reflects the increasing cost of borrowing. Interest rates are continuing to rise and this will have an impact on the Council's future cost of borrowing.

For the HRA the 2022/23 actual impact on rents was less than the revised indicator due to less expenditure than planned due to delays on various projects.



REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023

SUBJECT: FINANCE POLICY REVIEWS

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

1. REASON FOR REPORT

1.1 To invite Council to approve changes to Council's Financial Regulations, Authorisation Policy, Grant Funding Procedures and Anti Money Laundering Policy.

1.2 This report is submitted to Council in terms of Section II (16) of the Council's Scheme of Administration relating to the formulation, review and amendment of the Council's Constitutional Documents

2. RECOMMENDATION

2.1 It is recommended that Council is asked to approve:

- (i) the revised Financial Regulations set out in APPENDIX 1;**
- (ii) the revised Authorisation Policy set out in APPENDIX 2;**
- (iii) Grant Funding Procedures set out in APPENDIX 3; and**
- (iv) The Anti Money Laundering Policy set out in APPENDIX 4.**

3. BACKGROUND

3.1 The Financial Regulations are part of the Council's constitutional documents are were last reviewed in January 2019. Amended text is in red, deleted text is scored through. Amendments made after consideration by the Council on 223 August 2023 are identified in paragraphs 3.2 to 3.4 below.

3.2 The Financial Regulations at APPENDIX 1 have been amended to include a limit of cash payments of £300 (previously £500). Paragraph 5.27 has been amended to formalise the role of the Audit and Risk Manager in stock writedown / writeoff. The paragraph reference in paragraph 5.29 has been amended from 5.10 to 5.11. There are minor amendments in paragraphs 9.1, 9.2, 9.3 and 9.4 to reflect the current scope of the work of the Internal Audit

section and role of the Audit and Risk Manager. Paragraph 11.5 has been amended to include the requirement that services maintain a register of any hospitality or gifts given to staff by virtue of their Council employment.

- 3.3 The Anti Money Laundering Policy has also be revised to limit cash receipts to £300 for one transaction and a list of situations where there is a risk of money laundering being attempted added to the policy for ease of reference.
- 3.4 As requested at Council on 23 August 2023, the documents have been reviewed to reflect the use of gender neutral language. They have also be reviewed for consistency of reference to the Council.

4. SUMMARY OF IMPLICATIONS

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

Effective governance arrangements are key to the development and delivery of the Council's stated priorities and plans.

(b) Policy and Legal

There are no policy and legal implications arising directly from this report. Financial Regulations have been updated to take account of the Public Subsidy Act 2020.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications

The Financial Regulations, Authorisation Policy, Grant Funding Procedures and Anti Money Laundering Policy are all documents which provide guidance and clear parameters to budget mangers and thus regulate the risk to the Council of poor financial management.

(e) Staffing Implications

No staffing implications arise directly from this report. Any proposals to award or apply for grants which require additional staffing resource to administer will be the subject of specific reports to the appropriate committee.

(f) Property

No direct property implications arise directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities implications or socio-economic impact arising from this report.

(h) Climate Change and Biodiversity Impacts

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

(i) Consultations

All members have been consulted on the contents of the Financial Regulations, the Authorisation Policy and the Grant Funding Procedures and amendments incorporated.

5. CONCLUSION

5.1 Updated Financial Regulations, Authorisation Policy and Anti Money Laundering Policy are attached for approval.

5.2 Grant funding procedures have been drafted to cover the award of grants and applications for grant funding are attached for approval.

5.3 Revised financial policies is approved will come into effect immediately.

Author of Report: Lorraine Paisey, Chief Financial Officer LP/LJC
Background Papers:
Ref: SPMAN-1293228629-878

MORAY COUNCIL

FINANCIAL REGULATIONS



Owner of Policy	Chief Financial Officer
Author	Deborah O'Shea
Date of Review	May 2023
Date of previous version	23 January 2019
Policy Approved	
Next Review Date	December 2023

FINANCIAL REGULATIONS

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1. GENERAL AND INTERPRETATION

- 1.1 Moray Council makes the following Regulations for the proper administration of the Council's financial affairs, including the Housing Revenue Account.
- 1.2 In these Regulations, unless the context requires otherwise, the following expressions shall have the meanings respectively assigned to them, that is to say: -
- **"COUNCIL" MEANS MORAY COUNCIL INCORPORATED UNDER THE LOCAL GOVERNMENT ETC. (SCOTLAND) ACT 1994.**
 - "Committee" means all the Committees of the Council, including Sub-Committees.
 - "Chief Financial Officer" means the person designated by the Council for the purpose of Section 95 of the Local Government (Scotland) Act 1973.
 - "Chief Officer" means a statutory or non statutory Chief Officer as defined in Section 2 of the Local Government and Housing Act 1989 and as identified in [Appendix 1](#) of these Regulations.
- 1.2 In terms of the Health and Social Care Integration Scheme for Moray the Chief Officer of the Integration Joint Board has an operational oversight role in the delivery of integrated services that the Council has been directed by the Moray Integrated Joint Board (MIJB) to deliver. The Chief Financial Officer (MIJB) is the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973. This is recognised by the inclusion of these posts in Appendix 1. This does not, however, affect the applicability of these regulations to Council staff who may be working to deliver those integrated services in implementation of directions received by the Council.
- 1.3 **The MIJB oversees the delivery of integrated services that the Council has been directed by the MIJB to deliver. These financial regulations are fully applicable to Council staff who are working to deliver integrated services under the direction of the MIJB. In the delivery of integrated services, staff employed by NHS Grampian maybe required to comply with the Council Financial Regulations. Similarly, Council staff may be required to comply with the Financial Regulations of NHS Grampian. Employees of NHS Grampian may be appointed as officers of the Council for the specifically described purpose of delivering integrated services, and as such will be required to comply with Moray Council Financial Regulations.**
- 1.4 These Regulations are made in terms of Section 95 of the Local Government (Scotland) Act 1973 which requires every local authority to make arrangements for the proper administration of its financial affairs, and to secure that the proper officer of the Council has responsibility for those affairs. The Chief Financial Officer has been designated as "the proper officer" and shall be responsible for advising the Council on financial matters.

- 1.5 It shall be the duty of the Chief Financial Officer to ensure that Chief Officers maintain adequate financial and accounting arrangements. Chief Officers must comply with all guidance on accounting and related matters issued by the Chief Financial Officer and no accounting arrangements shall be introduced, discontinued or amended without the prior agreement of the Chief Financial Officer.
- 1.6 Each Chief Officer shall ensure that proper internal controls are developed and maintained within financial and other operating systems of their Services. These controls shall be subject to review from time to time as part of the audit process, but day to day monitoring of the adequacy and effectiveness of the control environment is the responsibility of the Chief Officer concerned.
- 1.7 Chief Officers shall be responsible for ensuring that these Financial Regulations are complied with in respect of matters falling within their jurisdiction and that all officers with responsibility for financial matters within their Services are aware of them.
- 1.8 All Budget Managers shall be required to confirm their awareness of and adherence to these Regulations by certification of a declaration to that effect, either at three yearly intervals or, for newly appointed managers, on completion of their budget manager training.
- 1.9 Any breach or non compliance with these regulations must, on discovery be reported immediately to the Chief Financial Officer. The Chief Financial Officer may consult other relevant officers, including the Chief Executive, in order to determine the appropriate action. Deliberate failure to observe the Financial Regulations may lead to disciplinary action being taken against the Officer responsible up to and including dismissal.
- 1.10 It is a requirement of these Regulations that financial transactions do not take place unless they fall within the legal powers of the Council and are within the limits set by the Council. Where new service developments or contributions to other organisations arise or in cases of doubt, clarification as to legality must be obtained from Accountancy before any liability or expenditure is incurred.
- 1.11 The financial affairs of the Council shall at all times be conducted in accordance with the Code of Conduct for Employees, whose principles are:-
- **Selflessness:** You should not take decisions, which will result in any financial or other benefit to yourself, your family, or your friends. Decisions should be based solely on the public and Council's best interests.
 - **Integrity:** You should not place yourself under any financial or other obligation to any individual or organisation, which might reasonably be thought to influence you in your work for the Council.
 - **Objectivity:** Any decisions which you take in the course of your work for the Council must be based solely on merit, including making appointments, awarding contracts, or recommending individuals for rewards or benefits.

- **Accountability:** You are accountable for your decisions and actions to the Council as your employer. The Council, in turn, is accountable to the public.
- **Openness:** You should be as open as possible in all the decisions and actions that you take. You should give reasons for decisions and should not restrict information unless this is clearly required by Council policy, by the law or when public interest demands.
- **Honesty:** You have a duty to act honestly. You must declare any private interests relating to or which might affect your work with the Council.
- **Leadership:** If you are in a managerial position, you must promote and support these principles by leadership and example to maintain and strengthen the trust and confidence in the integrity of the Council and its employees.
- **Respect:** You must respect all other Council employees, Councillors, users of Council services and partner providers and treat them with courtesy at all times.

1.12 All terms in these Regulations should be considered generic.

2. FINANCIAL PLANNING

- 2.1 The Council maintains a financial plan incorporating the Revenue Budget and the Capital Plan. The Council with its Community Planning Partners has developed a 10 year Local Outcome Improvement Plan (LOIP), linked to the Council's 4 year Corporate Plan, which will be continually updated. The Financial Plan will be aligned to the Corporate Plan.
- 2.2 Options Appraisal is a key element of effective financial planning and shall be applied as appropriate to both revenue and capital projects where the scale of the proposals is deemed to have an impact on corporate priorities, on service delivery or on the finances of the Council.

REVENUE BUDGET

- 2.3 The detailed form and timetable to be followed in respect of the Revenue Budget shall be determined by the Chief Financial Officer, subject to any direction of the ~~Policy and Resources~~ **Corporate** Committee or the Moray Council, and after such consultations with Chief Officers as may be necessary.
- 2.4 Estimates of income and expenditure on the Revenue Account shall be prepared by the Chief Financial Officer in conjunction with each Chief Officer, and be submitted to a special meeting of the Council. These estimates, when approved by the Council, shall constitute the Revenue Budget for the agreed period.

- 2.5 The appropriate Service Committees and the Chief Financial Officer shall be entitled to receive from any Chief Officer such clarification as is deemed necessary on any item of income or expenditure.
- 2.6 The inclusion of items in the approved Revenue Budget shall constitute authority for the appropriate Chief Officer to incur such expenditure in the year concerned, subject to:-
- (i) the Council's Standing Orders and these Financial Regulations; and
 - (ii) any prior reporting requirements of the appropriate Committee.
- 2.7 The Chief Financial Officer shall provide budget managers with financial statements of income and expenditure (including commitments as recorded on the financial management system), compared with the approved budget on a monthly basis, commencing after the 31st May, and budget managers can receive any clarification deemed necessary on any item of expenditure or income.
- 2.8 The responsibility for ensuring that the revenue budget provisions are not exceeded shall rest with the Chief Officer concerned, except that this responsibility shall not extend to charges allocated directly to service budgets by the Chief Financial Officer.
- 2.9 Chief Officers wishing to vire monies (i.e. move monies from one budget to another) shall consult on any such proposals with the Chief Financial Officer or such other officer as may be nominated by the Chief Financial Officer relative to that budget.
- 2.10 If it appears that expenditure under any budget head as disclosed in the revenue budget may be exceeded or that an income estimate may not be achieved, the Chief Officer, after consultation with the Chief Financial Officer, shall report fully to the Service Committee concerned. In the event that the Service Committee is unable to find the amount required elsewhere in its Budget, the matter shall be referred to the Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000 (for revenue) for consideration
- 2.11 The Council establishes Budgets for Services annually - the definition of Services is as follows:
- ~~Education & Integrated Children's Services~~ Education Services
 - Education, Resources and Communities Services
 - Health and Social Care (not delegated to the Integration Joint Board)
 - General Services Housing and Property Service
 - Housing Revenue Account
 - ~~Direct~~ Environmental and Commercial Services
 - ~~Development~~ Economic Growth and Development Services

~~Corporate Services~~

Governance, Strategy and Performance

HR, ICT and Organisational Development

Financial Services

Chief Executive

The Moray Integration Joint Board is responsible for the budget identified for it annually in line with the provisions of the Health and Social Care Integration Scheme for Moray.

The ~~Communities Housing and Community Safety~~ Committee has delegated authority for monitoring the Housing Revenue Account budget.

Service Committees are responsible for defining activities within a service. Service Committees have delegated authority to change budget allocations between activities within a service, subject to confirmation that Council priorities, policies and statutory requirements will continue to be met.

~~Corporate Directors~~ ~~Depute Chief Executives~~ have delegated authority to direct resources allocated by Service Committees within each activity to the most efficient and appropriate method of delivering the defined activity to meet Council priorities, policies and statutory requirements.

- 2.12 Head Teachers are constrained as to their powers of virement as set out in the scheme of Devolved School Management.
- 2.13 Any **new** proposal that would involve incurring **additional** revenue expenditure which is not allowed for in the Revenue Budget shall be reported to the Corporate Management Team (CMT) ~~and Administration Group (and or other relevant Councillors as appropriate group)~~ before being considered by the relevant Service Committee. The report shall incorporate any guidance provided by CMT and by the Chief Financial Officer; give reasons why the additional funding is necessary, and where appropriate, make proposals for virement. Should virement not be possible, details of the proposal must be referred for the consideration and approval of ~~the Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000 (for revenue).~~
- 2.14 A quarterly Revenue Budget Monitoring Report shall be produced by the Chief Financial Officer and submitted to the ~~Policy and Resources Corporate Committee~~ **or to Full Council depending on the timing of the committee cycle.** At similar intervals, Chief Officers shall submit budget monitoring reports for their services, in a format agreed with the Chief Financial Officer, to the relevant Service Committee.
- 2.15 A file containing the Revenue Budget Monitoring Reports shall be made available on the Members' Portal and be updated monthly. Members shall be

entitled to seek explanations for any figure in the monitoring statements and, if necessary, may refer any matter to the relevant Service Committee.

- 2.16 Additional revenue funding obtained from the Scottish Government or other bodies for specific purposes shall be subject to these Financial Regulations and the Council shall be given the opportunity to consider the risks and options associated with these funding streams. In these cases the Service Committee has delegated responsibility for expenditure in relation to the funding. Where a funding stream is cross - cutting or from a redetermination of General Revenue Grant by the Scottish Government, then information shall be provided to ~~Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000 (for revenue)~~ to decide the relevant allocations to Service Committees.

CAPITAL PLAN

- 2.17 The production of the Capital Plan is co-ordinated annually by the Chief Financial Officer. The Capital Plan is linked to other Council Plans as described in the Council's Capital Strategy and thereafter is underpinned by asset management principles and reflects the Council's approved standards for its asset bases. The asset management planning arrangements are described in Section 5 of these regulations.
- 2.18 The Asset Management Working Group (AMWG) is responsible for reviewing all General Services capital plan proposals from each department and assessing the adequacy of asset management plans to support the proposals ~~where these are driven by asset management considerations~~. Where the asset management planning arrangements are insufficient for this purpose, supporting documentation as requested by the AMWG will be prepared for each proposal.
- 2.19 Any new stand-alone projects proposed for inclusion within the Capital Plan will be subject to an ~~appropriate~~ Gateway process, ~~as set out in the Council's Project Management Framework~~. ~~The AMWG control the Gateway process and recommendations are made to members following a Gateway review~~. Such proposals will only be considered as part of the normal financial planning process, other than spend to save proposals which may be submitted ~~to the AMWG~~ at any stage in the financial cycle.
- 2.20 Following consideration by the AMWG information relative to projects due to proceed in the year shall be made available to all Members. The composite Capital Plan, for all General Services functions, shall then be considered for approval by the Council. Housing Plans are developed in a separate process. The Housing Investments Capital Plan (the Capital Plan for Housing) shall be ~~considered by the Communities Committee, and then~~ approved by the Council ~~when the levels of rents for the financial year are set~~.
- 2.21 The Council will review the composite Capital Plan on three occasions in each financial year: prior to the Revenue Budget being set, in order that loans charges for the period of the Revenue Budget may be calculated; when the

results for the prior financial year are available and capital carry forwards are being considered, and in the second half of the year at the same time as the estimated actuals are reported to Committee (and will include any amendments relating to developer contributions/obligations). On each occasion the Capital Plan will be reported to a meeting of the Council (or ~~Policy and Resources Corporate~~ Committee for estimated actuals). Service Committees cannot consider suggested additions to the Capital Plan unless fully funded by specific grant, and no addition to the Capital Plan will be considered in isolation, unless – exceptionally – a Spend-to-Save proposal where a good case can be made for consideration outwith the normal planning cycle or grant funding is made available by the Scottish Government for specific projects **or in response to an unforeseen emergency or other time-critical matter.**

- 2.22 The composite plan covers a ten year period. A profile of expenditure, analysed into quarters for the first year of the plan and (if any expenditure is to be incurred in later years) by year thereafter should be submitted to the relevant Service Committee, following approval of the Capital Plan by the Council, when permission to spend on the capital programme is sought. No expenditure should be incurred without specific Committee authority. Quarterly monitoring, amendments **within the approved plan and any** ~~or~~ re-profiling are approved by ~~Policy & Resources Corporate~~ Committee **or the Council.**
- 2.23 It shall be the responsibility of each Chief Officer to ensure that approved projects proceed in a timely manner and that expenditure is incurred during the relevant financial year. In the event that projects cannot proceed or are unlikely to be completed within the timescales approved by the relevant Committee, Chief Officers must report to the Chief Financial Officer ~~in writing~~ giving the reasons for and the extent of any delays. This shall facilitate the monitoring of capital expenditure and allow projects to be re-prioritised where appropriate.
- 2.24 Where it appears that the actual cost of any project or group of projects included in the Capital Plan is likely to exceed the estimated cost, it shall be the duty of the Chief Officer concerned, after consultation with the Chief Financial Officer, to seek instructions as detailed below, as soon as possible:-
- Where officers are able to identify modifications or virements, to a project or group of projects to contain costs within the approved funding allocation a report should be provided to the relevant Service Committee, if the modifications have a material effect on the project
 - For reprofiling or any changes in costs, a report should be provided to ~~Policy & Resources Corporate~~ Committee **or the Council**
 - For any amendments relating to Housing Projects then a report should be provided to ~~Communities the Housing and Community Safety~~ Committee
- 2.25 The Chief Financial Officer shall report regularly to the ~~Policy and Resources Corporate Committee or the Council~~ and the Head of Housing and Property Services shall report regularly to the ~~Communities Housing and Community Safety~~ Committee on the monitoring of capital expenditure as compared with

the agreed Capital Plan and the appropriate Chief Officer shall report on progress of all current capital projects at quarterly intervals to the appropriate Service Committee.

3. EXPENDITURE

AUTHORITY TO INCUR EXPENDITURE

- 3.1 Each Chief Officer shall have authority to incur expenditure included in the approved Revenue Budget for the service(s) for which they are responsible, up to the level of the budget provision, subject to 3.2 below.
- 3.2 A Chief Officer may devolve administration of expenditure to authorised staff in terms of the Council's Authorisation Policy, but the Chief Officer shall normally retain ultimate responsibility for the related budgets. The Authorisation Policy shall also apply within Schools notwithstanding that Head Teachers shall be responsible for budgets transferred in terms of the Devolved School Management arrangements. The Authorisation Policy determines who is allowed to procure on behalf of the Council.
- 3.3 Any authority to incur expenditure shall not extend to making payments in advance of delivery of goods or services or completion of works **or approved stages of works** unless prior permission is obtained in writing from the Chief Financial Officer. A list of exceptions is as follows: **any payment upfront enabled by legislation**, insurance premiums, software licences, water rates and subscriptions. Any advance payment not on the list requires Chief Financial Officer authorisation and a record of such items will be maintained in the Payments Section. If there is any doubt please contact the Payments section for advice.
- 3.4 Where the need for expenditure for which there is no budgetary provision arises from emergency situations, the Head of Service should consult with the Chief Financial Officer.

STAFF PAYMENTS AND ALLOWANCES

- 3.5 With the general exception of pensions to former employees, the payment of salaries, wages and other emoluments to all employees of the Council shall be made by the ~~Chief Financial Officer~~ **Head of HR, ICT and Organisational Development**.
- 3.6 Appointments of all employees shall be made in accordance with the Regulations of the Council, and the approved establishments, grades and rates of pay. Staff shall normally be appointed to the first incremental point of the salary scale for the post, taking account of the experience of the applicant where the Conditions of Service so require, except where the relevant Chief Officer considers it appropriate to do otherwise, in consultation with the Head of HR, ICT and Organisational Development.
- 3.7 Alterations to rates of wages and salaries and to conditions of service of staff agreed by the relevant national negotiating bodies shall be applied from the effective date specified, subject to reference to the Council of any matter in which there is a discretion.

3.8 Chief Officers shall have delegated authority to direct resources allocated by Service Committees within each Activity to the most efficient and appropriate method of delivering the defined Activity to meet Council Priorities, Policies and Statutory Requirements. It follows that the Chief Officers shall have the authority to establish appropriate staffing arrangements to deliver services specified by Service Committee.

Limitations in respect of changes to staffing arrangements will be as follows:-

- Must **NOT** exceed budget.
- Must comply with Council Policy and Procedure (particular reference is made to adherence to consultation arrangements with Staff and Unions).
- The following posts must be submitted to the Council:-
 - a) Alterations to the establishment, whether by way of increase or decrease, of posts graded on or above SCP (92) 39 (Grade 12).
 - b) Those posts which cannot be accommodated within existing budgets.
 - c) Those which HR or Finance otherwise believe require scrutiny by members.
- Any changes that do not require approval by Committee as mentioned above will be subject to approval of the Head of HR, ICT and Organisational Development and the Chief Financial Officer, or other such officers as may be nominated by the Chief Financial Officer relative to that budget.

3.9 Each Chief Officer shall ensure that the ~~Chief Financial Officer~~ **Head of HR, ICT and Organisation Development** is informed as soon as possible, and upon the prescribed form, of all matters affecting the payment of salaries and wages and, in particular :-

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records of service for superannuation, income tax, etc.

3.10 All individuals employed by the Council under a contract of service shall be paid through the payroll system to ensure proper accounting for Income Tax and National Insurance is made.

3.11 All time records or other pay documents shall be in a form prescribed or approved by the ~~Chief Financial Officer~~ **Head of HR, ICT and Organisational Development**, and shall be certified by or on behalf of the appropriate Chief Officer by an authorised officer, in terms of the Council's Authorisation Policy and returned timeously to Chief Financial Officer. The certifying officer must be satisfied that the claim is accurate, as failure to do so will impact on the employee being paid correctly and also ensure that:-

- employee information including employee payroll number, is accurate.
- hours claimed have been worked.
- where applicable, allowances and overtime have been correctly calculated.
- summations are correct.
- the payment relates to the appropriate terms and conditions.

An individual is not permitted to authorise a change in their own pay, expenses, allowances or other remuneration and this must be authorised by an authorised signatory who is senior to them.

3.12 **It is the responsibility of the Head of HR, ICT and Organisational Development to ensure that** staffing establishment lists **are** ~~will be~~ sent to all Budget Managers regularly as determined appropriate. These- should be checked for accuracy and any issues surrounding them should be notified immediately to the payroll section.

TRAVEL AND SUBSISTENCE ALLOWANCES

3.13 The Council's Travel and Subsistence policy sets out the options for employee travel. The Council's pool car scheme has been established for business journeys in Moray and applies to all employees. However, there may be groups of staff at some work locations where it is deemed financially inefficient or unfeasible to give access to pool cars. In such circumstances appropriate travel arrangements will apply, subject to approval by an authorised signatory in terms of the Council's Authorisation policy.

3.14 All payments in respect of staff travel and subsistence allowances shall be at rates determined by the Council from time to time, and in accordance with the Scheme for Payment of Travel and Subsistence Allowances.

3.15 All claims for payment of ~~car allowances~~, subsistence allowances, travel and incidental expenses shall be submitted in a form approved by the **Head of HR, ICT and Organisational Development**~~Chief Financial Officer~~. All claim forms shall be signed by an authorised signatory in terms of the Council's Authorisation Policy.

3.16 The certification by, or on behalf of, the Chief Officer shall be taken to mean that the Certifying Officer is satisfied that the journeys have been efficiently planned and authorised, the expenses properly incurred and that the

allowances are properly payable by the Council, including assurance that where pool car usage has not been utilised there is sufficient explanation.

- 3.17 Claim forms, other than those relating to journeys made by the Chief Executive, must always be authorised for payment by an Officer senior to the claimant. The claims submitted by the Chief Executive must be counter-signed by ~~the Corporate Director (Corporate Services)~~ **a Depute Chief Executive**.
- 3.18 Requests by staff to travel out with the United Kingdom on Council business where costs require to be met from Council budgets must be considered and approved by the relevant Service Committee, prior to the journey taking place. Once approved, **the Chief Officer of the service concerned must ensure that notification is required to** the Banking & Insurance section **is notified** for insurance purposes to ensure adequate cover is provided. Except in cases where a spouse or partner forms part of an approved group or delegation, their full travel costs and additional costs shall not be met by the Council. Any other arrangements shall be reported in advance and be approved by the Chief Financial Officer.

ACQUISITION OF GOODS, SERVICES OR WORKS

- 3.19 The Council's arrangements for securing goods, services (including the use of Consultants) or works are set out in the separate Procurement Policy, Annual Strategy and Procedure Notes that form part of, and should be read in conjunction with, these Financial Regulations and Authorisation Policy.
- 3.20 Any irregularities or suspected irregularities should be notified to the Internal Audit **and Risk** Manager, under the Combat Fraud, Theft, Bribery and Corruption Policy (see [paragraph 9.4](#)).
- 3.21 Where the Council is securing goods, services or works or arranging for the delivery of goods, services or works under a shared services arrangement or in partnership with another public body or bodies, the Chief Officer concerned shall ensure that:
- the organisation leading the activity is clearly identified at the outset;
 - the procurement policy, strategy and procedural guidelines of the lead organisation shall apply;
 - an agreement which governs the relationship between the parties is in place, which includes reference to funding, performance monitoring and dissolution arrangements.
- 3.22 The Council will use the most efficient vehicle for the sourcing of goods, services or works, including internal store systems and Payments section (buying team), in accordance with the procurement guidance, which will assist users in the correct route to take for proposed purchases.

- 3.23 Sourcing of goods, service or works **governed by the Procurement Procedures** direct from a single supplier shall be permissible only where prior approval is sought and obtained from the Chief Financial Officer, the Chief Officer concerned having clearly demonstrated **to the Procurement team** that it is appropriate to do so. **The Procurement team will keep a record of all approved single supplier approaches.**
- 3.24 In circumstances where it is considered necessary to depart from the procedures in [3.19 to 3.23](#) above, the Chief Officer in liaison with Chief Financial Officer shall submit a report to ~~Policy & Resources~~ **Corporate** Committee for approval, ensuring that Members are made aware of any associated risks.

GRANTS AND OTHER PAYMENTS

- 3.25 Chief Officers with the approval of the Chief Financial Officer or relevant Service Committee (as appropriate depending on the procurement levels) may make grant payments and grant offers to external parties provided such funding can be met from within approved budgets and are authorised in line with the Authorisation Policy. ~~In doing so, a Chief Officer shall make conditions as are appropriate and proportionate in terms of obtaining assurance that funding has been applied for the purposes intended.~~ All such payments are subject to the Council's Grant Policy.
- 3.26 In circumstances where an external party makes a request for funding for any matter in which there is discretion, a Chief Officer may refer that matter ~~to Policy and Resources Committee for matters under £50,000 and~~ to the Council, ~~for matters exceeding £50,000 (for revenue)~~ for consideration.
- 3.27 Other Payments include transfer payments which are made to individuals for which no goods or services or works are received in return by the Council. In the main these cover the payment of Housing Benefits, Housing Improvement Grants, Self Directed Support (Option 1 Direct payments and Option 2 payment to an Independent Service Fund) and individual allowances for Social Care clients. These payments shall be met from within approved budgets only after completion of a formal assessment process in each case.
- 3.28 Payments made routinely to statutory agencies covering remittances of income tax, national insurance, pension contributions and remittances to the Non Domestic Rates pool and any such similar payments shall be supported by detailed reports and be authorised by the Chief Financial Officer or an officer nominated by the Chief Financial Officer.

DEVELOPER OBLIGATIONS/CONTRIBUTIONS

- 3.29 Developer Obligations are received by the Council to be utilised for a wide variety of purposes, both capital and revenue expenditure. Contributions received vary in the terms and conditions applicable to their future use by the Council.

- 3.30 Where the terms of a contribution specifically identify the intended purpose, no additional reporting to Committee is required. Capital budgets can be amended in line with the capital plan detailed in [para 2.21](#). Revenue budgets can be amended throughout the year to match the expenditure incurred.
- 3.31 Where the terms of a contribution are simply generic and do not specify a particular location or property, the following is required:
- Where a contribution is below £6,000 and meets the terms and conditions of the legal agreement or developer obligations assessment report, approval by the relevant Head of Service is required.
 - Where contributions relate to Libraries, Community facilities, playing fields and indoor and outdoor sport facilities, the Head of **Economic Growth and Development** services has delegated authority to authorise with the support of the majority of the relevant ward Councillors, if it meets the terms and conditions of the legal agreement.
 - Where the legal agreement identifies no particular terms for utilisation, any potential options for utilising should be referred to ~~Policy and Resources Committee for matters under £50,000 and to the Council, for matters exceeding £50,000 (for revenue)~~ for consideration.
 - **Developer contributions can be time limited and are to be closely monitored to ensure spend has been incurred or returned to the developer.**
- 3.32 Where a Council Service makes a request for using developer contributions, a notification form should be completed and sent to the Developer Obligations Officer for consideration.
- 3.33 Where an external party (e.g. community group) makes a request for using contributions, an application should be completed and sent to the Developer Obligations Officer for consideration.

FUNDING EXTERNAL BODIES (Arms Length External Organisation)

- 3.34 The Council has adopted the principles of the COSLA / Accounts Commission 'Code of Guidance on Funding External Bodies and Following the Public Pound'. The Code sets out a framework for the Council's relationships with bodies through which they seek to carry out some of their functions other than on a straight-forward contractual basis.
- 3.35 The principles of the guidance apply to companies and other bodies such as trusts where such bodies are subject to Council control or influence and where they operate at arm's length. When agreeing to transfer funds to an external body **to provide a service on its behalf**, the Council must be clear about its reasons for doing so and these reasons should be related to a strategy or policy of the Council.
- 3.36 In respect of any proposed transfers the procurement arrangements at

[paragraph 3.23](#) above shall apply, together with the provisions of the Code which as a minimum requires:

- the purposes of the transfer to be contained in any Council decision to establish a funding relationship.
- a written agreement between the Council and the external body.
- details of the financial regime applicable to be specified.
- established **reporting and** monitoring arrangements to ensure Council objectives are met **and Best Value achieved**.
- full consideration of member and officer representation on the board of the external body.
- any limitations to be fully specified covering such matters as financial inputs and circumstances in which any arrangements would be terminated.
- any arrangement to be open to external audit scrutiny.
- ~~any reporting/ monitoring arrangements.~~

PETTY CASH IMPRESTS

- 3.37 The Chief Financial Officer shall provide such imprests as the Chief Financial Officer considers appropriate for those Officers of the Council who may need them for the purposes of defraying petty cash and other expenses.
- 3.38 No income received on behalf of the Council may be paid into an imprest account, but must be banked or paid to the Council as provided for in terms of [paragraph 4.7](#) below.
- 3.39 Payments from an imprest account shall be limited to minor items of expenditure and to such other items as the Chief Financial Officer may approve, and shall be supported by a receipted voucher to the extent that the Chief Financial Officer may require.
- 3.40 On no account shall any allowances or incidental expenses or subsistence payments be paid to staff from an imprest account, but shall be reclaimed through the travel and subsistence scheme in terms of paragraph 3.14 above.
- 3.41 Officers are assigned responsibility for the petty cash account which they hold. On leaving the employment of the Council they shall be required to reconcile the petty cash account in conjunction with their line manager and the Budget Manager prior to leaving their post. This shall also apply to officers who transfer to other sections within the Council.

4. INCOME

- 4.1 The collection of all monies due to the Council shall be under the **ultimate** supervision of the Chief Financial Officer.
- 4.2 Chief Officers should not promote or accept payment by cash when alternative payment methods are available. Regardless of the method used all payments shall be handled strictly in accordance with these Regulations, the Handling Guidance and the Anti Money Laundering Policy.
- 4.3 Income due to the Council, for work done, goods supplied or services provided and not paid for **in advance or** at the time, must be the subject of accounts being rendered. Chief Officers must ensure preparation and issue of such accounts within one month of the agreed point of sale, and shall provide the Chief Financial Officer with such information as may be required in order to record and collect the amounts correctly.
- 4.4 In rendering invoices, Chief Officers shall ensure Value Added Tax is applied at the appropriate rate. This is of importance in order to comply with statutory provisions and avoid the payment of penalties. Transactions involving joint ventures and land sales can be particularly complex, and in all such cases, advice shall be obtained from the Chief Financial Officer before proceeding.
- 4.5 The Chief Financial Officer shall be notified as soon as is practicable of all monies due to the Council and of all contracts, leases and other arrangements entered into which involve the receipt of money by the Council, and the Chief Financial Officer shall have the right to inspect any documents in this connection. In order to limit the Council's exposure to money laundering, cash (notes and coins) exceeding ~~£500~~ **£300** in respect of any one transaction shall not be accepted.
- 4.6 All receipt forms, books, tickets and other such items shall be designed, ordered, supplied and obtained subject to consultation with and approval of the Chief Financial Officer. No Officer shall give a receipt on behalf of the Council on any form other than an official receipt form or ticket. Each Chief Officer shall arrange for registers to be kept of receipt forms, tickets, vouchers etc. under their control.
- 4.7 Any Officer receiving money on behalf of the Council shall, without delay ensures that the payment is processed, including paying direct in to the Council's Bank account. No deduction may be made from such money save to the extent that the Chief Financial Officer may specifically authorise. Each Officer who receives money shall complete a corresponding income analysis sheet and forward it together with the bank pay-in slip counterfoil to the FMS and Banking section within the Payments section.

- 4.8 All offices or establishments receiving income by post shall secure appropriate mail opening procedures, involving clear separation of duties wherever possible. All cheques and postal orders received shall be suitably "crossed" and a reference number recorded on the reverse side. A record of all payments received should be kept by the receiving office or establishment.
- 4.9 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 4.10 Every transfer of official cash from one member of staff to another shall be evidenced in the records of the Department concerned by the signature of the Officer receiving the funds. Arrangements shall be developed at each office to secure all income collected on behalf of the Council until such time as these funds are banked.
- 4.11 Not less frequently than once per year, scales of charges or tariffs (discretionary, not fixed by Statute and excluding Council House Rents) shall be reviewed by Chief Officers corporately in consultation with the Chief Financial Officer and in accordance with the Council's Charging Policy, and reported to ~~Policy & Resources~~ **the Corporate** Committee in time for implementation for the future financial year. **Any new charges proposed during a financial year may be reported to the appropriate Service Committee for approval, if not reported to Corporate Committee or the Council as part of a financial planning report.**
- 4.12 Not less frequently than once per year, Council House, Garage and Garage Site Rents shall be reviewed by ~~Chief Officers~~ **the Head of Housing and Property**, consulted on with tenants and reported to a meeting of Moray Council in time for implementation for the future financial year.
- 4.13 The Chief Financial Officer shall maintain a debt management **policy and procedures** to secure effective recovery of all sums due to the Council. This procedure shall be applied for the recovery of Housing Rent Arrears and unpaid invoice charges for work done or services provided by the Council. No debt due to the Council, once correctly established, shall be discharged otherwise than by payment in full or by the certification of the Chief Financial Officer that it is no longer economically viable to pursue.
- 4.14 The Chief Financial Officer shall act on advice from the Head of Governance, Strategy & Performance, external debt collectors and/or Sheriff Officers when determining debts to be written off for accounting purposes. Details of debts written off in terms of this Regulation shall be retained for credit control purposes and to allow the debts to be pursued at any stage until they become time proscribed.

GRANT FUNDING APPLICATIONS

4.15 All applications for grant funding are subject to the Council's Grants Policy.

~~Where opportunities arise to attract external funding, relevant officers shall consider the remit and regulations or conditions surrounding the funding to ensure such conditions are compatible with the aims and objectives of the Council and that the funding is consistent with the Council's overall plan.~~

~~4.16 All grant funding to be secured by the Council from external bodies is required to go through the Gateway process by completion of a project mandate. If the funding is approved, then for matters under £50,000 approval is required from the Chief Financial Officer and for matters exceeding £50,000 to Full council, to ensure financial implications or match funding requirements are considered.~~

~~4.17 Any amendments required to grant claims/ submissions must be formally approved by the relevant Service Committee first. The Chief Financial Officer should also be informed in order to agree the financial implications.~~

~~4.18 For any submissions or amendments mentioned in para 4.16 and 4.17 above, where there is a matter of urgency, the grant submission should be agreed by CMT before submission/resubmission and approval sought from the Chair of the relevant Service Committee and the Leader of the Council. Then the decision must be submitted for homologation at the next relevant Committee meeting. For all applications, the Chief Financial Officer should be informed in order to agree the financial implications~~

4.16 The Chief Financial Officer should ensure that arrangements are in place to:-

- receive and properly record such income in the Council's accounts;
- ensure that audit and accounting requirements are met; and
- ensure that the funding requirements are considered prior to entering into any agreements, both in the present and the future.

4.17 The Chief Officer of the service receiving grant funding must ensure that arrangements for receiving and recording income are complied with. They must also ensure that the project progresses in accordance with the agreed terms of the funding agreement and that claims are made from the funding body timeously and in accordance with any conditions of the grant award.

4.18 Where the Council is acting as the accountable body for the distribution of grant funding, officers must ensure procedures followed are consistent with these financial regulations. Given the nature surrounding the application to grant funding, requests are occasionally made for payments in advance. In this situation, a case should be clearly made to the Chief Financial Officer for approval.

~~4.20 The Chief Executive or Corporate Directors must ensure that the project progresses in accordance with the agreed terms of the funding agreement and that all expenditure is properly incurred and recorded. They must also ensure~~

~~that claims for funds are made from the funding body by the date specified in any conditions attached to the grant award.~~

5. ASSET MANAGEMENT

ASSET MANAGEMENT PLANS

5.1 Asset management plans are required to be maintained for all categories of Council assets. The plans will incorporate the following information:

- Service context – policies, strategies and Council priorities relevant to the category of assets.
- List of the assets or other descriptive and quantitative information
- Condition of assets
- Suitability of assets
- Maintenance policy and requirements
- Replacement policy and requirements

5.2 The categories of assets for which asset management plans are required are:

Property

- ~~Schools~~ **Learning Estate**
- Housing
- Industrial Estates
- Offices
- Other operational buildings

Open Space

Roads and Associated Infrastructure

- Roads
- Harbours
- Flood Risk Management

Fleet

ICT

The Asset Management Working Group shall report annually to the ~~Policy and Resources~~ **Corporate** Committee on progress of developing and updating asset management plans.

ASSET REGISTER

- 5.3 An Asset Register for accounting purposes shall be maintained by the Chief Financial Officer. This will record an adequate description of all furniture, equipment, plant and machinery. A de-minimis level of £20,000 (£15,000 for Common Good and Public Trust Funds) **for buildings and land and £6,000 for vehicles, plant, equipment and furniture**, shall apply to individual items although the value of like items of lesser value may be aggregated and similarly items valued on a group basis may have individual values of less than £20,000 (£15,000 for Common Good and Public Trust Funds) **for buildings and land and £6,000 for vehicles, plant, equipment and furniture** and thus be required to be included in the Asset Register. The Asset Register shall be kept in accordance with the guidelines issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 5.4 Each Chief Officer shall be responsible for maintaining a regular check on all items on the Asset Register, for recording and taking action in relation to surpluses or deficiencies and informing the amendment of the Asset Register accordingly. Deficiencies shall be reported to the Chief Financial Officer immediately.
- 5.5 In addition to the Asset Registers held for accounting purposes, Chief Officers shall be responsible for the maintenance of inventories of moveable equipment to assist the control and security of items and facilitate the reporting of loss or theft. All equipment with an individual replacement cost of over £500 must be included on the inventory lists.
- 5.6 Council property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Chief Officer concerned. Where Officers are authorised to retain equipment at home for the purposes of home-working (either during or out with normal working hours), each Chief Officer shall maintain a register giving details (including serial numbers where applicable) of equipment held by each employee.
- 5.7 The Head of Housing and Property shall ensure that a database of all land, properties and structures owned by the Council is maintained, which records the current user, the purpose for which held, the location, the extent, purchase price and rents payable and particulars of tenancies granted. The Head of Housing and Property shall also maintain a list of houses held under the Housing Acts.
- 5.8 The Head of Governance, Strategy & Performance shall ensure custody of all title deeds under secure arrangements.

CONCESSIONARY RENTS

- 5.9 Most of the Council's property is let out at market value. In some circumstances, and by regulations promoted under the Community Empowerment (Scotland) Act 2015, the Council supports community groups through leasing property at reduced rental. Any such lease arrangements must be treated as Community Asset Transfer (CAT) requests and shall be considered as part of the assessment of the business case for CAT in accordance with the Council's CAT policy and reported to ~~Policy and Resources~~ **the Corporate** Committee for approval.
- 5.10 **Appropriate consideration must be given to the provisions of the Subsidy Control Act 2022.**

DISPOSAL OF ASSETS

- 5.11 All surplus plant ~~and, vehicles,~~ equipment (other than **vehicles, see paragraph 5.16 below, and** I.C.T. equipment, see [paragraph 5.15](#) below) and furnishings, where no suitable trade-in arrangements have been made, shall be offered for sale unless, in the opinion of the Chief Officer concerned, the item has no material financial value. In such circumstances the item shall be disposed of in a manner having regard to good environmental practice.

Where an item(s) are to be sold, then for proceeds expected for less than £2,000, the methodology of disposal should be agreed by the appropriate Chief Officer.

However, if the proceeds are deemed to be in excess of £2,000, but less than £10,000 then the disposal methodology requires to be approved by the Chief Financial Officer.

For any assets expected to raise in excess of £10,000, then authority is sought from the ~~Policy & Resources~~ Corporate Committee (with the exception of Fleet vehicles for sale at auction)

Any proceeds from the disposal of plant and vehicles will be deemed as a capital receipt for the Council **unless the item disposed of was not recorded in the Council's Fixed Asset Register.**

For disposal proceeds over and above £10,000 the Accountancy section is to be informed, within one month of disposal, so as to ensure the assets removal from the Asset register.

- 5.12 The method of disposal may be by public tender, public auction or other electronic/ virtual auctions (e.g. eBay, Gumtree). There is discretion to adopt whatever means is deemed to be appropriate bearing in mind that the best return in terms of disposal values is to be sought taking account of the items under consideration. A PayPal account maybe required for these disposals and if this be proposed advice should be sought from the Chief Financial Officer. **Payment must be received before items being disposed of are removed by the purchaser.**

- 5.13 Identification of surplus and available for disposal Council owned property assets (excluding Common Good and Public Trust assets and assets held on the Housing Revenue Account) is delegated to the ~~Corporate Director (Corporate Services)~~ Chief Financial Officer in that officer's capacity as Chairman of the Asset Management Working Group, which should be informed of any property assets owned by the Council which are deemed surplus to requirements. **Formal designation of assets as surplus is made by AMWG in accordance with the Council's Surplus Property procedures.**
- 5.14 All surplus land or properties shall be sold by the Head of Governance, Strategy & Performance in accordance with the requirement that the Council secures the best price obtainable. In arranging any sale the relevant Chief Officer shall consult with the Chief Financial Officer to ensure all financial implications, including accounting for Value Added Tax, are fully considered. Any proceeds from the disposal of land or properties held on the Fixed Asset Register will be deemed to be a capital receipt for the Council.
- 5.15 The Council shall not be bound to accept the highest or any offer. Where an offer other than the highest offer is recommended for acceptance, approval of ~~the Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000~~ is required and the reason for accepting the said offer must be duly recorded in the minute of the meeting. **Payment must be received before items being disposed of are removed by the purchaser.**
- 5.16 Any proposal to transfer properties to a community group under the Community Asset Transfer (CAT) process must be considered as part of the assessment of the business case for CAT in accordance with the guidance provided by the Scottish Government in relation to asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015. All Community Asset Transfer requests, including disposals above £100,000 in value and rental concessions over £50,000 per annum are to be reported to ~~Policy and Resources~~ the Corporate Committee for approval **except for low value, short life rental concessions (annual value less than £1,000 or annual value between £1,000 and £6,000 and duration up to six months) where the Chief Financial Officer and Head of Housing and Property Services have delegated authority to approve if the service using the property and local ward members both support the request.**
- 5.17 Details of any vehicles which a Chief Officer deems surplus to requirements shall be advised to Fleet Services. Where the vehicle is considered no longer suitable for use within the Council, the Fleet Services Manager shall arrange for its suitable disposal.
- 5.18 Details of any I.C.T. equipment which a Chief Officer deems surplus to requirements shall be advised to the Head of HR, ICT & Organisational Development. Where such equipment is considered no longer suitable for use within the Council, the Head of HR, ICT & Organisational Development shall arrange for its suitable disposal either through a recognised recycling scheme or exceptionally to a voluntary body or Community Council in terms of Section

55 of the Local Government (Scotland) Act 1973. All such donations shall be recorded by the Head of HR, ICT & Organisational Development who will report periodically on such disposals to the ~~Policy and Resources~~ Corporate Committee.

- 5.19 Where computer equipment provided to former Members of the Council is considered no longer suitable for use within the Council, the former Member to whom the equipment was provided shall be given the opportunity to buy the equipment at the end of their term of office at the prevailing market rate. Any software operated under a Council licence shall be removed from the equipment according to the copyright agreement and any information relating to the Council shall also be removed.
- 5.20 Any dealings of the Council (including the sale or lease of Council owned land) shall comply with the ~~European Commission rules regarding State Aid in favour of any third party (including a buyer/tenant)~~ Subsidy Control Act 2022.

SECURITY

- 5.21 Each Chief Officer shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc. under his/her control. The Chief Financial Officer must be notified in any case where it is considered that special security arrangements may be needed.
- 5.22 Maximum limits for cash holdings shall be agreed with the Chief Financial Officer and Internal Audit and Risk Manager and shall not be exceeded without specific written permission.
- 5.23 Keys to safes and similar receptacles are to be kept in the custody of persons with delegated responsibility at all times; the loss of any such keys must be reported to the Chief Financial Officer forthwith.

STOCKS AND STORES

- 5.24 Chief Officers shall be responsible for the care and custody of the stocks and stores in their Departments.
- 5.25 Stocks and stores shall not exceed levels agreed between the Chief Officer and the Chief Financial Officer.
- 5.26 Chief Officers shall ensure that there are regular reconciliations of stock and shall arrange for stock to be checked at least once a year by a person other than the storekeeper.
- 5.27 No adjustment of stock valuation (for writing off, writing down, obsolescence etc.) over the value of £1,000 shall be made without the approval of Chief Financial Officer. **All adjustments to stock valuations must be approved by the Audit and Risk Manager.**
- 5.28 The Chief Financial Officer shall be entitled to receive from each Chief Officer such information as required in relation to stores for accounting, costing and financial recording purposes.

- 5.29 Surplus materials, stores or equipment (including scrap) shall be disposed of in terms of [paragraph 5.11](#) above, unless otherwise agreed with the Chief Financial Officer.
- 5.30 Stocks and stores records must be kept in a form to be agreed by the Chief Officer with the Chief Financial Officer.

LEASES

- 5.31 Any contract that includes an element of lease must be discussed with the estates section if relating to land before entering into the contract, The accountancy section must be informed of any lease entered into , to ensure compliance with legislation as to the correct accounting treatment for the transaction.

6. BANKING ARRANGEMENTS

- 6.1 The bank account of the Council will be kept with the bank approved by the Council, and, where required, the Chief Financial Officer shall arrange for subsidiary accounts to be kept with that bank.
- 6.2 No bank account shall be opened by any Officer of the Council for any purpose in connection with their employment without prior permission having been sought and obtained from the Chief Financial Officer. All bank accounts shall be in the name, or incorporate the name, of the Moray Council.
- 6.3 Except where, in special circumstances, it is not possible to borrow on, or gain access to, the Money Market, the bank account shall not be overdrawn in excess of the sum authorised by the Council and agreed with its bankers.
- 6.4 All bank accounts shall be reconciled to supporting records at regular monthly intervals and copies of the reconciliations, if requested, shall be forwarded to the Chief Financial Officer for review.
- 6.5 All cheques issued shall bear the signature or facsimile of one of the authorised signatories agreed by the Council. The ordering and control of cheques shall be the responsibility of the Chief Financial Officer.
- 6.6 Arrangements for electronic funds transfer shall be arranged by the Chief Financial Officer, or an officer nominated by the Chief Financial Officer.

6. INSURANCES AND INDEMNITIES

- 6.7 The Chief Financial Officer shall effect all insurance cover and negotiate all claims, in consultation with other Officers where necessary.

- 6.8 Chief Officers shall notify the Chief Financial Officer, without delay, of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 6.9 Chief Officers shall notify the Chief Financial Officer in writing of any loss, liability or damage or any event likely to lead to a claim, and inform the police, where appropriate.
- 6.10 All employees of the Council shall be included in a suitable fidelity guarantee insurance.
- 6.11 The Chief Financial Officer shall review all insurance arrangements in line with the contract term, and report thereon to the ~~Policy and Resources Corporate~~ Committee.
- 6.12 Chief Officers shall consult the Chief Executive, the Head of Governance, Strategy & Performance and the Chief Financial Officer about the terms of any indemnity which the Council is required to give.
- 6.13 Refer to [paragraph 3.18](#) for insurance requirements for travelling abroad.

7. ANNUAL ACCOUNTS

- 7.1 Chief Officers shall provide all information requested in the year end accounting instructions and comply with the timetable therein in order to ensure that the Annual Accounts are completed in line with the statutory regulations.
- 7.2 The Chief Financial Officer shall submit the unaudited Annual Accounts of the Council to the External Auditors and to the Council for consideration in accordance with the statutory regulations.
- 7.3 The Council's External Auditor shall have the right to demand access to all records (electronic or manual), documents and correspondence relating to any financial or other transactions of the Council and receive such explanations as are necessary concerning any matter under examination. Officers of the Council, officers in associated or subsidiary companies, trusts etc. and officials of grant aided bodies will ensure that these rights are given to External Auditors.
- 7.4 The audited Annual Accounts shall be submitted to the Council for consideration and approval and the Auditor's Report thereon shall be submitted to the Council for consideration in accordance with the statutory regulations.

8. TREASURY MANAGEMENT

- 8.1 The Council has adopted CIPFA's Code of Practice (the Code) for Treasury Management in the Public Services.
- 8.2 A Treasury Management Policy Statement, stating the policies and objectives of the Council's Treasury Management activities shall be adopted by the Council in accordance with Section 4 of the Code. Thereafter its implementation and monitoring shall be delegated to the ~~Policy and Resources~~ **Corporate** Committee.
- 8.3 ~~The Chief Financial Officer shall create and maintain suitable~~ Treasury Management Practices (TMPs), setting the manner in which the policies and objectives contained within the Policy Statement shall be achieved, and prescribing how these activities shall be managed and controlled. ~~, shall be created and maintained.~~
- 8.4 At or before the start of the financial year, the Chief Financial Officer shall report to ~~the meeting of the Council which approves the budget for the year ahead~~ ~~Policy and Resources Committee~~ on the strategy for Treasury Management and the Annual Investment Strategy that it is proposed to ~~be~~ **be** adopted for the coming financial year.
- 8.5 All executive decisions on borrowing, investment or financing shall be delegated to the Chief Financial Officer who shall be required to act in accordance with the Strategies, Policy Statement and TMPs.
- 8.6 The Chief Financial Officer shall report ~~twice~~ annually to ~~Policy and Resources~~ ~~the Corporate~~ Committee on the activities of the Treasury Management operation and on the exercise of delegated Treasury Management powers. Quarterly Performance reports will be posted on the Member's Portal.
- 8.7 All borrowings shall be effected by the Chief Financial Officer in the name of the Council.
- 8.8 The Chief Financial Officer shall act as Registrar for all stocks, bonds, bills, etc. and shall maintain records of all monies borrowed and invested by the Council. The Council's Bankers, or other agents approved by the ~~Policy and Resources~~ ~~Corporate~~ Committee, may be appointed as Registrar, where this is necessary to facilitate a particular method of borrowing.

9. INTERNAL AUDIT

- 9.1 The **Head of Governance, Strategy and Performance** ~~Corporate Director (Corporate Services)~~ shall secure the provision of a continuous internal audit service to provide an independent and objective opinion on the control environment comprising risk management, internal control, and governance. **This remit is delegated to the Audit and Risk Manager.**
- 9.2 Internal Audit shall be accountable ~~through the Corporate Director (Corporate Services)~~ to the Audit and Scrutiny Committee. This Committee is charged with responsibility for ensuring good stewardship of the Council's resources and enhancing the profile, status and authority of the internal audit team and affirming its independence. Specifically the Committee shall:-
- Contribute towards making the Council, its Committees and Services more responsive to the audit function,
 - Enhance corporate governance arrangements by promoting internal control and risk management, by scrutiny of progress towards achieving the Council's corporate objectives by supporting an anti-fraud culture, and by the review of revisions to financial procedures,
 - Have responsibility for focusing audit resources by endorsing the risk based audit planning process and agreeing the annual programme of work,
 - Monitor delivery of the audit service through receipt of ~~quarterly~~ **regular** reports on work carried out by ~~Internal Audit~~ **the Audit and Risk Manager** and by related inspection agencies,
 - Consider and endorse the annual assurance statement provided by Internal Audit on the Council's control environment.
- 9.3 Internal Audit staff, for the purposes of conducting their work, shall:-
- have a right of access to all records, assets, personnel and premises, including those of partner organisations in receipt of Council funding or other resources,
 - have access to all records, documents and correspondence relating to any **activity and** financial and other transactions of the Council,
 - require and receive such explanations as are necessary concerning any matter under examination,
 - require any employee of the Council to produce cash, stores or any other Council property under his control, which is relevant to any investigation being carried out.
- 9.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning ~~cash, stores or other property~~ **finances, property, services or policy** of the Council or any suspected irregularity in the exercise of the functions of the Council, any Officer, having knowledge thereof, shall, as soon as possible, notify Internal Audit. The ~~Internal Audit~~ **and Risk Manager**

shall investigate any such matters in consultation with the ~~Depute Chief Executive (Education, Communities and OD) Corporate Director (Corporate Services)~~ and report in terms of the Council's Policy to Combat Fraud, Theft, Bribery and Corruption. Elected Members having such concerns shall report thereon to the Council's Monitoring Officer.

10. COMMON GOOD AND TRUST ETC. FUNDS

- 10.1 The Chief Financial Officer shall manage these funds in accordance with the limits and conditions imposed by statute, by the Deed of Trust etc. and by the Council, and shall ensure the proper and safe custody of funds.
- 10.2 The title deeds of **all** property known to be in the ownership of the Common Good and Trust etc. Funds shall be held in the custody of the Head of Governance, Strategy & Performance.
- 10.3 All Trust Funds shall, wherever possible, be in the name of the Council. All monies left in Trust to the Council or to be administered by its Officers shall be notified as soon as possible to the Chief Financial Officer.
- 10.4 All Officers, shall deposit all securities etc. relating to the Trust with the Chief Financial Officer unless the deed otherwise provides.
- 10.5 The Chief Financial Officer shall prepare Annual Accounts in an appropriate format and have the accounts subject to External Audit.
- 10.6 The Chief Financial Officer shall ensure that the Annual Accounts for the registered charitable Trusts are prepared in the appropriate format and comply with the Office of the Scottish Charity Regulator (OSCR) legislation and audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- 10.7 Under the Community Empowerment (Scotland) Act 2015, the Chief Financial Officer will establish and maintain a register of Common Good property and before taking any decision to dispose of, or change the use of, such Common Good property, will publish details about the proposed disposal, or as the case may be, the use to which the Council proposes to put the property.

11. HOSPITALITY

- 11.1 Each Chief Officer shall be entitled to extend hospitality within their appropriate service area at a cost of up to £200 (excluding VAT) per occasion, providing that it can be met within existing budget.
- 11.2 When the provision of hospitality is estimated to cost in excess of £200, but not more than £1,000 (exclusive of VAT) per occasion, written approval shall first be obtained from the ~~Leader Convener~~ of the Council and Chair of the appropriate Committee (or, in their absence, the ~~Deputy~~ Leader and Vice Chair). Such hospitality shall not be used to further the interests of a political party.
- 11.3 The provision of hospitality estimated to cost in excess of £1,000 (exclusive of VAT) per occasion shall require the prior approval of the appropriate Service Committee and must be met within existing service budget.
- 11.4 For hospitality over £1,000, of a Council-wide corporate nature related to visits by external organisations, approval of the ~~Policy and Resources~~ the Corporate Committee is required.
- 11.5 In certain circumstances, hospitality or gifts not exceeding £30 in value may be accepted, only when permission has been granted from the officer's line manager before accepting. A record of any such gifts should be maintained by each service.
- 11.6 All offers of gifts and hospitality where the value is in excess of £30 ,should be notified to line managers/ supervisors and written notification of these must be signed by the relevant ~~Head of Service~~ Chief Officer for recording in a register of gifts and hospitality held within the service department.

12. VOLUNTARY FUNDS

- 12.1 Many staff within Council establishments are involved in the handling of money for and on behalf of Moray Council. Staff can also be responsible for other monies as a consequence of their employment by the Council either directly (e.g. schools, social work establishments, etc.) or indirectly as treasurer of a representative body related to Council activities. These other monies are known as voluntary ~~or-unofficial~~ funds.
- 12.2 Voluntary funds maintained by or at an establishment can be defined as “any fund other than an official fund of the Council, which is controlled wholly, or in part, by an Officer of the Council by reason of their employment”.
- 12.3 The aims and objectives of these funds are mainly complementary to and sometimes not easily distinguishable from those of the Council. Thus, to protect the interests of not only the persons to whom the funds belong, but also to

safeguard the staff who administer and are responsible for them, suitable financial records must be maintained.

- 12.4 These Regulations do not prescribe the detailed form and content of records to be maintained, but, in all cases, written records shall be kept to show the nature and value of all receipts and disbursements. These records shall be kept up to date, be accessible to all parties connected with the funds, and be subject to annual **inspection or** audit by a suitable independent person.
- 12.5 Each Chief Officer shall maintain a register of all voluntary ~~or unofficial~~ funds administered by staff within his service.

13. RELATED PARTY INTEREST

- 13.1 In line with the Employee Code of Conduct, all employees must declare any conflicts of interest arising directly or indirectly from their employment with the Council. This interest may be financial or one which a member of the public might reasonably think could influence the judgment of a member of staff. Employees must inform their line manager of any potential conflicts of interest, who will in turn inform the Head of HR, ICT & Organisational Development for recording in a register of staff interests.
- 13.2 Committee Services maintain a register of Member's interests and a register of Senior Manager interests, to record any interests declared. Both registers are published on the Council's website. _

14. DATA SECURITY & RETENTION OF DOCUMENTS

- 14.1 Chief Officers shall ensure that arrangements are in place for the proper management of financial, legal and other documents and that these documents are retained in accordance with any specific statutory requirements, including the Data Protection Act (2018), the Freedom of Information (Scotland) Act (2002), and the Council's records management Plan and related policies.
- 14.2 Excepting where approval in writing has been given by the Chief Financial Officer for scanned copies of documents to be retained, original paper copies of documents supporting financial transactions of the Council shall be held in accordance with the Council's retention and disposal policy. Specifically in relation to externally funded projects, all documents relating to these projects must be retained in accordance with the conditions of grant and until the final completion and audit of the relevant programme.

LIST OF CHIEF OFFICER POSTS

SERVICE	POST TITLE
CHIEF EXECUTIVE	CHIEF EXECUTIVE
ECONOMY, ENVIRONMENT & FINANCE	DEPUTE CHIEF EXECUTIVE HEAD OF HOUSING & PROPERTY SERVICES HEAD OF ECONOMIC GROWTH & DEVELOPMENT HEAD OF ENVIRONMENTAL & COMMERCIAL SERVICES CHIEF FINANCIAL OFFICER
EDUCATION, COMMUNITIES & ORGANISATIONAL DEVELOPMENT	DEPUTE CHIEF EXECUTIVE HEAD OF EDUCATION HEAD OF EDUCATION RESOURCES & COMMUNITIES HEAD OF HR, ICT & ORGANISATIONAL DEVELOPMENT HEAD OF GOVERNANCE, STRATEGY & PERFORMANCE HEAD OF TRANSFORMATION HEAD OF ICS (ASN)
CORPORATE SERVICES	CORPORATE DIRECTOR (CORPORATE SERVICES) HEAD OF LEGAL AND DEMOCRATIC SERVICES CHIEF FINANCIAL OFFICER HEAD OF HR AND ICT SERVICES

ENVIRONMENTAL SERVICES	CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)
	HEAD OF DIRECT SERVICES
	HEAD OF DEVELOPMENT SERVICES
	HEAD OF HOUSING AND PROPERTY
EDUCATIONAL AND INTEGRATED CHILDRENS SERVICES	CORPORATE DIRECTOR (EDUCATION AND SOCIAL CARE)
	HEAD OF SCHOOLS & CURRICULUM DEVELOPMENT
	HEAD OF LIFELONG LEARNING, CULTURE & SPORT
	HEAD OF INTEGRATED CHILDRENS SERVICES
HEALTH & SOCIAL CARE SERVICES	CORPORATE DIRECTOR (EDUCATION AND SOCIAL CARE)
	HEAD OF ADULT SERVICES
ADULT HEALTH & SOCIAL CARE SERVICES	CHIEF OFFICER OF MORAY INTEGRATION JOINT BOARD
SOCIAL WORK	HEAD OF ADULT SERVICES
	CHIEF SOCIAL WORK OFFICER
	CHIEF FINANCE OFFICER OF MORAY INTEGRATION JOINT BOARD

APPENDIX 2

LIST OF RELATED DOCUMENTS / PROCEDURES / GUIDANCE NOTES

The under-noted documents provide detailed guidance on selected topics and should be read in conjunction with these Regulations.

<u>Paragraph</u>	<u>Document / Procedure / Guidance Note</u>
1.12	The Code of Conduct for Employees:- Conditions of Service
2.3	Revenue Budget - Revenue Budget - The Moray Council
2.6	Standing Orders: - Committees
2.12	Scheme of Devolved School Management
2.17	Capital Plan: - Capital Plan - Moray Council
3.2	Authorisation Policy:- Authorisation Policy
3.6	HR Recruitment and Leavers Policy/Procedures: - Recruitment & Leavers
3.13	Travel & Subsistence Policy Travel & Subsistence Policy
3.13	Pool Car Scheme: Pool Car Scheme
3.14	Scheme for Payment of Travel and Subsistence Allowances: Conditions of Service
3.21	Procurement Procedures: - Procurement
3.25	Grant Policy
3.34	Policy on Funding External Bodies
4.2	Income Handling Guidance: - Banking & Cash Handling
4.2	Anti Money Laundering Policy
4.3	Retention of Documents - Records Management
4.11	Charging For Council Services Policy Charges for Services
4.14	Sundry Debt Management Policy: - Sundry Debt Management Policy

- 4.15 Grant Policy
- 5.1 Asset Management Plans – [Capital Plan summary](#)
- 5.15 Community Asset Transfer (CAT): [Part 5 of the Community Empowerment \(Scotland\) Act 2015 the Act](#)
- 7.1 Year- End Accounting Instruction Pack: - [Year End Packs](#)
- 8.2 Treasury Management Policy Statement
- 9.4 Policy to Combat Fraud, Theft, Bribery and Corruption [Policy](#)
- 10.7 Community Empowerment (Scotland) Act 2015 [the Act](#)
- 11.5 Employees Code of Conduct: - [Conditions of Service](#)
- 14.1 Data Protection Act 2018 - [Act 2018](#)
- 14.1 Freedom of Information (Scotland) Act 2002 - [Act 2002](#)
- 14.1 Record Management Plan - [Records Management](#)

MORAY COUNCIL



AUTHORISATION POLICY

Owner of Policy	Chief Financial Officer
Author	Deborah O'Shea
Date of Review	May 2023
Date of previous version	23 January 2019
Policy Approved	
Next Review Date	December 2023

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1. AUTHORISATION - THE FINANCIAL REGULATIONS

1.1 There are a number of important principles to understand for any member of staff involved in committing expenditure on behalf of the Council.

- Councillors set Revenue Budgets and the Capital Plan **at a high level.**, ~~the inclusion of items within them constitutes authority for~~ The appropriate Chief Officer **is authorised** to incur expenditure **under the budgets for which they are responsible** in the year concerned, subject to:
 - the Council's Governance documents including the Scheme of Delegation, Scheme of Administration, Standing Orders and Financial Regulations,
 - any prior reporting requirements of the appropriate Committee **and**
 - ~~other than specific exceptions in the Scheme of Delegation, the amounts approved must not be exceeded.~~
- The Chief Financial Officer is responsible for ensuring that the Chief Officers are aware of the **Revenue** Budgets and Capital Projects approved by the Council for which they are responsible. ~~This responsibility covers budget monitoring, ensuring overspends do not occur, ensuring budgets are applied in accordance with Committee direction, and notifying the appropriate Committee of any amounts not required.~~ **Chief Officers are responsible for budget monitoring reports to the appropriate service committee. They are also responsible for reporting projected overspends and any other additional budgetary requirements arising** during the year.
- ~~Each member of the Corporate Management Team~~ **Chief Officers are** also responsible for ensuring that individual Officers **identified as** Budget Managers are advised of the **Revenue** Budget and Capital Plan projects for which they are responsible.
- **The Chief Financial Officer and the Chief Financial Officer of the Moray Integrated Joint Board (MIJB) will maintain a list of named individuals of NHS Grampian employees who are appointed as officers of the Council for the specifically described purpose of delivering integrated services. Any breach or non-compliance may result in the individual being removed from the appointment as officer of the Council and may result in a disciplinary action in line with the policies of NHS Grampian.**
- Authorisation arrangements need to guard against mismanagement and confusion and key aspects of such arrangements are:
 - no more than one person is responsible for a single budget amount;
 - each person responsible for a budget understands their responsibilities for that budget.

- all budget managers shall be required to confirm their awareness of and adherence to this Policy, the Financial Regulations, **Grant Policy** and Procurement Procedures by certification of a declaration to that effect, either at three yearly intervals or, for newly appointed managers, on completion of their budget manager training.
- If any budget manager is unsure of their responsibilities, they should contact the Accountancy Section for clarification and if needed, request refresher training.
- Deliberate failure to observe the Financial Regulations may lead to disciplinary action being taken against the Officer responsible up to and including dismissal.

2. LEVELS OF RESPONSIBILITY

2.1 To implement this policy, levels of responsibility have been defined as follows:

Corporate Management Team

This is the top tier within the Council, which is responsible for the strategic management / direction of the Council's resources.

Chief Officers

This includes the Chief Executive, **Depute Chief Executives** ~~Corporate Directors~~ and any other senior official of the Council (and includes the Chief Officer and Chief Finance Officer of the Moray Integration Joint Board) identified in Appendix 1 of the Financial Regulations, which mainly relate to Heads of Service. [Reference Documents](#)

Section 95 Officer

The Chief Financial Officer has been designated as "the section 95 officer" and is responsible for advising the Council on financial matters. It shall be the duty of the Chief Financial Officer to ensure that Chief Officers maintain adequate financial and accounting arrangements. Chief Officers must comply with all guidance on accounting and related matters issued by the Chief Financial Officer and no accounting arrangements shall be introduced, discontinued or amended without the prior agreement of the Chief Financial Officer.

Budget Holder

This level can be a second, or third tier officer, who has been delegated the responsibility for one, or a number of areas across their service. This person is responsible for overseeing the budgets identified to them and is able to authorise against the budgets. The Budget Holder would not normally be actively managing the budget on a day to day basis.

Budget Manager

This level is the front line Service Manager, who is assigned the direct operational responsibility for actively managing the service on a day to day basis

In Absence Authoriser

Arrangements must be made to allow a service to function effectively in the absence of the Budget Manager. An “In absence” authoriser is required for this purpose. This would normally be a depute or assistant; a peer familiar with a service area; or the line manager of the Budget Manager.

Location Signatory

In some services, the day to day operation can be undertaken at a physical location far removed from the Budget Manager. In these circumstances it may be necessary to implement procedures to allow staff to authorise expenditure within pre-defined areas. To ensure the principles of the Authorisation Policy are adhered to, any arrangements of this nature will only be implemented with the express agreement of the Chief Financial Officer.

Procurement Levels of Responsibility

Heads of Service will determine the officers who will be involved with procurement for their services and the appropriate levels of responsibility for these individuals. The Procurement team deliver a training programme for the training for these individuals (see below).

Only officers trained and identified to levels 3 or 4 will be allowed to procure on behalf of the Council, without appropriate support and authorisation.

For high risk and procurements above ~~EU~~^{the} Limits (for current levels see para 2.4.1 & 2.5.1 of the procurement procedures), support from the Procurement team should be sought and provided. The level of support to be provided would be determined by the risk, value, and experience of the officer and will be agreed at the start of the process. The Procurement Team can be contacted on 01343 563137 - request for support form (para 4.1.1 of the procurement procedures) Procurement procedures can be found here

[Procurement](#)

Different Levels

Level 1 – Procurement Admin

Aimed at officers responsible for processing and receipting goods and services, or who require a greater understanding of the procurement issues and have a high level of involvement in the process, particularly administration of the public contract Scotland portal (advertising of contract opportunities).

Level 2 – Competent

Previously used to train support for qualified and authorised officers, however the level is not supported by the current procurement training programme.

Level 3 – Qualified

A five module training course for officers who will procure/contract manage on behalf of the Council but who are not Budget Managers; they can approve the work of a Competent Procurer (level 2) and may assume the role of Lead Officer where appropriate.

Level 4 – Authorised

The same course is provided for officers who will procure/contract manage on behalf of the Council and are Budget Managers with responsibility for a defined service area. As for level 3, they can approve the work of a non-qualified officer and will assume the role of Lead Officer where appropriate. In addition level 4 officers can sign and commit the council to contracts.

The definition of a contract is “the ability to enter into the formal tendering process”. This is outlined in the Procurement Procedures and para 2.4.1 gives specific details of the minimum requirements to be followed for transaction over the limits stated within the Financial Regulations.

Level 5 – Head of Service

Responsible for the management of the procurement function for a defined service.

Level 6 – CMT

~~With regular procurement reports to inform council performance,~~ **As the senior tier of management with corporate responsibility,** CMT ensure that the procurement function is effectively managed across all Council departments.

Lead Officer

Certain officers will assume the role of “Lead Officer” where they represent and take the responsibility for the Council in the matters pertaining to an assigned commodity. They will lead procurement issues for the service delivery i.e. specification, evaluation, contract award and management. They will work with the Procurement Team to provide management information to support individual procurement strategies. They will lead the marketing and implementation of any awarded contracts and support the development of national and sectoral contracts (Scotland Excel and Scottish Procurement)

- 2.2 Chief Officers and Budget Holders can charge expenditure against a Budget Managers budget, but in accordance with good working practice, must notify the Budget Manager. Similar communication is also essential between the In

Absence Authorisers, Location Signatories and the Budget Manager to ensure effective management of the Budget resources.

- 2.3 Staff should not be allowed to take on any authorisation responsibility without appropriate training being provided and understanding the Council's Financial Regulations and Procurement Procedures.

3. PRINCIPLES OF THE AUTHORISATION POLICY

3.1 Structure

The Authorisation Structure reflects the Organisational Structure of The Moray Council and adopts some basic principles of financial control as follows:

3.2 Authorisation

“Authorisation” is the authority to effect a transaction, which results in expenditure on behalf of the Council. It follows that if a payment is being authorised it must be from a specific budget and only the person responsible for that budget should therefore authorise the payment. If this principle is ignored, there is a much higher risk of a budget being exceeded.

Wherever possible, authorisation should be completed electronically via the defined authorisation structure held within the Council’s Financial Management system (FMS).

However it is recognised that, at present, this is not always possible for all transactions, refunds, store system transactions etc. To pass an item for payment outwith the FMS system or enter into any financial commitment, a full signature is required to give a clear demonstration of the authority of the signatory. Initialisation photocopies or ~~digital signatures~~ are not an acceptable level of proof. When signing an item as authorisation for payment, Managers should also annotate their FMS User number, to assist payments staff in checking authorisation levels.

As an alternative to full signature, an e-mail from the person who is authorising is also acceptable. The e-mail must be from the authorisers council e-mail address.

3.3 Areas of Expenditure

The Authorisation Policy applies to all controllable areas within a Budget Manager’s budget, which is the collection of all income and control of all costs, excluding Capital Financing Charges; CSS Charges; Shared Accommodation and any other costs which are “allocated” from a central budget. The policy will include the authorisation of staffing commitments – both in the appointment of staff and in the authorisation of additional hours worked and staff expenses.

3.4 Financial Commitment

The rules contained within this Policy apply to all methods by which the Council commits expenditure:

- Orders via the Payments section (requisition)
- Orders via stores systems/works orders/kitchen orders
- Orders **or immediate purchase** via Purchasing Cards
- Contracts
- Staffing via notification of appointment forms/ timesheets
- Travel and Subsistence via employee claim forms

Each of these methods involves a variety of administrative processes and officers, including ordering from Internal Suppliers, e.g. Ashgrove, print room etc. Regardless of the process used, a Budget Manager must ensure that they are authorising the ordering etc, at the point in time where a financial commitment is entered into. For example a Budget Manager does not have to collate record, estimate and prepare an order for stationery from a supplier – these tasks can be undertaken by other staff. The Budget Manager must ensure that the Admin and Clerical staff are aware of any changes to Financial Regulations and Procurement Procedures or authorise through the FMS system

4. PRACTICES AND PROCEDURES OF THE AUTHORISATION POLICY

4.1 Record of Responsibilities

In order to maintain appropriate and accurate records of authorisation responsibilities, the Accountancy Section will maintain a database of all staff affected by this Policy. This information will be collected from staff by completing a “Financial User Application Form”. This form will collate ALL the information necessary pertaining to each individual user, whether they are an authoriser, or simply a financial system user.

It is essential that this information is kept up to date. Accordingly this form will be issued to all relevant New Starts and Terminations in consultation with the Line Manager.

All departments are required to notify the Accountancy Section immediately that there is a change in responsibilities, in order to keep the system up to date. Any delays in this notification will affect the Budget Managers’ ability to order goods and services as this information has to be replicated in the FMS System where on line authorisation takes place **and also in iTrent and the employee portal.**

4.2 Review of Documentation

Only approved forms (available from the Finance pages of the Council intranet) should be used.

All financial forms will be reviewed as existing stocks diminish, to ensure full compliance with the principles of the Authorisation Policy, including the need

for additional fields to hold the User Number. The policy will equally apply to any procedures involving electronic transfer of financial information.

4.3 Use of Purchasing Cards

In itself, the issue of a purchasing card to a member of staff does not represent delegation of authority to purchase, as authorisation for a transaction is still required from a Budget Manager for all transactions over the value of £10. Given the limitations placed on the appropriate use of purchasing cards a de-minimus of £10 has been established to reduce the administrative burden for the authorisation of low value transactions. However, a full transaction listing from the purchasing card system will be circulated to Heads of Service quarterly to ensure that there is a subsequent transparency for all card holder spend.

Authorisation for transactions over £10 is carried out online by the Budget Manager upon receipt of an email advising that they have transactions awaiting approval.

To be fully effective Budget Managers should carefully define the individual parameters attached to each card. These parameters can be tailored to the specific needs of the service and the user. For example, single transaction and monthly spend limits can be specified and the range of supply type where a card will be accepted can also be restricted. Because cards are issued to named individuals, their personal responsibility is clear. Consequences, including discipline in the event of inappropriate use are covered in the Purchasing Card Manual. [Purchasing Card Guidelines](#)

4.4 Internal Transactions

The appropriate authorisation must be received at the point an order is raised which will then result in an internal recharge being placed. This will be either by signature for paper orders or electronic password for e-mail or intranet form orders

5. PROCESSING OF PRE-AUTHORISED PAYMENTS

5.1 The Authorisation Policy defines an “authoriser” as the person responsible for the delegated budget, however it is recognised that on occasions officers will be charged with effecting expenditure under codes not directly their responsibility. For example, a Legal Officer completing a property transaction approved at committee; a Property Officer carrying out works on the authorised departmental instruction and an ICT Officer purchasing equipment to fulfil an internally authorised order. In accordance with good working practice, the Budget Manager must be notified.

5.2 It is necessary in these cases to trace the formal authorisation to the originating document, internal order, committee report, etc. When signing the document reference should be made to this authority by way of committee minute number, job costing number, order number, etc. This will allow Payments staff to process the transaction without referral to the actual budget manager and give Internal Audit a trail to follow.

5.3 The Officer signing expenditure documents must be clear that they have originating authority in the first instance but we do not expect that officer to formally confirm the authority of the person placing the order or signing the contract, this is the role of Financial Services.

6. MONITORING

6.1 Once the responsibilities have been defined and the documentation completed for each individual authoriser, this information will be collated and held within a database. This will give Financial Services staff and Auditors the ability to cross check any document received. Any expenditure processed outwith the Policy will be reported back to the individual and their Line Manager.



MORAY COUNCIL GRANT FUNDING PROCEDURES

Owner of Policy	Chief Financial Officer
Author	Lorraine Paisey
Date of review	June 2023
Date of approval by Council	
Date of next review	

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1. INTRODUCTION TO THE PROCEDURES

1.1 SCOPE OF THESE PROCEDURES

1.1.1 These procedures shall be read in conjunction with the Council's financial regulations and are designed to ensure suitable financial controls are applied by officers involved in the administration of grant funding.

1.1.2 For the purposes of these procedures a grant is either:

- a payment of a specified amount or amounts **by the Council** to a third party for a purpose or purposes approved by the council, other than in return for delivery or provision of any goods, works or services or by way of a benefit payment, (section 3 below); or
- an amount awarded **to the Council** by a third party to be applied for a purpose or purposes complementary to services otherwise funded from council budgets (section 4 below).

1.2 USE OF THESE PROCEDURES

1.2.1 The procedures aim to minimise the risks to the Council in terms of its obligations:

- to secure Best Value in its use of resources;
- to meet 'Following the Public Pound' requirements; and
- in respect of external funding received, to avoid financial loss arising from failure to comply with grant conditions.

1.3 UPDATES

1.3.1 These procedures will be regularly reviewed and updated as necessary to reflect any legislative or other changes which impact on the awarding of or application for grants.

1.4 CHANGE / VERSION CONTROL

1.4.1 This document is the first version.

2. FOLLOWING THE PUBLIC POUND

2.1 The Council has adopted the principles of the COSLA / Accounts Commission "Code of Guidance on Funding External Bodies and Following the Public Pound". The Code sets out a framework for the Council's relationships with bodies through which they seek to carry out some of their functions other than on a straight-forward contractual basis.

- 2.2 The principles of the guidance apply to companies and other bodies such as trusts where such bodies are subject to Council control or influence and where they operate at arm's length. When agreeing to transfer funds to an external body the Council must be clear about its reasons for doing so and these reasons should be related to a strategy or policy of the Council.
- 2.3 In respect of any proposed transfers, the provisions of the Code shall apply, which as a minimum require:
- the purpose of the transfer to be contained in any Council decision to establish a funding relationship;
 - a written agreement between the Council and the external body;
 - details of the financial regime applicable to be specified;
 - established monitoring arrangements to ensure Council objectives are met;
 - full consideration of member and officer representation on the board of the external body;
 - any limitations to be fully specified covering such matters as financial inputs and circumstances in which any arrangements would be terminated;
 - any arrangement to be open to external audit scrutiny; and
 - any reporting / monitoring arrangements.
- 2.4 Subject to the above being proportional to the amount of grant awarded, the same provisions shall apply to the awarding of grants.

3. GRANT FUNDING AWARDS MADE FROM COUNCIL BUDGETS

- 3.1 Chief Officers, with the approval of the Chief Financial Officer, may make grant payments to external parties provided such funding can be met from within approved budgets. Where there is an element of discretion in the award of grant, or, in any event, where the proposed amount of grant exceeds £20,000 or where a grant forms part of a sequence of payments over more than two consecutive years for the same purpose, approval of the relevant service committee shall also be required.

- 3.2 In awarding grant payments, a Chief Officer shall make such conditions as are appropriate and proportionate in terms of being able to demonstrate that public funds are being applied for the purposes intended, which conditions to include acknowledgement by the grantee in appropriate publicity of the Council's contribution.
- 3.3 All payments of grants should be authorised in accordance with the Council's Authorisation Policy. A Budget Manager, as authorising officer, shall be responsible for ensuring that there is adequate evidence that the grant claim fulfils agreed criteria; that all items on a grant claim are eligible; that individual items on the claim agree to the back-up documentation supplied; that the documentation is complete; that the claim has been signed by the grantee or an appropriate person on the grantee's behalf, and that the grant falls due to be paid or claimed by virtue of a trigger in the relevant grant conditions.
- 3.4 Where a trigger to pay grant relies on professional judgement (eg the completion of a construction project to a suitable standard) then evidence must include confirmation from a suitably qualified person, in a form to be determined in advance. The level of confirmation shall be proportionate to the amount of grant payable.
- 3.5 Where the conditions of grant require the grantee to provide evidence of costs incurred, the grantee shall furnish to the council a report on expenditure supported as appropriate by invoices sufficient to allow for the Council's Auditors to verify that the grant conditions have been complied with in full.
- 3.6 The minimum evidence acceptable for a grant awarded by Council for the purchase of specific goods, services or works shall be an invoice or invoices or payroll evidence of payment of staff, as appropriate for the expenditure in question. The amounts requested for payment shall agree to the evidence submitted.
- 3.7 Where the grant award to a third party is to be applied to the purchase of goods, services or works instructed by the grantee, grant payments will be made to the grantee and not directly to the supplier or contractor. Any contractual relationship in such circumstances shall be between the grantee and the relevant supplier or contractor.
- 3.8 Where an approval to pay grant is for a guarantee against loss for example underwriting an event to be run by a local voluntary body, payment shall not be made without submission to the Council of sufficient accounting evidence that a loss has been incurred, in the form of a set of the most recently available examined or audited accounts showing to the Chief Financial Officer's satisfaction that the grantee is unable to cover the loss from their own resources.
- 3.9 No grants of any type will be paid in advance of payment to be grant funded being made by the grantee unless by approval of the Chief Financial Officer prior to the payment being released or by specific committee approval. If

committee approval to make payment in advance is being sought then the Chief Financial Officer shall be a consultee to the report.

4. GRANT FUNDING SOURCED FROM THIRD PARTIES

4.1 Appropriate approvals must be in place before formal applications for grant funding are made.

4.2 Officers are encouraged to seek to maximise external funding to support committee approved projects, works and services delivered by the Council thereby reducing the burden on Council budgets

4.3 The relevant Chief Officer for the service must ensure that the project or purpose for which the grant is being sought has already received Committee approval or that it sits within the delegated authority in terms of service provision. No application should be made that will result in increased budgetary costs for the Council that have not been approved as part of the project/proposal at Committee. Prior to submitting applications Chief Officers should consider impacts on support services such as legal, finance, human resources and audit and consult with the relevant Heads of Service or CMT prior to making an application to ensure the workloads can be supported.

4.4 Where external grant funding is received, it shall be the responsibility of the relevant Chief Officer of the service securing the funding to ensure that all conditions of grant are applied in full.

4.5 All grant applications which require the provision of cost estimates for goods, works or services that the grant will fund, either wholly or in part, shall be prepared in consultation with the Chief Financial Officer.

4.5 Where the Council secures external funding to be administered by the council as lead partner on behalf of a consortium of interests, the relevant Chief Officer in consultation with the Chief Financial Officer shall develop heads of agreement that will form the basis of the arrangement between the parties concerned.

4.6 Where grant funding applied for by, and awarded to, the Council is to be transferred to a third party then the conditions of grant under which the transfer is approved shall require the grantee to indemnify the Council in the event all or part of the expenditure incurred is assessed as ineligible by the provider of the grant funding.

4.7 Claims for grant shall be made timeously to minimise the risk posed to the Council of grant awarding bodies disallowing items claimed by maximising the time during which dispute resolutions could take place. If claims are delayed for any reason the officer dealing with the claim shall report accordingly to their Head of Service, detailing the reasons for the delay, and explaining how the risks to the council arising therefrom may be mitigated.

APPENDIX 1

PAYMENTS TO THIRD PARTIES

Grant payments should be contrasted with the other main forms of payments to third parties: payments under contracts and payment of benefits. The characteristics of the three forms of payment are set out below for guidance.

Type of Payment	Characteristics
Contract	Payments for goods, services or works where the Council gains a tangible benefit by way of consumables or fixed assets or has an agreed service delivered on its behalf. Governed by procurement procedures. The Council will have redress under statute if goods are faulty, works or services not delivered to the specified standard.
Grant	Generally no direct benefit accruing to the Council, although grants would generally be awarded to support activities which contribute towards council priorities. Depending on terms and conditions grant may be repayable in certain circumstances but much less control over output / outcome than under contract.
Benefits	No direct benefit accruing to Council – payments are made under benefit schemes, generally assessed on means or other form of entitlement. Awarded after application and assessment.

The Moray Council
Corporate Governance
Anti Money Laundering Policy

Owner of Policy	Chief Financial Officer
Author	Lorraine Paisey
Date of Review	August 2023
Date of previous version	
Policy Approved	
Next Review Date	December 2026

Anti Money Laundering Policy

1. Introduction

This policy explains money laundering and the legal and regulatory framework in place to govern its disclosure. It also specifies the processes that need to be adopted to ensure as far as practicable that the Council and its employees are not exposed to money laundering. The policy complements the *Policy to Combat Fraud, Theft, Bribery and Corruption and Treasury Management Practice Note 9* which considers money laundering in the context of treasury management.

The Council has limited its direct exposure to laundering of cash by arranging for collection of significant income streams either electronically or at external collection points. Separately, procurement procedures ensure that appropriate steps are taken to establish the identity and standing of Council suppliers and contractors. The risk of the Council contravening the legislation is therefore considered to be relatively low.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has published guidance to advise public service organisations what they should do to combat financial crime of this type.

2. Money Laundering Regulations

Money laundering is the process by which the proceeds of crime or terrorism funds are changed so that they appear to come from a legitimate source. The legal and regulatory provisions that cover money laundering are as follows:

- The Proceeds of Crime Act 2002 (POCA)
- The Terrorism Act 2000 (TA)
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Money Laundering and Terrorist Financing (Amendment) Regulations 2019

The POCA defines the primary money laundering offences, and thus prohibited acts, as

1. Concealing, disguising, converting, transferring or removing criminal property from the UK (section 327)
2. Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property (section 328)
3. Acquiring, using or possessing criminal property (section 329)
4. Doing something that might prejudice an investigation – for example falsifying a document (section 342)

The TA places an obligation on all individuals and businesses in the UK to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering,

where it relates to information that comes to them in the course of their business or employment.

The CIPFA guidance on the application of legal and regulatory provisions to public authorities notes that the Council and its employees are subject to the full provisions of the TA and to the four POCA offences outlined above.

There are two further POCA offences relating to failure to disclose (under section 330 and 331) and to 'tipping off' (informing a suspect) (under new section 333a) but so long as the Council does not undertake activities which might be interpreted under POCA as falling within the regulated sector, the offences of failure to disclose and tipping off do not apply. The regulated sector refers to activities that are regulated under the Financial Services and Markets Act 2000.

The 2017 Regulations refer to 'relevant businesses' and 'relevant persons'. Local authorities are not listed and therefore are not subject to the requirements of the 2017 regulations

3. Council responsibilities

CIPFA's view is that it is prudent and responsible practice for all public sector organisations, including those outwith the scope of the Regulations, to put in place appropriate and proportionate money laundering arrangements designed to enable them to detect and avoid involvement in the crimes described in the legislation and regulations.

The arrangements for this Council cover

- Specifying the scope and coverage of the policy
- Nomination of a Money Laundering Reporting Officer
- Development of relevant procedures

4. Scope and Coverage of the Policy

The principal concern for the Council with regard to money laundering apart from an employee being involved in a criminal act is the risk of suspicious activity not being reported to the Serious and Organised Crime Agency (SOCA).

The Council therefore will do all it can to prevent the organisation and its staff being exposed to money laundering and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. It should be recognised that serious criminal sanctions may be imposed for breaches of the legislation therefore it is important that all employees and elected members are familiar with this policy and report any suspected money laundering activity promptly.

5. Nomination of a Money Laundering Reporting Officer (MLRO)

To secure effective central reporting and recording of disclosures in relation to suspected money laundering the Council has nominated the Chief Financial Officer as its MLRO. The Chief Financial Officer will be responsible for the development and maintenance of relevant procedures.

6 Relevant Procedures

A reporting framework to log any potential money laundering incidents has been established. This ensures there is a channel for suspicions to be raised and for these to be dealt with in a consistent manner. Reporting proformas are available from Financial Services.

Where money laundering activity is suspected by any elected member or employee, details should be reported to the MLRO using the prescribed form. If preferred, suspicions can be discussed with the MLRO in the first instance.

The person reporting the concern must follow any directions of the MLRO and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.

The MLRO must promptly evaluate any reports received to determine if a report to SOCA is necessary. The MLRO must, if they so determine, promptly report the matter to SOCA on their standard report form and in the prescribed manner. Up to date forms can be downloaded from the SOCA website.

All persons making reports are required to co-operate with the MLRO or an officer nominated by the MLRO during any subsequent investigation, and at no time and under no circumstances should any suspicions be voiced to the person or persons suspected of the money laundering, even where SOCA has given consent to a particular transaction proceeding.

Examples of how money laundering may occur and details of how suspicions should be recorded and reported are provided in a guidance note for employees. There is no single flag which would identify money laundering, however, the following may, in some cases, be an indication of money laundering activity:

- Use of cash where other means of payment are normal
- Overpayments by a customer
- Unusual request for cancellation or reversal of an earlier transaction
- Customer requesting refunds to be transferred overseas, particularly to a high risk country or tax haven
- Payments of lower amounts where cash is not the usual means of payment
- Use of new/shell companies
- A secretive customer, for example, one who refuses to provide the requested information without a reasonable explanation
- Illogical customer transaction such as unnecessary routing or receipt of funds from third parties or through third party accounts
- Involvement of an unconnected Page 122 without logical reason or explanation

- Absence of an obvious legitimate source of funds
- Concern about the honesty and integrity of the customer
- Unusual transaction or way of conducting business without reasonable explanation
- Unusual transactions or ways of conducting business
- Individuals and companies which are insolvent yet have funds
- Transaction at substantially above fair market value
- Funds received for deposits or before completion from unexpected sources

There is also a need to consider 'customer due diligence', which essentially requires that proportionate steps are taken to establish the identity of any individual or organisation that wishes to do business with the council.

In any set of circumstances employees are asked to consider

Who they are dealing with –someone they know or a stranger

How freely requests for information is given

Prior knowledge of the person's dealings with the Council

How usual the transaction is in terms of size, nature and frequency

Any unusual or illogical involvement of third parties/ third party funds

The absence of an obvious legitimate source of funds

Involvement of agents e.g. solicitors who are geographically remote

To mitigate the risk of money laundering through the council, cash payments (notes or coins) exceeding £300 shall not be accepted. This figure has been set at a level reflecting the current situation where the council no longer operates its own cash collection offices and thus has limited responsibilities for physically handling cash.

(1062742)



REPORT TO: MORAY COUNCIL 27 SEPTEMBER 2023

SUBJECT: ELGIN PARKING REVIEW

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

1. REASON FOR REPORT

- 1.1 To inform Council of the recommendations following feedback from stakeholder engagement held on 12 April 2023 and a subsequent review of Elgin parking charges.
- 1.2 This report is submitted to Council in terms of Section III (F) (17) of the Council's Scheme of Administration relating to traffic management functions.

2. RECOMMENDATION

2.1 It is recommended that Council:

- (i) considers the recommendation from Economic Development and Infrastructure Services Committee on 5 September 2023 as set out in para 3.5 below;**
- (ii) notes that the wider parking policy recommendations have been approved by Economic Development and Infrastructure Services Committee; and**
- (ii) approves the revised parking charges as set out in Section 6 of this report for implementation from 1 January 2024.**

3. BACKGROUND

- 3.1 A Parking Strategy for Elgin was adopted by Economic Development and Infrastructure Services Committee on 31 October 2017. This provided a considered approach to the future of parking provision in Elgin to best meet the varied and competing needs of different users. This strategy covered a range of parking issues, and included a review of the charges at the council's pay and display car parks in Elgin (para 7 of the minute refers). Car park charges have not been changed since that time, as frequent changes are

challenging for both users and the technology in terms of small denomination coinage, and the principle is of periodic rather than annual review.

- 3.2 At a meeting of Corporate Committee on 31 January 2023 it was proposed to increase the car park charges as part of the charges report. Following debate it was agreed to freeze parking charges to enable further discussions on parking issues within Elgin to take place between the Council and partner organisations (para 8 of the minute refers).
- 3.3 A workshop was held with stakeholders and partner organisations on 12 April 2023. This report considers the feedback from the Elgin Parking Stakeholder meeting and makes recommendations as a result of the feedback from the meeting and information from parking surveys undertaken by officers.
- 3.4 A report was presented to Economic Development and Infrastructure Services Committee on 5 September 2023 with the information as set out in paras 4 – 7 of this report.
- 3.5 On 5 September 2023 the decision of Economic Development and Infrastructure Services Committee was as follows (extracted from the draft minute):

“Following consideration the Committee agreed to:

- i. note the summary of feedback from the Stakeholder meeting held on 12 April 2023 and the proposed measures set out in the subsequent parking review;
 - ii. approve the approach set out in paragraph 4 of the report; and
 - iii. approve the revised parking charges in high and medium turnover car parks as set out in Section 6 of this report but makes no change to low turnover car park charges; and given the budgetary impact, refers determination of the charges to the next meeting of Moray Council for a final decision with a recommendation from this committee based on its view on the charges.”
- 3.6 Sub para (iii) in relation to the value of parking charges is therefore referred to Council, and is the focus of this report. The wider policy information and background set out in paras 4 and 5 are retained in this report for context of the range of matters raised by stakeholders and the council’s agreed position in these matters.

4. ELGIN PARKING STAKEHOLDER MEETING

- 4.1 An Elgin Parking Stakeholder meeting was held on Wednesday 12 April 2023. A full summary of the outputs from the workshop is attached in **Appendix A** to this report.
- 4.2 Stakeholders included representatives from Elgin BID, Visit Moray Speyside, Police Scotland, Fire Scotland, UHI, Federation of Small Businesses, Moray

Chamber of Commerce, Moray Transport Forum and Elgin Community Council. Local Elected Members were also invited along with colleagues from Development Services and Car Park Attendants.

- 4.3 Attendees at the workshop were split into three groups and each group was facilitated by a member of Transportation staff, following an initial short overview. Each group discussed relevant problems, opportunities and constraints followed by potential solutions.
- 4.4 **Appendix A** provides a detailed list of the wide ranging issues highlighted and potential opportunities or solutions identified by stakeholders. The issues raised included parking problems relating to specific streets including Batchen Lane and North Street, St Giles and Batchen Lane multi-storey car parks, disabled parking spaces, enforcement, potential to vary charges and the size of modern vehicles.
- 4.5 The Stakeholder meeting identified the following as key priorities:
- Disabled parking
 - Improved signing for car parking on all key routes into Elgin
 - On-street parking enforcement and policy
- 4.6 The following points were also prevalent in the issues raised and are addressed in the report:
- Review of car parking charging structure
 - Coach Parking / pick up / drop off
- 4.7 **Disabled Parking** – A detailed report on disabled parking will be brought to a future meeting of this Committee. The work to be done is partly underway, but is quite wide-ranging and time consuming needing further resourcing from the transportation team, which is in the workplan for this year. This review will also consider opportunities identified in the Stakeholder workshop which included the size of parking spaces and increasing disabled parking provision at specific locations.
- 4.8 **Improved signing for car parking on all key approach routes** – It is recognised that current signage for off street car parking in Elgin could be improved. Some existing signage is outdated while there are opportunities to install additional signage to help direct visitors to the most appropriate off street car park for their destination. Improving advance signage of the off street car parks will help reduce unnecessary circulating of traffic, extending visitors time within the centre of Elgin and improve the utilisation of car parks. A review of existing signage will be undertaken this year and where possible funding within the car park budget identified to deliver the improvements.
- 4.9 **On-street parking enforcement and policy** – A number of stakeholders identified issues relating to the enforcement of on-street parking and wider parking policy.

- 4.10 Moray Council's adopted parking strategy established the following key objectives:
- Increase satisfaction in parking provision from users and businesses
 - Maximise use of all off-street parking (car parks)
 - Increase the use of multi-storey car parks
- 4.11 The Scottish Government's National Transport Strategy and Climate Change Plan places an increasing emphasis on the need to reduce unnecessary car use. Transport Scotland have subsequently published a draft document 'Reducing car use for a healthier, fairer and greener Scotland' which sets out a route map to achieve a 20 per cent reduction in car kilometres by 2030.
- 4.12 The Scottish Government and COSLA have co-developed the route map in recognition of the need for joint ambition and action at both a national and local level. The draft route map recognises the challenges for journeys undertaken by disabled people or in rural areas where sustainable travel options may not always be available or practical. However, it is seeking to encourage all of us to reduce our overreliance on cars wherever possible and the route map sets out the interventions that the Scottish Government are proposing to support this 20% reduction target.
- 4.13 The proposed charging structure set out in Section 6 of this report aims to provide a balance between some of these competing policy objectives that parking policy is developed around.
- 4.14 The enforcement of on-street parking is the responsibility of Police Scotland. Council Officers meet regularly with colleagues in Police Scotland to discuss priorities and issues relating to enforcement. Decriminalised Parking Enforcement (DPE) is where a local authority takes on the responsibility of administering its own parking penalties – so stationary traffic offences cease to be criminal offences enforced by the police and become civil penalties enforced by the local authority.
- 4.15 The legislative process that enables this is provided through the 1991 Road Traffic Act. Considering DPE is both a policy and a financial matter, however following previous consideration it was decided that Moray Council would not pursue this in common with a number of rural and island local authorities where establishing the business case on the basis that expected ongoing income from parking charges and penalty charge notices is unlikely to cover the increased resourcing to enforce and maintain including additional back office costs. It is recognised that the business case for this needs to be regularly reviewed. It is estimated that the investigation of the business case for DPE is likely to cost in the region of £50-80,000. It is also a requirement to review all road traffic regulation orders relating to parking restrictions, and it is estimated that this would cost in the region of £200–300,000. When previously considered by this Committee it was agreed that detailed consideration of DPE would only be undertaken following specific Committee request, and potentially in tandem with any proposals for on-street parking charges (meeting of this Committee 31 October 2017, paragraph 7 of the minute refers). Approximately one third of Scottish local authorities have not

taken on parking enforcement powers, these are principally rural authorities, where – like Moray – a positive sustainable financial case has not been identified.

- 4.16 In the stakeholder consultation it was clearly acknowledged by all parties that the pedestrianised areas of the Plainstones and Batchen Street are being misused for access and parking by drivers on an increasing basis. The ability to put in any specific controls is limited by the current closure of North Street for the rebuilding of Poundland which necessitates the use of Batchen Street for through traffic. Whilst some innovative ideas were discussed at the stakeholder meeting, it is recommended that this aspect is considered again further when the Poundland work is complete (anticipated around March 2024). There is also potential for some infrastructure improvements, such as traffic control bollards, should the council apply and be successful in the third round of the Levelling Up Fund which would consider the town centre as a whole.
- 4.17 **On Street parking charges** - Further on-street parking restrictions or the introduction of charges have been considered. Representations were made at the Stakeholder workshop to address illegal parking or overstaying at some specific locations such as High Street, Batchen Lane and South Street. The introduction of short stay on-street charging measures could incentivise the use of off-street car parks and transfer on-street demand to underutilised spaces in off-street car parks, helping to reduce circulation of town centre streets where motorists currently circulate looking for spaces. If progressed, the rights of enforcement would remain with Police Scotland in the first instance. It would also require significant resource to develop and promote the necessary Traffic Regulation Orders and then implement on-street. Before any measure is pursued a full assessment would need to be undertaken and a report taken to a future Committee. It should be noted that without rigorous enforcement the parking management and income generation effects of any on-street parking charges would be diminished. At present, whilst there is evidence that some drivers do not comply with the short stay on-street parking restrictions, the arrangements do provide a measure of uncharged short stay parking – for example at the west of the High Street near Marks & Spencers.
- 4.18 **Review of off street car parking charging structure** - as detailed in paragraph 3.2 above on 31 January 2023 Corporate Committee agreed to freeze parking charges pending further engagement on parking issues within Elgin to take place between the Council and partner organisations (para 8 of the minute refers). At the Stakeholder workshop a number of proposals were made. Section 6 of this report considers these proposals and outlines proposed changes to off-street car parking charges within Elgin.
- 4.19 **Coach Parking** - The Cultural Quarter project which is part of the Moray Growth Deal is considering how the space at Lossie Green and Cooper Park is best utilised. This project offers an opportunity to review parking arrangements within the area and also how access may be improved between the area and the High Street. Options for improving coach parking and pick-up and drop-off facilities are being considered as part of the initial feasibility work being undertaken.

- 4.20 **Signposting to alternative parking** - The Council's website provides detailed information of the charging structure for each car park within Elgin and all car parks maintained by the Council within Moray www.moray.gov.uk/moray_standard/page_58746.html

Any regular commuter or visitor to Elgin can use the information on this page to help decide on the best value option depending on their journey purpose and destination. It would not be practical to provide physical signposting to all alternative car parks within Elgin.

- 4.21 **Increase size of parking bays** - Some users have indicated they find it difficult to safely fit their vehicle and easily get in and out of parking spaces due to the increased size of modern vehicles. In order to help address this issue, the dimensions of all disabled parking spaces are greater than for general parking spaces. In addition, the number of parent and child spaces has been increased in some car parks. Officers will continue to review provision and look to increase the number of these spaces whenever they are re-lining car parks as appropriate. Similarly, should national guidance on the requirements for standard off street parking spaces be amended, revising the layout of car parks will be considered when re-lining.
- 4.22 **Free After 3 for Christmas Shopping** – Since 2015 Committee has approved a 'free after 3' scheme whereby parking in St Giles multi-storey car park was uncharged after 3pm for around 5 weeks over the festive period from the date when the Christmas lights are switched on through to the first Saturday in January. Following some representations at the Stakeholder meeting consideration has been given to extending the period where the St Giles car park is 'Free after 3' or to implement it year round. However, given the evidence of footfall impacts from this scheme in previous years, officers consider that any wider economic benefits are limited while any extension would be difficult to support in terms of wider Council and national policy to reduce unnecessary car travel and the financial impact from lost revenue. This position remains in line with the authority delegated to officers in relation to Free After 3.
- 4.23 Officers will continue to explore a number of other opportunities raised at the Stakeholder meeting and pursue these subject to the business case and/ or the availability of external funding including Coach parking, wider measures to help reduce car use and demand for parking including Park and Ride and continuing to improve walking and cycling routes as set out the Moray Council Active Travel Strategy which was adopted by members of this Committee in November 2022 (para 5 of the minute refers).

5. ELGIN CAR PARK SURVEY

- 5.1 Across central Elgin there are just over 3,000 public parking places on street, and just under 1400 car park spaces – a total capacity for more than 4,300 cars.

- 5.2 Surveys show that the total quantum of available spaces exceeds the daily use. A summary of the results from the most recent occupancy survey (Monday 15 – Saturday 27 May 2023) of Elgin’s off street car parks that have a charging structure in place is contained in **Appendix B** to this report.
- 5.3 Car Park attendants undertake regular morning (circa 1100h) and afternoon (circa 1500h) occupancy surveys of all off-street car parks in Elgin. Surveys are undertaken on a daily basis for two weeks (Monday-Saturday) over the same four periods of the year in February, May, August and November.
- 5.4 The survey undertaken in May 2023 highlights that overall occupancy in the morning was 53%. The results of the afternoon survey shows overall occupancy levels were under 50% of available capacity.
- 5.5 This represents a slight increase from the survey undertaken during the same period in May last year – AM (48% occupancy) and PM (45% occupancy). This reflects wider data that illustrates an increase in vehicular traffic following the impacts of Covid.
- 5.6 It is recognised that the occupancy for specific car parks will vary from day to day. The occupancy survey highlights the variation between different car parks with Greyfriars Street (88%) and the HQ annexe (75%) having the highest average occupancy levels when surveyed in the morning while the car park at Hall Place was never more than at one third of capacity.
- 5.7 The car parks with the highest average occupancy levels when surveyed in the afternoon were Cooper Park and Moray Street. The lowest overall occupancy levels observed were at St Giles Car Park which averaged only at 22% of its capacity.

6. REVIEW OF ELGIN CAR PARK CHARGES

- 6.1 Officers have undertaken a review of parking charges in Elgin Car Parks including a benchmarking exercise against parking charges in other local authorities.
- 6.2 As outlined in Section 4, the setting of car parking charges involves a balance between competing policy objectives. Following opportunities identified at the Stakeholder meeting in April, officers have considered a number of changes to the off-street car park structure, recognising the financial challenges facing the local authority and the saving hierarchy where income generation has been agreed as preferable to any reduction in service provision

Table A below sets out the current charging structure which has been in place since 2018.

TABLE A: CURRENT CHARGES - 2022/23	
Period	Charge
Medium & High Turnover	
0-30 mins	£0.50*
31-60 mins	£1.50
61-120 mins	£2.00
2-3 hours	£2.50
3-4 hours	£3.00
4 - 10 hours	£5.00
Low Turnover Car Parks	
Daily	£1.00
Weekly	£5.00
Railway Station Daily	
	£2.00
Railway Station Weekly	
	£10.00

*except Cooper Park which is free for the first 30 minutes

- 6.3 Feedback from stakeholders particularly related to the cost of short stay parking – and whilst the 50p parking for 30 minutes was broadly considered a positive introduction from the last revision of charges, it was believed that a charge for the first hour would be preferable. There was some desire to see this first hour be uncharged, but generally an overall acceptance of the position that this would be financially unviable for the council. While all users are encouraged to book via the parking app, feedback has indicated that users who pay with cash dislike charges that require small change. It is proposed that the existing charges for up to 30min (£0.50p) and up to 1hour (£1.50) is replaced with a single standardised charge of £1.00 for the first hour of parking.
- 6.4 It is not proposed to change the charge for parking up to 2 hours, 2-3 hours or 4-10 hours respectively.
- 6.5 It is proposed that those car parks which offer a daily parking ticket be increased from the current £1.00 to £2.00 per day with corresponding increases for weekly and monthly tickets.
- 6.6 It is proposed that the daily charge for parking at the Railway Station car park will remain the same (£2.00 per day), bringing it into line with other car parks offering a daily rate. While recent surveys indicate that there has been some growth in the use of this car park around a third of the existing capacity is used on an average day. By retaining the daily charge at its current level it is hoped that more people may be encouraged to use it as a park and ride option for undertaking onward journeys.

- 6.7 Any increase in charges carries the risk that vehicle users will seek to park elsewhere or travel by other means, and this has been experienced previously in Elgin with changes to car park charges. There is no comprehensive model to inform the impact of changes to charges (both increases and decreases) – the studies that do exist state the range of variable factors (location, local customs, availability of free parking, quantum of spaces v number of vehicles, destination types, perceived quality etc.) mean that independent modelling the anticipated impact of any changes in parking charges on the occupancy and income within individual car parks or even overall is difficult. Therefore the proposals are based on officer experience.
- 6.8 It is proposed that the revised charges are introduced following approvals in 2023/24 financial year. It is not proposed to consider a further increase in 2024/25, as experience indicates that it is more beneficial to have periodic reviews of charges rather than smaller annual increases which can create the need for small loose change in relation to cash payments (5p etc.) and a tariff range which is not as simple to navigate with confusing differentials.
- 6.9 It is estimated that the proposed changes if approved will lead to an overall increase in net income of £414,000. However, the impact of the changes will be closely monitored by officers through the quarterly parking occupancy surveys and monthly monitoring of the tickets issued for each car park.
- 6.10 An allowance will need to be made for the cost of updating signage within each of the car parks impacted by the proposed changes or the cost of updating the software supporting the charging infrastructure.
- 6.11 Benchmarking indicates that the proposed charges are both consistent with parking charging structures in comparable authorities and local economic and administrative centres similar to Elgin.
- 6.12 Table B shows the proposed charging structure recommended following the review by officers.

TABLE B: PROPOSED CHARGES - 2023/24	
Period	Charge
<u>High & Medium Turnover</u>	
0-60 mins	£1.00*
61-120 mins	£2.00
2-3 hours	£2.50
3-4 hours	£3.00
4 - 10 hours	£5.00
<u>Low Turnover Car Parks inc. Railway Station</u>	
Daily	£2.00
Weekly	£10.00

*Cooper Park would remain free for the first 30 minutes

- 6.13 While these charges would normally, if approved, be referred onto the Corporate Committee for endorsement, given the scale and thus financial impact of the charges in the context of the wider budget process being progressed through Full Council, the position of the Economic Development and Infrastructure Services Committee has been referred onto Full Council for a final decision as this committee has an overview of and authority in respect of the wider budgetary position of the Council.

7. SUMMARY OF IMPLICATIONS

- (a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**
The proposals in this report contribute to Priority 1 of Moray 2026 in delivering a growing and diverse economy through the provision of appropriate parking infrastructure for businesses, shoppers, workers, leisure users and residents. The proposals also deliver the Corporate Plan priority of Sustainable Economic Development by promoting and developing infrastructure.
- (b) Policy and Legal**
The proposals do not require the revocation of existing traffic regulation orders or the implementation of new orders.
- (c) Financial implications**
The proposals outlined in the report generate additional revenue income for the council in line with the council's savings hierarchy, income generation is considered a priority over service reductions and other savings when considering the overall financial position of the council.
- (d) Risk Implications**
Whilst there has been Member and stakeholder consultation through internal and external meetings, and there are some reductions in charges / low cost parking, any rise in car park charges carries the risk of adverse public reaction, and potential reduction in car park use.
- (e) Staffing Implications**
There are no current staffing implications from the report.
- (f) Property**
There are no property implications arising from the report.
- (g) Equalities/Socio Economic Impact**
A wide range of key stakeholders were consulted. The parking review and proposed new charging structure aims to strike a balance between the, sometimes conflicting, needs of various groups including those of people with a disability, the elderly and families with young children. There will be a review of disabled persons parking as outlined in 4.6. The effectiveness of the measures will be monitored and evaluated.
- (h) Climate Change and Biodiversity Impacts**

The Scottish Government's National Transport Strategy and Climate Change Plan place an increasing emphasis on the need to reduce unnecessary car use. Transport Scotland have subsequently published a draft document 'Reducing car use for a healthier, fairer and greener Scotland' which sets out a route map to achieve a 20 per cent reduction in car kilometres by 2030. The route map which has been co-developed by the Scottish Government and COSLA in recognition of the need for joint ambition and action at both a national and local level. Measures proposed in this report seek to reduce unnecessary car mileage through the proposed charging structure and by improving signage. Complimentary measures and actions identified in the Councils Active Travel Strategy will encourage all of us to reduce our overreliance on cars wherever possible especially for those shorter journeys that can be made by walking or cycling.

(i) Consultations

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

8. CONCLUSION

8.1 This report sets out recommendations relating to the charges for parking in Elgin following feedback from stakeholder engagement held on 12 April 2023 and a subsequent review of Elgin parking occupancy levels and charging structure.

Author of Report: Neil MacRae, Transportation Manager

Background Papers:

Ref: SPMAN-524642768-961

APPENDIX A

ELGIN PARKING STAKEHOLDER CONSULTATION

Summary

On Tuesday 31 January 2023 Moray Council's Corporate Committee agreed to freeze parking charges to enable further discussions on parking issues within Elgin to take place between the council and partner organisations.

An initial internal meeting was convened by Nicola Moss, Head of Environmental & Commercial Services, on Wednesday 15 March 2023. In attendance were Elected Members from Elgin North and Elgin South wards and from Administration Group Kathleen Robertson, Bridget Mustard and Marc Macrae, along with Officers from Transportation, initially to discuss parking matters and to identify who should be invited to a stakeholders meeting.

The Elgin Parking Stakeholder meeting subsequently took place on Wednesday 12 April 2023.

Stakeholders included representatives from Elgin BID, Visit Moray Speyside, Police Scotland, Fire Scotland, UHI, Federation of Small Businesses, Moray Chamber of Commerce, Moray Transport Forum. Elgin Community Council. The elected members who had attended the initial meeting were invited along with colleagues from Development Services and Car Park Attendant.

The format of the meeting saw attendees split into three groups each group facilitated by a member of Transportation staff, following an initial short overview. Each group discussed relevant problems, opportunities and constraints followed by potential solutions.

A summary of the feedback recorded at the meeting is on following pages.

Next Steps

Officers are currently reviewing the feedback received at each meeting. A report and recommendations will then be taken to the next meeting of the Economic Development and Service Committee on 5th September 2023.

Elgin Parking Stakeholder Meeting

12th April 2023

Problems

- Size of vehicles (modern) v size of parking bays / Family Spaces
- Disabled parking – flat access to St Giles Centre from St Giles Multi Storey
- St Giles Multi Storey partially closed
- Safety issue with multi storey car parks
- Lack of free spaces with knock on effect to on-street parking
- Limited town centre
- Behaviour of drivers who don't want to pay → time constraints → is ½ hour long enough → lower costs
- Cost/Difference in parking charges → if all car parks were £1.00 more drivers would use the car parks
- Long stay where we are looking for workers to park v short stay for visitors/shoppers
- Sharing of car park tickets as there is no vehicle registration on car park tickets
- Ticket not transferrable
- Confusion over use of App v Coins at machine/card at machine
- Loss of revenue with free 1 hour parking
- Long term closure of North Street – Building condition → Road Closure
- Illegal parking and no enforcement → High Street, Batchen Street, South Street, overstaying
- Illegal use of Commerce Street, High Street
- Police Scotland issuing of PCNs infrequently
- Misuse of loading bays and Plainstones
- Speed of vehicle on Batchen Street, High Street
- Deliveries to High Street - are these deliveries before 10am/after 4pm
- Batchen Street barriers → signage at Batchen Street is not clear
- Letter issued to businesses on Batchen Street has been misinterpreted
- On-street parking → residential parking
- Damage to pavements through pavement parking
- Seagulls
- Free parking at Leisure Centre → not everyone parking is using the Centre
- Taxi Rank
- Coach parking → passengers alighting
- Charges v Maintenance
- Railway Station car park is too expensive → need for multi day parking at the Railway Station
- It would be good to know the utilisation of car parks
- Free parking also has it's issues

Opportunities

- Signposting to cheaper parking
- Signposting to car parks from 4 arteries into town
- Improve signage → replace faded or missing signage
- Inner ring/outer ring → with cheaper parking available on outer ring
- Make the bays bigger to fit modern day vehicles → introduce more parent & child bays
- Education on pedestrianised area → emergency services access
- Review 50p charge to 1 hour
- Free 1 hour parking at St Giles
- High usage car parks – 1 hour free at lunchtime to encourage use – may stay longer
- Reduce parking charges at Railway Station to £1.00 per day
- Free After 3 – all year round
- Review car parking charges → increase income
- Allow staff parking transfer to same priced car parks
- Monthly Permit for staff car park
- Install CCTV in car parks
- Improve parking meters → issue with card usage
- Park Mark (Markings) to improve quality/safety in car parks
- Introduce park and ride
- Install additional street furniture to discourage on-street parking
- Reintroduce traffic wardens (3 for Moray) → improve enforcement
- Difference in cost of off-street ECN to on-street PCN – it pays motorists to pay PCN
- Different approach to decriminalised parking
- Periodically a week of enforcement by Police Scotland to improve illegal parking
- Council pay exclusive use of police officer for enforcement on-street
- Share DPE costs with other Councils
- Large scale decriminalisation – Parking Orders
- Marketing campaign
- Make the Plainstones a car park → could be disabled parking only
- Make part of South Street into a car park?
- Parking behind Batchen Lane on-street – could this be included in either Batchen Lane or Northfield Terrace?
- Identify areas to change to car parks
- Advertise that not all car park income goes to Moray Council, some goes to Trust/Common Good
- Improve public transport and/or active travel routes → encourage staff to use alternative to car
- Investigate more government funding
- Statutory consultations/timescales
- Cost of signage/TRO – budget
- Business Case not stacking up

Potential Solutions

- Could Elgin BID fund an enforcement officer
- Restructure the parking charges
- Introduce lower charges from 4pm onwards
- Improve cycle access → safer routes
- Introduce permits for lower paid staff

Summary

Following a discussion for the summing up the following were identified as the main points of the session:

- Illegal parking on-street → need for improved parking enforcement
- Disabled parking
- Signing → to car parks when entering the 4 arteries into town/improvement/replace missing or faded signage
- Need for policy regarding on-street parking in central Elgin

Appendix B: Elgin Car Park Surveys Monday 15 - Saturday 27 May 2023

	AM			PM			Total Vacant Spaces	Total Occupied Spaces	Total % Occupancy
Row Labels	Vacant Spaces	Occupied Spaces	% Occupancy	Vacant Spaces	Occupied Spaces	% Occupancy			
Batchen Lane	1106	1426	56%	1246	1286	51%	2352	2712	54%
Hall Place	255	93	27%	270	78	22%	525	171	25%
Ladyhill	170	310	65%	253	227	47%	423	537	56%
Lossie Green	2301	2031	47%	2696	1636	38%	4997	3667	42%
Lossie Wynd	418	542	56%	525	435	45%	943	977	51%
Moray Street	400	812	67%	512	700	58%	912	1512	62%
Northfield Terrace	418	446	52%	437	427	49%	855	873	51%
South Street	106	122	54%	108	120	53%	214	242	53%
St Giles	722	394	35%	866	250	22%	1588	644	29%
Greyfriars Street (Sat Only)	78	582	88%	93	567	86%	171	1149	87%
HQ Annexe (Sat Only)	370	1094	75%	472	992	68%	842	2086	71%
North Port	327	777	70%	437	667	60%	764	1444	65%
Railway Station	438	198	31%	436	200	31%	874	398	31%
North College Street West	106	86	45%	134	58	30%	240	144	38%
Cooper Park	1003	293	23%	515	781	60%	1518	1074	41%
Grand Total	8218	9206	53%	9000	8424	48%	17218	17630	51%



REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023

SUBJECT: LOCAL VISITOR LEVY

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

1. REASON FOR REPORT

- 1.1 To inform Council of the introduction of the Visitor Levy (Scotland) Bill in the Scottish Parliament and seek approval for the recommendations.
- 1.2 This report is submitted to Committee in terms of Section III A (2) of the Council's Scheme of Administration relating to long-term financial plans

2. RECOMMENDATION

2.1 It is recommended that the Council:

- (i) notes the details of the Visitor Levy (Scotland) Bill and the proposed timetable through Parliament;
- (ii) notes that an expert advisory group, facilitated by Visit Scotland will be formed to offer opportunities for consultation on the Bill;
- (iii) notes the requirement to conduct consultation and assess impacts on the area before a final decision to implement a visitor levy can be made;
- (iv) notes that the Highlands and Islands Regional Economic Partnership has agreed to look at a consistent approach to consultation and implementation of a visitor levy across the region; and
- (v) considers the recommendation of the Economic Development and Infrastructure Services Committee on 5 September 2023 as set out in para 3.1 of the report, and support in principle the concept of raising funds through a Local Visitor Levy (LVL). Council may wish to consider calling this matter in until LVL matters are considered

3. BACKGROUND

- 3.1 This report was considered by Economic Development and Infrastructure Services Committee on 5 September 23 (para 11 of the draft minute refers), with the Committee approving the recommendation to support in principle the concept of raising funds through a Local visitor Levy and given the potential financial implications for the Council, referring the report on to a meeting of Moray Council for a decision
- 3.2 Tourism is a key sector which makes a significant contribution to Scotland's economy, identified in Scotland's Economic Strategy which confirms Scotland's National Tourism Strategy, Scotland Outlook 2030, as the vehicle to further this.
- 3.3 Over a number of years, discussions have been held about a Local Visitor Levy (LVL), also known as a tourist tax, which led to desktop research, public consultation and surveys by City of Edinburgh, Aberdeen City and Highland Council's.
- 3.3 Transient Visitor Levies (TVLs) are commonplace across many high volume tourist destinations, including much of Europe (two-thirds of EU member states impose some form of visitor levy).
- 3.4 As several Local Authorities along with the Convention of Scottish Local Authorities (CoSLA) have called for the Scottish Government to grant the powers to allow them to levy a LVL in their areas, should local circumstances be supportive; the Scottish Government engaged with CoSLA and the Scottish Tourism Alliance in the design of the national discussion. Between November 2018 and January 2019, the Scottish Government held six roundtable discussions with representatives from national and regional stakeholder organisations, Local Authorities and individual businesses. In addition stakeholders were also invited to provide written submissions.
- 3.5 These discussions emphasised that this subject is a complex one, and that there was both support and opposition across Scotland to the idea of a LVL. The evidence and views provided helped to inform the formal consultation undertaken from September to December 2019. In particular, the consultation sought views to ensure:
- that the legislation provides the powers that are needed for Local Authorities to respond to local pressures;
 - the continuing success of the tourism industry in Scotland can be supported;
 - the LVL can operate in a way that minimises the administrative and compliance burdens for those affected.
- 3.6 An analysis of the public consultation responses was published on 27 March 2020. A total of 1,701 responses were received. There were 499 substantive responses, which were the focus of the consultation analysis, with 224 from groups or organisations and 275 were from individuals. The two largest groups of organisation respondents were accommodation provider, with 49

responses from hotels and 67 responses from other accommodation providers (including B&B's, guesthouses, caravan parks and campsites). 1,202 responses were based on a Living Rent related campaign, and while not directly responding to the questions in the consultation paper, raised some pertinent points.

3.7 The key findings from the consultation analysis were:

- 42% of respondents supported a visitor levy that was set out mostly at a local level with some overarching national principles. The majority of local authority respondents supported this approach. Accommodation providers tended to favour a wholly national framework.
- 35% of respondents supported a visitor levy being based on a percentage of the accommodation charge. 32% supported a flat rate per person per night, and 24% support a flat rate per room per night.
- A majority of respondents thought there should be a national framework within which a visitor levy rate could be set by a local authority. A general theme was that any decision on a visitor levy should be based on robust evidence, including an economic impact assessment.
- A large majority (ranging from 82% to 96%) supported a local authority needing to consult and conduct relevant impact assessments before introducing a visitor levy.
- A majority of respondents thought revenues from a visitor levy should be allocated to priorities articulated in local tourism strategies, where they exist.

These views shaped the proposals in the Bill.

3.8 The Visitor Levy (Scotland) Bill (SP Bill 28) was introduced in the Scottish Parliament on 24 May 2023. If passed by the Scottish Parliament and following Royal Assent, the Visitor Levy (Scotland) Bill will give local authorities the power to apply a levy on stays in overnight accommodation based on a percentage of the accommodation cost, with the percentage rate to be set locally. A percentage based levy means that the level of visitor levy paid is proportionate to the cost of the accommodation and will reflect the amount of money the visitor is prepared to spend on their accommodation.

3.9 The 3-stage process for Government bills is now set in motion. These stages include:

Stage 1– the Bill was given to a lead committee, Scottish Parliament's Local Government, Housing and Planning Committee, who is responsible for examining the Bill, hearing from other committees, experts, organisations and members of the public about what the Bill would do. The committee then write a report and Parliament will vote on the general principles of the Bill. This stage can take a few months.

Stage 2 – any suggested amendments are considered at committee level and only committee members can vote on amendments at this stage.

Stage 3 – further amendments to the Bill can be proposed by any MSP and all MSPs debate and vote on the Bill.

- 3.10 If the Bill is passed, there is a four week period when it may be challenged by the Advocate General, the Lord Advocate, and the Attorney General or by The Secretary of State for Scotland. After the four week period, The Bill is then sent for Royal Assent.
- 3.11 There is no set timeline for the Bill to move through Parliament however given the requirement for an 18 month notification period for accommodation providers, it is assumed that the earliest a visitor levy could be applied in Scotland would be 2026.
- 3.12 The overall policy objective of the Bill is to give discretionary power to local authorities to introduce a levy on stays in overnight accommodation in all, or part, of their area if they choose to do so. Giving local authorities this power will strengthen local democracy by giving a discretionary new fiscal power. Funding raised from a visitor levy will be required to be spent on the visitor economy, such as facilities or services substantially for or used by visitors, providing a local authority with new resources it can use for these purposes. This may be particularly relevant in areas where public services are under additional pressure due to the number of visitors to an area.¹
- 3.13 The policy intention is that funds raised by the levy will be additional to other sources of funding, and are not intended to act as a substitute for other sources of funding for local government or the annual budget process through which the local government settlement is determined.¹
- 3.14 The policy intention behind all of these provisions is to create an effective, proportionate and robust framework within which a local authority can establish a visitor levy. The purpose of these provisions is to ensure that appropriate consultation, impact assessment, transparency and accountability is in place for any visitor levy schemes established by local authorities. Alongside the creation of that power the Bill introduces a number of requirements that a local authority must meet when introducing such a levy and a process that will need to be followed including consultation. It also specifies the purposes for which funding raised by a levy can be used, and relevant reporting and transparency requirements relating to that. Lastly the Bill creates relevant powers and duties, giving a local authority powers to allow it to effectively enforce a levy.
- 3.15 The Bill sets a requirement for local authorities to conduct a consultation with representatives of communities and businesses engaged in tourism, and tourist organisations, in its area, along with any other people or bodies who will be affected by the proposal, clearly setting out the how the proposed scheme will operate, and on the objectives it has for a scheme. Local authorities will be required to prepare and publicise a report which summarises the consultation responses received, its response to the consultation, and its reasons for continuing, modifying, or abandoning a visitor levy proposal. In addition there will be a requirement to assess impacts on the area before a decision to implement a visitor levy is made. The full detail of requirements will be set out in the Bill and only finalised at the end of Stage 3. Industry participation will be vital to the success of the consultation.

- 3.16 During 2019, Highland Council, undertook pre-consultation on a LVL, holding six round-table meetings with representatives from the tourism industry. The sessions were not designed for testing a formal policy proposition, but were to gather information to help ensure that their next steps were informed by the views raised by the industry, and that their methodology for considering a Highland LVL was robust and fair. The workshops highlighted how many of the oft-cited impacts on a visitor levy are more complex than at first glance and the need to understand the nuances of these. The critical need to capture and articulate the unique Highland perspective on any visitor levy was a key message and that Highland Council must therefore gather regional evidence both for its own research/decision making and to inform Scottish Government's. All participants agreed that any consultation cannot be a yes or no referendum, but must give respondents the opportunity to voice opinions on the range of potential visitor levy impacts and designs.
- 3.17 In advance of implementation, an expert advisory group, facilitated by Visit Scotland, will be formed to bring together tourism industry bodies and local government to discuss how best any visitor levy can be implemented and to develop national guidance for local authorities.
- 3.18 As the Bill moves through the process as noted in section 3.8, members of Highland and Islands Regional Economic Partnership (H&I REP) have the opportunity to develop a unified approach, one that will take account of the needs and ambitions of each local authority who wish to apply a levy.
- 3.19 The Highlands and Islands Regional Economic Partnership's (H&I REP) purpose is to enable inclusive and sustainable economic growth and build resilience throughout the region, by identifying and focussing on areas of joint strategic purpose to provide co-ordinated action in pursuit of regional growth opportunities and to address shared challenges.
- 3.20 This unified approach allows for a stronger voice for the local authorities and the industry with the relevant Scottish Government Department(s). The proposed consultation will enable councils to select a preferred regional approach that;
- takes into account all of our diverse geographic and community strengths and weaknesses;
 - takes forward an approach that has the broadest range of support from the public and industry;
 - will highlight the similarities and at the same time the uniqueness of each part of the region;
 - carefully considers any alterations or additional charges which might impact the competitiveness of the sector;
 - explores the benefits of having as even a playing field regionally as possible to avoid visitor confusion.

Full engagement by representatives of the H&I REP in the expert advisory group to be initiated by Visit Scotland will establish a cohesive approach.

- 3.21 The types of overnight, commercially let accommodation which would be liable for LVL are: hotels; hostels; guest houses; bed and breakfast accommodation; self-catering accommodation; camping sites; caravan parks; boat moorings or berthing's; accommodation in a vehicle or on board a vessel, which is permanently or predominantly situated in one place, and any other place at which a room or area is offered by the occupier for residential purposes otherwise than as a visitor's only or usual place of residence.
- 3.22 At present Moray has 638 accommodation establishments, consisting of 58 Hotels, 54 Guest Houses / B&B and 526 Self- Catering facilities. In addition there are 4 camping sites, 21 caravan sites and 5 Hostels, excluding at this point Air/B&B's. (Source: Moray Council, Taxation Team, May 2023). It should be noted that legislation governing Self-Catering Units is currently under review, so their numbers may decrease.
- 3.23 Tourism is a major part of Moray's economy, accounting for 10% of jobs and providing an economic impact of over £96m. According to the Scottish Tourism Economic Activity Monitor (STEAM) in 2021, 326,380 visits were made by visitors staying in Moray as part of a holiday or short break. On average, visitors staying in Moray stay 3.7 nights and spend £19.03 million on local accommodation. Between 2010 and 2019 (2020 and 2021 numbers are not included as tourism was badly hit by the pandemic) staying visitor numbers increased by 29.7% and total day visitors increased by 33.8%. The average length of stay for all visitors staying in serviced accommodation is 1.9 days and for non-serviced accommodation this rises to 7 days, indicating a higher proportion of weekly rentals. It should also be noted that overnight visitors typically have a greater economic impact than day visitors, making a greater proportion of employment opportunities for the sector.
- 3.24 It is estimated that tourism numbers will return to pre-pandemic numbers by 2025 but with a different type of visitor including staycationers, and caravanners/motorhomers. While this increase is welcome and the Council led Coast to Country partnership project has enhanced facilities across rural parts of Moray, these increasing numbers of visitors will also place additional pressure on public infrastructure owned and managed by the local authority. For the council, currently there is no additional income from these visitors.
- 3.25 Cities operating existing occupancy taxes charged on the basis of a percentage of the accommodation price have been found to charge rates of between 1% and 7%. Based on the STEAM 2021 figures, it is estimated that a Moray LVL based on overnight stays could generate an annual revenue of between £190,300 and £1,332,100 if charging 1% and 7% respectively.
- 3.26 If Moray participated in the LVL scheme the revenue raised could be used for marketing and promotion of Moray as a destination through Visit Moray Speyside as well as being used directly to provide the infrastructure and facilities essential to tourism such as car parks, core paths, and public toilets and enable town centre flower beds, open spaces and parks and amenities to become more attractive. Providing a more attractive visitor experience would increase the likelihood of a growth in visitor numbers and consequently provide more income that will allow for further investment, improvements and maintenance. With a £20m funding gap, there is an ability to redirect some of

this existing infrastructure spend (to be covered by funding from TVL) so making revenue savings whilst also enhancing our tourism offer.

- 3.27 Through previous Culture and Heritage Strategies, Moray Great Places and the Culture Radar report there has long been identified a need for a Cultural and Heritage Trust in Moray to provide support for the sector and help develop the event calendar to extend the tourist season in Moray. This is being taken forward as an option within the Moray Growth Deal Cultural Quarter project and the LVL could provide the funding to facilitate such a Trust and development of the sector in Moray to increase tourism and benefit the businesses collecting the Levy.
- 3.28 COSLA has campaigned for more local tax raising powers with a LVL being one such opportunity.
- 3.29 As the TVL will have a material bearing on potential future savings for Moray Council, Council may choose to call this matter in until LVL issues are determined.

4. NEXT STAGE

- 4.1 If Council supports the concept of raising funds through a Local visitor Levy following a referral by Economic Development and Infrastructure Services (ED&I) Committee, a further report would then be presented to the relevant meeting (ED&I or Moray Council if the Council chooses to call this matter in) if the Bill is passed by Parliament to seek approval for funding the procurement of suitable companies or research institutes to carry out the consultations on independent engagement with the business community and wider public and provide visitor surveys as this process needs to be resourced.
- 4.2 A Moray wide consultation, estimated to cost £10,000 - £40,000, for businesses, organisations, residents and visitor surveys is estimated to be approximately 5- 6 months and would include the following:
- pre-consultation stakeholder discussions, to gather feedback on proposed questions that will inform the consultation process
 - workshops and drop-in sessions
 - on line survey with the option for written submissions
 - a visitor survey
- 4.3 The consultation and surveys would seek to establish the following:
- support or opposition of a Moray LVL
 - the operation of a Moray LVL i.e. who should pay, when and how much
 - priorities of investments for any levy generated
 - support or opposition of a Moray LVL

5. **SUMMARY OF IMPLICATIONS**

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

A potential Moray LVL will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

(c) Financial implications

If the Scottish Parliament passes the Visitor Levy (Scotland) Bill and following Royal Assent, should local circumstances be supportive, it could potentially generate an annual revenue to invest in local tourism related infrastructure, marketing and cultural and heritage services expanding the event schedule in Moray, helping to attract more visitors to Moray. All revenues generated in Moray will be spent in Moray. Depending on the percentage of levy applied, revenues raised could range from £190,300 to £1,332,100.

There would be cost implications for administering a Moray LVL, including:

- conducting initial consultation and conducting and publishing an impact assessment
- initial set-up costs for procuring an IT system, or upgrading an existing one
- recruitment and training of staff for administering the scheme in addition to an awareness raising campaign
- ongoing administration costs, including costs associated with monitoring and enforcement and communications
- reviewing the visitor levy scheme every 3 years

Initial consultation and set-up costs could range from £110,000 to £460,000, and ongoing administration costs could range from £145,000 to £240,000.

The Scottish Government will not provide funding to local authorities to meet any costs associated with designing, implementing or applying any visitor levy scheme.

In addition to costs which will be borne by the council following the introduction of a LVL, businesses too will be impacted with additional operational overheads for administering.

Members should consider how this sector and associated infrastructure will be funded in future years given the ongoing financial constraints facing the Council if the LVL was not supported.

Estimated spend which could be recovered on tourism essential infrastructure and facilities is £300,000 to £475,000.

(d) Risk Implications

The Scottish Government published the Bill on 24 May 2023. The Bill has to be passed by Parliament and requires Royal Assent. At this time, it is forecast that the earliest a visitor levy could be applied in Scotland would be 2026. Risks identified, include:

- a considerable delay in the process of passing the Bill
- businesses may include administration and remittance costs within the overall charge which will raise market costs
- visitors may choose areas which have not introduced a levy

Given the scale of the annual income potentially generated by TVL and the scale of the budget gap and associated risk, it is recommended that this committee considers its position in principle on TVL then refers this matter to Full Council which has an overview of the budget process across all service areas for a final decision, with a recommendation from this committee based on its views.

(e) Staffing Implications

There are no staffing implications at this stage, with any support for the processes accommodated within existing staffing resources.

The extent of any administrative and staffing burden originating from the introduction of LVL is unknown at this time due to the uncertainty about the manner in which any LVL scheme would operate, however it is unlikely that it could be absorbed within existing staffing and budgetary structures. Indicative staffing numbers, as highlighted in the Visitor Levy (Scotland) Bill – financial memorandum, is a requirement for 3-5 full-time equivalent members of administrative staff, but the ability to work across the H and I Rep would also be a factor. It will therefore be necessary to carefully consider and assess this at the appropriate time.

(f) Property

None arising from this report, however if a Moray LVL is established it would allow investment in tourism related facilities and infrastructure.

(g) Equalities/Socio Economic Impact

An impact assessment is not required.

(h) Climate Change and Biodiversity Impacts

Tourism can cause carbon emissions through transport, accommodation etc. The impacts of climate change as well as the impacts of higher tourist numbers can place stress on vulnerable areas of nature and the environment. The environment of Moray is a main factor behind the decision of many to visit the area and to experience the beauty of our coasts, forests and mountains.

Revenue from a visitor levy could include a focus on mitigating carbon emissions by providing resources to invest in Moray's footpaths, coasts, forests, rivers and biodiversity as well as the promotion of sustainable tourism. In addition, supporting tourism businesses to reduce their carbon footprint will assist in preventing some of the impacts of tourism on the climate.

(i) Consultations

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

6. CONCLUSION

- 6.1 Introduction of the Visitor Levy (Scotland) Bill presents Local Authorities with an opportunity to implement a local visitor levy scheme, if the Bill is passed by Parliament and Royal Assent is granted. The requirements set out in the Bill must be met, including consultation and assessment of impacts before a decision to implement a visitor levy is made.**
- 6.2 As the Bill moves through the Parliamentary process, it is considered that developing a regional approach to consultation and implementation via H&I REP would create consistency and strength of voice, with local consultation carried out to inform variances when more detail is known.**
- 6.3 The revenues from LVL could provide much needed investment for tourism related facilities and services in Moray, transforming how these are funded. Providing a more attractive visitor experience will increase the likelihood of growth in visitor numbers. In addition, funding could help to partially offset existing infrastructure costs met by the Council and so contribute to bridging the Council's budget gap.**

Author of Report: June Burnett, Development Officer, Economic Growth & Regeneration
Background Papers: Held on file within Economic Growth & Regeneration
Ref: SPMAN-813460984-422



REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023

SUBJECT: PERMISSION FOR HOSPITALITY BUSINESSES TO PLACE FURNITURE AND NON-FURNITURE ITEMS ON PUBLIC FOOTWAYS

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

1. REASON FOR REPORT

- 1.1 To seek approval for the application process, charges and guidance for the placement of furniture (tables and chairs) and non-furniture items on the public footway for restaurants, cafes and public houses.
- 1.2 This report is submitted to Council in terms of Section III (F) (17) of the Council's Scheme of Administration relating to traffic management, and is submitted to Council for efficiency as the policy and charging elements of the report cross two separate Committee function (Economic Development & Infrastructure Services and Corporate committees).

2. RECOMMENDATION

- 2.1 **It is recommended that Council approves the applications process, charges and guidance for the placement of furniture and non-furniture items on the public footway to enable outside dining for restaurants, cafes and public houses.**

3. BACKGROUND

- 3.1 The appropriate use of the public realm for outdoor eating and drinking has been highlighted as a way of supporting hospitality businesses and encouraging visitors to Moray's town centres and coastal villages. Until this year the placement of furniture and other items to enable outdoor dining on public footways outside premises has required planning permission. However, changes to Permitted Development Rights in Scotland brought in on 31 March 2023 remove the requirement for planning permission so permission is now conditional on meeting Roads Authority requirements associated with Section 59 of the Roads (Scotland) Act 1984.

3.2 Section 59 relates to the control of obstructions in roads and states that:

“ ... nothing shall be placed or deposited in a road so as to cause an obstruction except with the roads authority’s consent in writing and in accordance with any reasonable conditions which they think fit to attach to the consent ...”

3.3 As the placement of furniture within the public footway previously required planning permission, the Council has no standalone process for hospitality businesses to seek the necessary permission from the Roads Authority. As part of the planning process, Transportation were a consultee and provided comments on the suitability of the proposal. If Transportation had no objections then consent was gained implicitly through the planning process.

3.4 There have also been occasions when hospitality businesses have placed furniture and other items within the footway without seeking planning permission. The procedure followed when such a situation was noted during routine inspections or brought to the Council’s attention through a complaint, included a site visit to determine if there was sufficient space for pedestrians to safely pass.

3.5 In instances where there was sufficient space, the business would be asked to seek retrospective planning permission. However, if there was not sufficient space, Officers would seek the removal of the furniture and non-furniture items by talking to the proprietor of the business and issuing a follow up letter. Should the business continue to place the obstructions on the footway, then the Council would use its powers under Section 59 of the Roads (Scotland) Act 1984 to remove them and recover the costs for their removal.

3.6 Transport Scotland’s good practice guidance ‘Roads for All’ highlights the importance of ensuring that footways are free from clutter and remain a safe environment for vulnerable road users and states that:

“A well designed pavement café, the right location, can add value to the pedestrian environment and should present no barriers or hazard to disabled people. However, a badly designed café or a café on a too narrow a footway can restrict the pedestrian route and create a hostile environment for disabled people.”

3.7 The presence of furniture within a footway also present hazards to people with impaired vision, in particular those who use a long cane as an assistance tool. Many hospitality businesses are not aware of the impact that tables and chairs can have on this group of road user and the need to make sure that areas of seating are behind a defined barrier.

3.8 It is therefore important that clear guidance is provided to local businesses to ensure that any outside dining on the public footways does not represent an obstruction to other road users. In the absence of the need for planning permission, an application process supported by clear guidance on what is and what is not acceptable is required.

- 3.9 A review of how other local authorities across Scotland treat outdoor hospitality on the public footway has been undertaken. During this review it was noted that most Local Authorities issue an annual permit, which is subject to a charge. The proposed application form and guidance have been discussed with Moray Chamber of Commerce and Elgin BID and their comments have been taken on board. The following sections set out proposed guidance, the application process and levels of charges for the placement of tables and chairs on the footway.

4. PROPOSED GUIDANCE

- 4.1 A review of other Local Authority guidance was undertaken which found that the level of detail in the guidance varies widely. Large cities such as Edinburgh and Aberdeen have very detailed, prescriptive guidance whereas other more rural authorities areas have simpler guidance. However there are common elements across the various guidance documents which are:
- a) Ensuring that there is a minimum area of footway kept clear to enable the safe passage of pedestrians, particularly those with impaired mobility or vision.
 - b) Having movable barriers around the area to be used for outdoor hospitality, which include low level 'kickboards' to highlight the presence of the barriers to visually impaired persons using a long cane as an aid.
 - c) The business monitoring and keeping the area clean and tidy, and removing the tables, chairs and barriers at the end of the day.
 - d) Removing the tables, chairs and barriers upon request to allow for roadworks, access to utilities, events etc.
 - e) For licensed premises, the operator's alcohol licence must also cover the area applied for.
- 4.2 Guidance for applicants has been prepared and is Proposed attached as **APPENDIX 1**. In summary this guidance seeks:

Location

- a) Applications will only be considered for footways and pedestrianised areas where there is public access and the area is part of the Public Road.
- b) An unobstructed space between the carriageway and the front of the outdoor hospitality must ideally be 2.0 metres and no less than 1.5 metres at any constraint.
- c) For locations near junctions and accesses, visibility splays (sightlines) must be kept clear.
- d) The hospitality area must be defined by a removable barrier, and has a low level kick board which can be detected by the visually impaired.

- e) All tables, chairs, barriers and other items must be removed off-street out with the agreed operational hours or when the hospitality area is not in use, to reduce the risk of anti-social behaviour and/or damage to the furniture or other property.

Furniture

- f) The furniture should be of a sufficient quality and form of construction to ensure it will not be blown away by the wind or be easily moved to another area where it can cause a hazardous obstruction, and as a general principle plastic garden furniture is unlikely to be sufficiently robust.
- g) Non-furniture items such as gas heaters must comply with the relevant safety standards.

Environmental Requirements

- h) The operator must keep the area clean and free from litter during the permitted hours of operation.
- i) The preparation of food must be carried out within registered premises and not in the outdoor hospitality area, unless permission has been granted by the Council's Environmental Health section
- j) The operator must provide suitable and adequate lighting if it is intended that the outdoor area is used during the hours of darkness. Lighting proposals will be reviewed by Building Standards section.

Requirements for Approval

- k) Applicants must agree to the removal, at short notice, of all tables, chairs and associated items at any time they are requested to do so by the Council, Statutory Undertakers or by the Emergency Services in order to respond to an emergency situation (e.g. a burst water pipe).
- l) Permission may be temporarily withdrawn by the Council at any time to allow for roadworks, large events or for any other reasonable similar scenario. Notice of the start and finish of the withdrawal period will be provided in advance (minimum 5 working days notice).

5. PROPOSED APPLICATION PROCESS

- 5.1 During the Covid-19 restrictions, a temporary application process for furniture on the footway was developed in response to restrictions on the number of covers that cafes/restaurants/public houses could have inside and to support recovery of businesses. The following proposed application process takes cognisance of the approach taken at that time and the approaches taken by other local authorities.

- 5.2 Applications are to be made to the Traffic Team and follow the same process that exists for road opening permits, permissions to place skips and scaffolding on the public road etc. Note that applications will also be shared with Licensing, and the Environmental Protection and Environmental Health sections so they are aware of any relevant implications arising from the application.
- 5.3 The proposed application process requires the following information to be supplied:
- a) Evidence of public liabilities insurance of £5m;
 - b) Plan showing extent of area (Scale 1:100minimum);
 - c) Details of the proposed furniture and barriers, and other items to be used;
 - d) Evidence that area is within sight of premises and there are staff available who can leave the premises to visit the area to ensure it that the furniture and barriers remain within the agreed area and do not cause an obstruction;
 - e) Details of how the area will be managed during operational hours to ensure that the furniture and barriers remain within the agreed area and do not cause an obstruction; and
 - f) Details of where the furniture, barriers and other items will be stored when they are not in use.
- 5.4 The proposed form is similar to the existing road opening permit form and other permissions to place items on the public road e.g. skips, scaffolding and is attached as **Appendix 2**.
- 5.5 Applicants will need to agree with the conditions as set out in guidance document (**Appendix 1**) and if there is a deviation from permission/guidance, then the permission can be revoked.
- 5.6 Moray Chamber of Commerce has recommended that details of the application process, with some examples of good practice, are added to the Moray Business Advice portal.
- 6. PROPOSED CHARGES**
- 6.1 A review of charges and fees applied by other local authorities found that some charge an annual flat rate fee whilst others charge per square metre occupied, and have differing rates for different locations. The authorities which have differing rates tend to be those that include cities with areas that are subject to very high levels of footfall.
- 6.2 The fees charged are used to cover administration and inspection costs which would be incurred by the Roads Authority in checking applications and ensuring that the tables, chairs and barriers remain in the agreed location.

- 6.3 Moray is a rural authority with smaller settlements. A flat rate charge of £175.00 per annum is proposed. This charge is similar to neighbouring authorities and the current charge for a Road Opening Permit. The charge will be reviewed as part of the annual review of all Council charges at the start of next year. A separate charge would be applied should there be a requirement to remove furniture and other items as part of any enforcement action undertaken by the Council.
- 6.4 The annual charge may be renewed by an existing applicant upon confirmation that pre-existing arrangements are still accurate.

7. **SUMMARY OF IMPLICATIONS**

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

The use of the public realm for outdoor hospitality can support businesses and encourage visitors to town centres and coastal villages, leading to increased economic activity.

(b) Policy and Legal

Changes to permitted development rights have removed the requirement for planning permission for outdoor hospitality areas on the public footway and in the public realm, subject to the granting of a licence under Section 59 of Roads (Scotland) Act 1984. Premises licenced for the sale/consumption of alcohol must extend their alcohol licence to cover proposed outdoor area. Any implications relating to data protection or processing fair notice about how applicants data will be stored / used will be addressed prior to implementation.

(c) Financial implications

Costs of processing applications and site inspections are to be covered by annual application fee. This fee will increase on an annual basis in keeping with other Council charges.

(d) Risk Implications

The indiscriminate placement of tables and chairs on footways and in the public realm can result in obstructions and hazards for pedestrians. An application process and associated guidance will reduce the risk of injury. Operators will be required to demonstrate that they have public liability insurance which will be checked as part of the application process.

(e) Staffing Implications

The consideration of applications and checking of compliance will be undertaken as part of existing staff duties.

(f) Property

The new permitted development rights cover public footways and the public realm only. Outside seating for hospitality on private or other Council ground will still require planning permission.

(g) Equalities/Socio Economic Impact

In practical terms there are no changes to the impacts of the council's position on those with protected characteristics. The guidance regarding disabled access and safety will continue as per the current arrangements.

(h) Climate Change and Biodiversity Impacts

There are no climate change or biodiversity impacts associated with this report.

(i) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services, Legal Services Manager, Sean Hoath, Senior Solicitor (Licensing and Regulatory) Chief Finance Officer, Development Management and Building Standards Manager, Environmental Health and Trading Services Manager, Environmental Protection Manager, Roads Maintenance Manager, Equalities Officer and the Democratic Services Manager have been consulted and any comments taken into consideration.

8. CONCLUSION

8.1 There are now Permitted Development Rights for hospitality businesses to place tables and chairs on the public footway to enable outside dining. However the rights are conditional on meeting the requirements of Section 59 of the Roads Scotland Act.

8.2 To safeguard operation of the public footway, guidance and an application process has been developed. Other Local Authorities in Scotland have similar guidance and application processes in place already.

8.3 It is proposed that a charge of £175.00 is made for the application, which is to be renewed on an annual basis.

Author of Report: Diane Anderson, Senior Engineer Transportation
Background Papers:
Ref: SPMAN-524642768-914

Guidance and Conditions for the Use of the Public Road for Outdoor Hospitality

Permission to use any part of the adopted road, including the footway, for outdoor hospitality (or any use involving the placing of tables, chairs and other furniture within the public road) is granted by the issue of a permit by Moray Council as the Roads Authority, under Section 59 of the Roads (Scotland) Act 1984.

Tables and chairs placed on any part of the adopted road without such permission constitutes an obstruction and the Council will take enforcement action in such cases.

The granting of such permission Under Section 59 of the Act only relates to the occupation of the road and applicants will need to ensure that they obtain all of the necessary permits and permissions e.g. alcohol licensing.

The granting of other relevant permits/consents should not be taken as an indication that occupation of the road will be permitted.

Location

Outdoor hospitality will be considered on footways and other pedestrianised areas where there is public access.

Junction visibility splays must be maintained at all times. This may mean increasing the unobstructed footway width to accommodate this requirement. This will have an impact on proposed sites at or near junctions.

Outdoor hospitality should generally be situated adjacent to the premises from where they are intended to be serviced from the premises to the outdoor hospitality area. If the area is directly in front of the applicant's premises then a 1.5 metre wide unobstructed access corridor to the premise's entrance must be maintained at all times.

The outdoor hospitality area must be physically delineated by a removable barrier to define the operational area. No fixing or marking of any kind will be permitted on the public road. The barrier must be distinguishable and not create a hazard to other road users, particularly those with visual impairments.

The design of the barrier must solid bar elements between 100mm and 1000mm above ground level, with a low level kick board or similar which can be detected by the visually impaired using a long cane.

Materials should be lightweight and portable but strong enough to prevent collapse if accidentally walked or stumbled into. Rope barriers will not be permitted.

It is the responsibility of the permit holder to ensure that all barriers, tables, chairs etc. are removed off-street outwith the agreed operational hours, or when the hospitality area is not in use.

Furniture

The furniture should be of a sufficient quality and form of construction to ensure it will not be blown away by the wind or be easily moved to another area where it can cause a hazardous obstruction, and as a general principle plastic garden furniture is unlikely to be sufficiently robust. Where umbrellas are provided these must be fabric type (i.e. non-reflective). They must be positioned to avoid causing an obstruction/hazard by overhanging beyond the barriers or impairing pedestrian/vehicle sight lines.

Non-furniture items, such as menu boards, signs and portable gas heaters must be approved and comply with relevant safety standards, where applicable, and be retained within the limits of the barriers.

The Council reserves the right to remove any obstructions resulting from items being placed outwith the approved limit of the hospitality area. All furniture and non-furniture items must be removed at the end of each working day.

Environmental Requirements

It will be the responsibility of the operator to keep the hospitality area clean and free from litter during the permitted hours of operation.

In general, the preparation or cooking of any form of food must be carried out from within registered premises and not in the outdoor hospitality area to prevent the risk of food contamination and the uncontrolled dispersal of cooking vapours.

If the proprietor wishes to prepare or cook food within the hospitality area then consent may be required from Environmental Health to ensure compliance with Food Premises Regulations.

The operator must provide suitable and adequate lighting if it is intended that the outdoor area is used during the hours of darkness. Any lighting must be designed in such a manner as to avoid distracting or confusing drivers and pedestrians.

Requirements for Approval

It is a condition of consent that applicants remove, at short notice, all tables, chairs and associated items at any time they are requested to do so by the Council, any Statutory Undertaker or by the emergency services, in order to respond to an emergency situation (eg a burst water pipe).

Applicants should also note that consent may be suspended by the Council at any time to allow for road works, large events or for any competent reason. There will be no refund of the application fee for periods when the permitted area is not available.

Permission to operate an outdoor hospitality area will normally be granted for a 12 month period to allow the Council to monitor the operation of the facility and to ensure that the conditions are being adhered to.

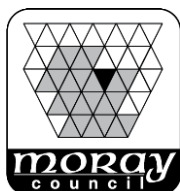
Applicants must reapply on an annual basis confirming that the area to be occupied has not changed. Please ensure that you apply for any renewal at least 21 days before the expiry of any current permission.

Conditions

1. The minimum width of unobstructed space between the carriageway and the front of the outdoor hospitality area must be no less than 2.0 metres (1.5 metres if previous planning permission exists).
2. Junction visibility splays must be maintained at all times.
3. A 1.5 metre wide unobstructed access corridor to the premise's entrance must be maintained at all times.
4. Solid barriers must be approved and have solid bar elements between 100mm and 1000mm above ground level with a low level kick board or similar which can be detected by the visually impaired using a long cane..
5. Rope barriers will not be permitted.
6. All emergency routes and exits must be kept clear at all times.
7. All furniture and non-furniture items must be removed at the end of each working day. Should furniture and non-furniture items be persistently left on the public road then they may be removed by the council and the cost of removal/storage/destruction will be recovered
8. The permit requires renewal on an annual basis.
9. Applicants will be required to provide (with the application) proof of Public Liability Insurance as indemnification against all claims, injuries or accidents with cover up to a minimum of £5 million for any one event, which shall remain in force throughout the permission. This proof is also required to be provided with any subsequent applications for renewal.
10. The area occupied must be washed at the end of each working day, prior to reopening the area to the general public. The operator is required to make adequate provision for the storage and disposal of all waste and litter.
11. The preparation or cooking of any form of food is not generally permitted within the outdoor hospitality area. Any area where food will be served will be designated as 'no smoking'.
12. The hours of operation must be agreed with the Council prior to commencement of operation of an approved outdoor hospitality area. However permission will not be granted before 08.00 nor after 22.00.

13. Applicants must remove, at short notice, of all tables, chairs and associated items at any time they are requested to do so by the Council, any Statutory Undertakers or by the emergency services.
14. Applicants will be liable for any damage to the public road resulting from the placement of furniture and non-furniture items. The costs of any repairs required as a result of damage associated with the use of the area shall be recovered by the Council.

TC/1914-

ENVIRONMENTAL AND COMMERCIAL SERVICES
TRANSPORTATIONAPPLICATION FOR A PERMIT TO PLACE TABLE AND CHAIRS
ON THE PAVEMENT OR ROAD
ROADS (SCOTLAND) ACT 1984, SECTION 59

*required information

Are you an agent acting on behalf of the applicant? (Put 'No' if you applying on your own behalf or on behalf of a business you own or work for) Yes/ No (delete as appropriate)	
APPLICANT DETAILS	
*Name:	
*E-mail	
Main telephone number (include country code if outside UK)	
Other telephone number	
How would you like to be contacted?	
Are you:	
Applying as a business or organisation, including as a sole trader (A sole trader is a business owned by one person without any special legal structure) Yes / No (delete as appropriate)	
Applying as an individual (Applying as an individual means you are applying so you can be employed, or for some other personal reason, such as following a hobby) Yes / No (delete as appropriate)	
TYPE OF APPLICATION	
Type of application:	New Renewal (delete as appropriate)
Existing Permission Number (for renewal applications only):	
PREMISES FOR WHICH PERMISSION IS REQUIRED	
*Name of premises/trading name	
*Building number or name	
*Street	
Location	
*Town	
*Postcode	
Further Details	
*Type of business (e.g. pub, restaurant, café)	
Proposed Start Date (new application):	
Expiry Date of Current Permission (Renewal)::	

OCCUPATION OF PAVEMENT/FOOTWAY

*Describe the area where you wish to place tables and chairs (a detailed plan must be attached with your application, photographs of the area can also be attached)

Give the dimensions of the area you wish to occupy in metres

*Length

*Width

*Give the total width of the pavement or footway at this location

OPENING TIMES

State the days and times you propose to place tables and chairs on the pavement

*Day or Days

*From

*To

*Do you plan to place table and chairs on the pavement all year round? Yes / No (delete as appropriate)

DETAILS OF FURNITURE

Provide details of all the furniture and other equipment you propose to place on the pavement. Please refer to the local guidance note and conditions which can be found at : **XXXinsert weblinkXXX** to ensure your proposals are compliant. Supporting information, drawings, photographs, etc. should also be provided. Please specify the number of each item below:

*Tables

Space Heaters

*Chairs

Lighting

Litter Bins

Barrier/Balustrades

Parasols/Umbrellas

Other furniture or equipment (Description e.g. dimensions, type, material, colour supplier/technical details, as appropriate)

Further Details

Where will these items be stored when not in use?

What are your arrangements for clearing and cleaning the pavement at the end of the day?

PUBLIC LIABILITY INSURANCE

You must have a suitable level of public liability insurance to cover this activity – check local requirements

*Do you have public liability insurance Yes / No (delete as appropriate)

ADDITIONAL DETAILS

Provide any additional information which is required or relevant to your application.

PAYMENT DETAILS

This fee must be paid to the authority.

I attach fee of £

Cheque (post only)

Credit/Debit Card (Please call 0300 1234565 during office hours for Card Payment)

DECLARATION

This section should be completed by the applicant.

I confirm that I have read and understand the Conditions which will attached to any permission as set out in the Moray Council Guidance and Conditions for the Use of the Public Road for Outdoor Hospitality XXXX insert weblink XXXX

*Full Name

*Capacity

*Date

For Office Use Only

Approved By:

Date:

Fee Paid:

BACS/Cheque/Card Payment No:

NOTES FOR GUIDANCE OF APPLICANT

Fees:	Annual Fee	£175.00
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1. Charges must be paid on application.
2. The completed form should be submitted:
 - **By Post to:** Moray Council
P.O. Box 6760
Elgin IV30 9BX
 - **By E Mail to:** roadspermits@moray.gov.uk
3. **AT LEAST 21 WORKING DAYS NOTICE IS REQUIRED PRIOR TO PERMISSION BEING GIVEN.**
4. Guidance and Conditions of Permission are available on the council's website for inspection at: **XXXXXX.**
5. **Indemnity** The applicant shall indemnify Moray Council as Roads Authority for and against all actions, claims, demands, costs, charges, damages, losses and expenses of whatsoever kind or nature which may be brought or made against them or incurred by them in respect of the negligence, omission or default of the holder of this permission or those for whom the holder of this permission is responsible arising in respect of any operations authorised by this permission unless due to the negligence or other breach of legal duty on the part of the Council or of any person for whom the Council are responsible.



REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023

SUBJECT: COMMUNITY ASSET TRANSFER – GRANT PARK, FORRES
BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To invite Council to consider options in relation to an asset transfer request made in respect of Trust land within Grant Park, Forres.
- 1.2 This report is submitted to the Council in terms of Sections (III) (B) (20) and (32) of the Council's Scheme of Administration relating to the management of Common Good and Trust property and to the consideration of all Community Asset Transfer requests respectively.

2. RECOMMENDATION

- 2.1 **The Council is invited to consider the following options in relation to an asset transfer request made by Forres Skate Park Initiative in respect of Trust land within Grant Park, Forres:**
- (i) **to decline the request for a minimum 25-year rent-free lease for the purpose of developing a permanent wheeled sports facility (skatepark) of concrete construction in Grant Park; or**
 - (ii) **to agree the request in principle and instruct officers to invite Grant Park user groups and the wider Forres community to submit representations in respect of the proposed development, bringing a report back to the Council for final determination**
- 2.2 **The Council is invited to note that any future transfer would be subject to planning permission for the proposed use being achieved.**

3. BACKGROUND

- 3.1 Forres Skate Park Initiative (FSPI) (SC049947), a Scottish Charitable Incorporated Organisation, has submitted an asset transfer request to the Council as Trustee of Grant Park, Forres, for a minimum 25-year rent-free lease of an area within the park for the purpose of developing a permanent wheeled sports facility (skatepark) of concrete construction. Details of the proposed development are shown in **Appendices 1, 2 and 3.**

- 3.2 The Council has discretion as to whether it is willing to consider community asset transfer requests for Trust land but can only consider proposals that are consistent with the terms and purposes of the Trust.
- 3.3 Under the 1923 Declaration of Trust, Grant Park is to be held for the benefit of the inhabitants of the Burgh of Forres. The Academy Sports Ground “is to be set aside for the use and benefit of children attending public schools in Forres” with the remainder to be used as a public park and recreation ground, including cricket ground, and to be available for tennis courts, bowling green, putting green and any other recreation. The proposed skatepark use would come under the category of “other recreation”.
- 3.4 The site identified by FSPI is located in a well-used area of high visibility within the Grant Park and Cluny Hill Designed Landscape, the Forres Conservation Area, and the Cluny Hill Special Landscape Area. The site is covered by an ENV1 (public parks and gardens) designation in the Moray Local Development Plan, which means that there is a presumption against a change of use of the site to anything other than its current use. The park is considered an important asset to Forres and is particularly sensitive to inappropriate development. The historic environment impacts are potentially significant.
- 3.5 The advice from Development Management is that any application for planning consent in respect of FSPI’s proposed development would need to include a significant amount of supporting information, including a habitat survey, biodiversity statement/plan, tree surveys and impact assessments for flood risk, drainage, landscape/visual, noise and heritage. FSPI would be expected to demonstrate that it had considered other locations and provide an explanation as to why these had been discounted. These requirements are site related and make the site costly to develop and introduces risk in terms of satisfying planning policy and achieving planning permission. An asset transfer should not take place until planning permission has been achieved.
- 3.6 FSPI has stated that it carried out an initial on-line consultation in 2021 followed by a consultation with park users in 2022 and a further public consultation thereafter. These consultations indicated support for the development of a skatepark in Forres. However, anecdotal evidence suggests that a significant proportion of the Forres community may have been unaware of these consultations. At the time of writing, 48 unsolicited written representations objecting to the proposed development had been submitted to the Council by a mix of park user groups and members of the wider community. A number of the representations cited concerns related to the issues discussed in paragraphs 3.4 and 3.5 above, with some suggesting alternative locations within Forres.
- 3.7 There is insufficient confidence that the claimed support for the proposed development is fully representative of the views of park user groups and the wider Forres community. For this reason, if the Council is minded to consider the asset transfer request further, it is strongly recommended that park user groups and the wider Forres community be invited to submit representations in respect of the proposed development before the request is determined.

3.8 The area affected by the proposed development is currently used by visiting funfairs. One of the funfair operators has indicated that they would not be able to operate to their full capacity within the remaining space in the event of the proposed development proceeding. This could result in it becoming necessary for them to seek an alternative location with a consequential loss of income to the Trust.

4. SUMMARY OF IMPLICATIONS

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

Where Trust property is concerned, the Council is not acting in its capacity as a local authority but in its capacity as Trustee under and in terms of the Trust. Consequently, any proposals must be considered in relation to the trust purposes only. The Grant Park trust purposes are set out in the body of the report.

(b) Policy and Legal

The asset transfer provisions of the Community Empowerment (Scotland) Act 2015 do not apply to Trust property.

Under Section 4 of the Trusts (Scotland) Act 1921, trustees have wide powers. These powers include granting leases provided that they are not at variance with the terms or purposes of the Trust.

The proposed use will require planning permission, a preliminary enquiry has been carried out identifying a number of issues to be addressed by any future planning application.

(c) Financial Implications

The area affected by the proposed development is currently used by visiting funfairs, which have provided the Trust with an annual income as detailed below:

Financial Year	Income
2018/2019	£3,997
2019/2020	£1,362
2020/2021	£636
2021/2022	£1,325
2022/2023	£2,308

The financial implications arising from the proposed development would be dealt with in a further report if the Committee is minded to consider FSPI's request further.

(d) Risk Implications

There is a risk of reputational damage to the Council if it was to proceed to determine the asset transfer request without first seeking the views of park user groups and the wider Forres community.

There is a risk in terms of the cost associated with the information needed to support a planning application and ultimately approval of any future application.

(e) Staffing Implications

There are no staffing implications arising from this report. Any consultation exercise would be undertaken using existing staff resources.

(f) Property Implications

There are no property implications arising directly from this report. Any such implications arising from the proposed development would be dealt with in a further report.

(g) Equalities/Socio Economic Impact

There are no equalities or socio-economic issues arising directly from this report. Any impacts resulting from the proposed development would be dealt with in a further report.

(h) Climate Change and Biodiversity Impact

There are no climate change or biodiversity implications arising directly from this report. Any impacts resulting from the proposed development would be dealt with in a further report.

(i) Consultations

The Depute Chief Executive (EEF), Chief Financial Officer, Head of Economic Growth and Development, Acting Head of Education Resources and Communities, Legal Services Manager, Sport and Culture Service Manager, Open Space Manager, Property Asset Manager, Asset Manager (Commercial Properties), S. Souter Senior Accountant, L. Macdonald Senior Planning Officer, Community Learning and Engagement Manager, Democratic Services Manager, and the Equal Opportunities Officer have been consulted and their comments incorporated in the report.

The Forres Ward Members, Councillors Scott Lawrence, Paul McBain, Kathleen Robertson and Draeyk van der Hørn, are aware of the proposed development and may make their views known at Council.

5. CONCLUSION

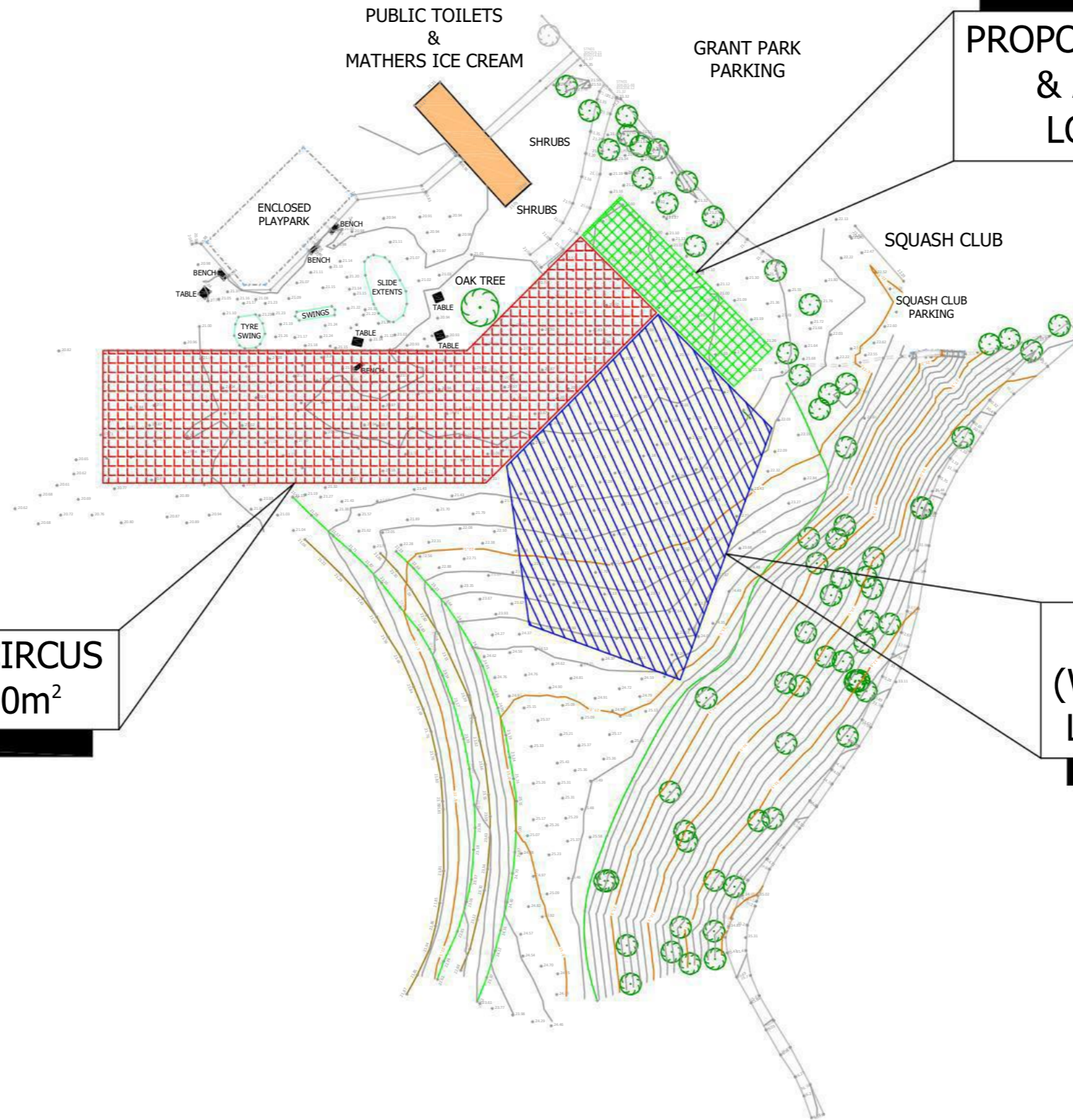
5.1 The Council has full discretion as to whether it is willing to consider community asset transfer requests for Trust land and can consider any proposals that are consistent with the terms and purposes of the Trust.

5.2 Due to the importance of Grant Park to the Forres community, its sensitivity to inappropriate development, its location within the Grant Park and Cluny Hill Designed Landscape, the Forres Conservation Area, and the Cluny Hill Special Landscape Area, it is recommended that if the Council is minded to consider the asset transfer request further, park user groups and the wider Forres community are first invited to submit representations in respect of the proposed development.

Author of Report: Andrew Gray, Asset Management Coordinator
Background Papers: Held by author
Ref: SPMAN-1293228629-944

GRANT PARK, EASTERLY CORNER, FORRES

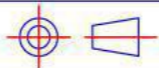

Item 14.



**PROPOSED SKATEPARK PARKING
& ADDITIONAL FUNFAIR
LOCATION, AREA 400m²**

**PROPOSED FUNFAIR & CIRCUS
LOCATION, AREA 2500m²**

**PROPOSED SKATEPARK
(WHEELED SPORTS PARK)
LOCATION, AREA 2100m²**

				Material Specification		Drawn by NIKK HORNE		Title FORRES SKATEPARK INITIATIVE GRANT PARK TOPOGRAPHY & AREA LAYOUT A			
						Checked By KEV SKIVINGTON		 FORRES SKATEPARK INITIATIVE c/o FORRES TOWN HALL HIGH STREET, FORRES SCOTLAND, IV36 1PB			
				Tolerances		Approved By SHAUN MOAT					
A	04/08/2022	FIRST ISSUE		-	-	-					
Rev	Date	Description		Drw	Chk	App					

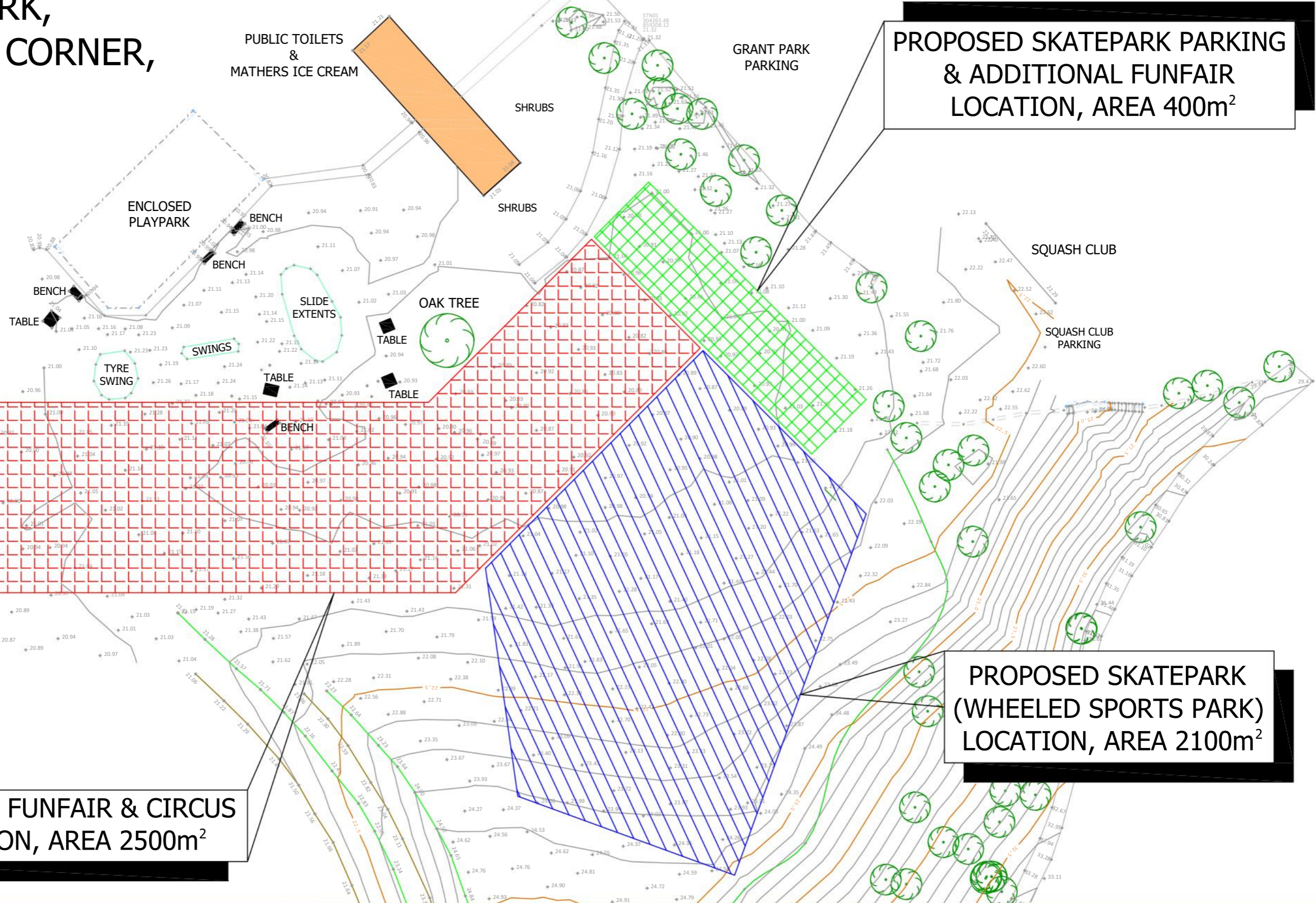
GRANT PARK, EASTERLY CORNER, FORRES



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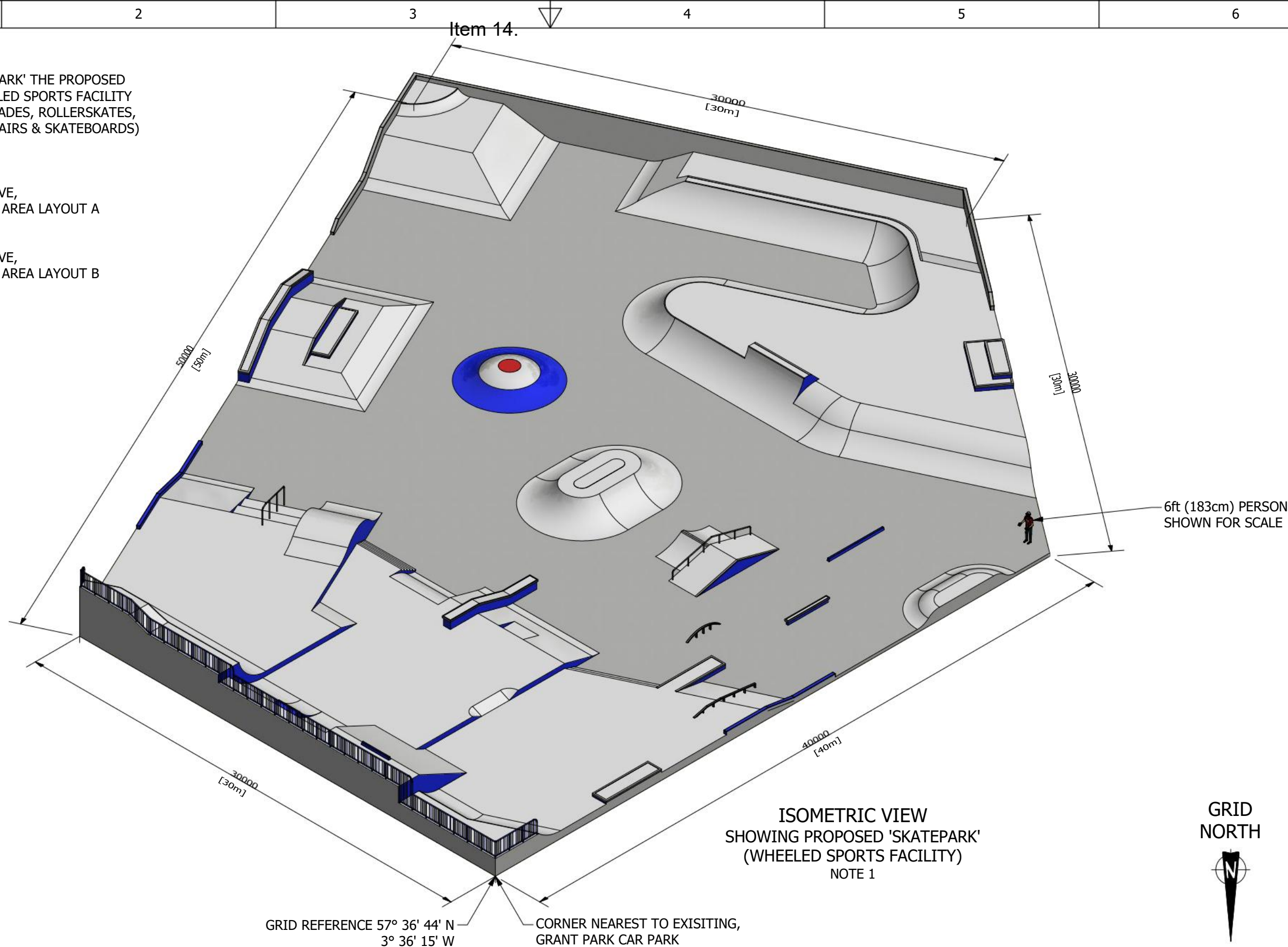
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							All Dims 'm' Unless Otherwise Stated	Checked By KEV SKIVINGTON		Scale 2:1 (A3)	Drg no. FSPI-DWG-002	Sheet 1 of 1	Rev A
						Tolerances	-	Approved By SHAUN MOAT					

NOTES:

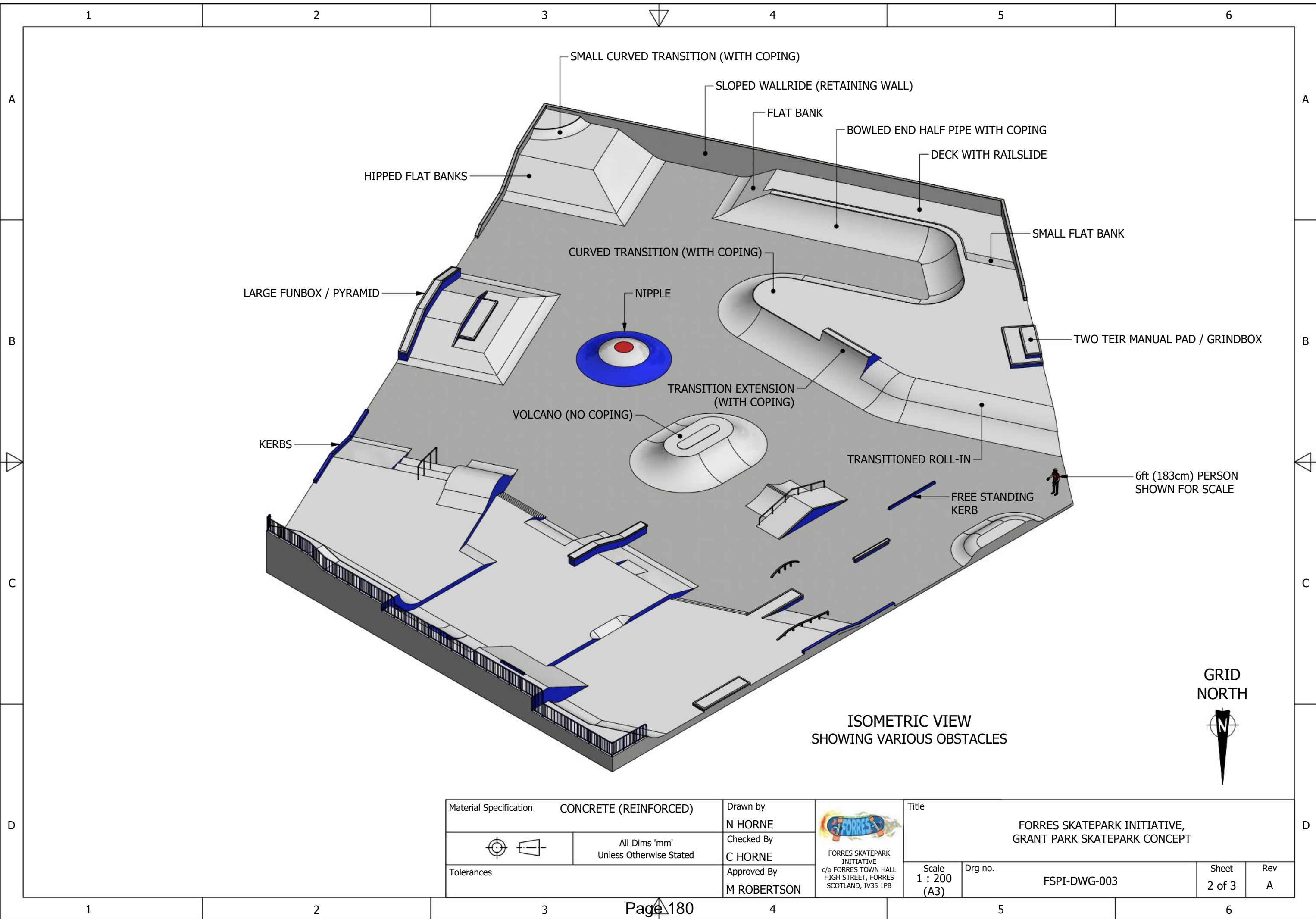
1) ALTHOUGH TERMED 'SKATEPARK' THE PROPOSED AREA WILL BE AN ALL WHEELED SPORTS FACILITY (BMX, SCOOTERS, ROLLERBLADES, ROLLERSKATES, MOUNTIAN BIKES, WHEELCHAIRS & SKATEBOARDS)

REFERENCE DOCUMENTS:

- 1) FORRES SKATEPARK INITIATIVE, GRANT PARK TOPOGRAPHY & AREA LAYOUT A FSPI-DWG-001
- 2) FORRES SKATEPARK INITIATIVE, GRANT PARK TOPOGRAPHY & AREA LAYOUT B FSPI-DWG-002



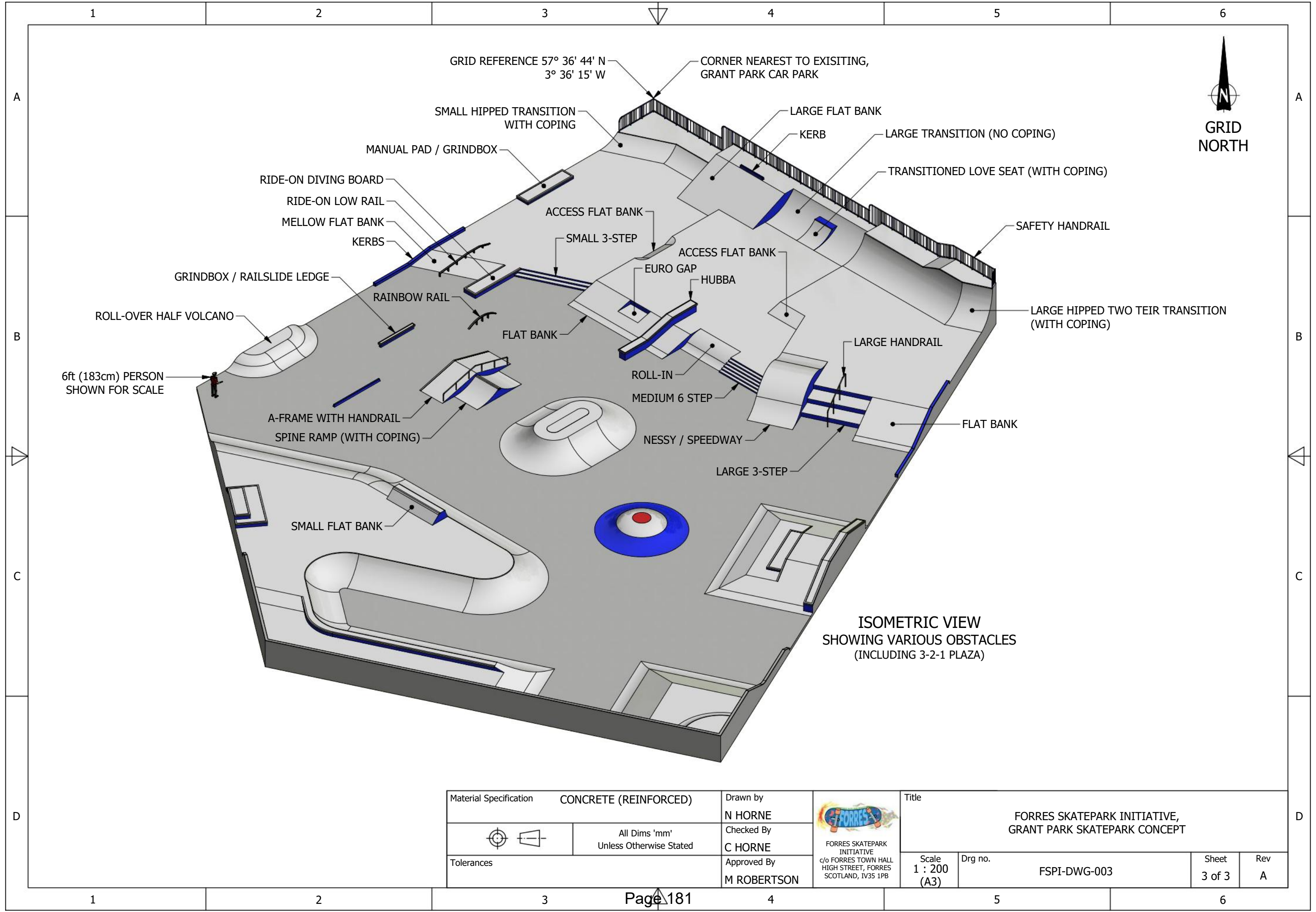
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ISOMETRIC VIEW
SHOWING VARIOUS OBSTACLES



Material Specification	CONCRETE (REINFORCED)	Drawn by	N HORNE	Title			
		Checked By	C HORNE	FORRES SKATEPARK INITIATIVE, GRANT PARK SKATEPARK CONCEPT			
Tolerances	All Dims 'mm' Unless Otherwise Stated	Approved By	M ROBERTSON	Scale	Drg no.	Sheet	Rev
				1 : 200 (A3)	FSPI-DWG-003	2 of 3	A



ISOMETRIC VIEW
SHOWING VARIOUS OBSTACLES
(INCLUDING 3-2-1 PLAZA)

Material Specification	CONCRETE (REINFORCED)	Drawn by	N HORNE	Title			
		Checked By	C HORNE	FORRES SKATEPARK INITIATIVE, GRANT PARK SKATEPARK CONCEPT			
Tolerances	All Dims 'mm' Unless Otherwise Stated	Approved By	M ROBERTSON	Scale	Drg no.	Sheet	Rev
				1 : 200 (A3)	FSPI-DWG-003	3 of 3	A

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