



Policy and Resources Committee

Tuesday, 27 November 2018

NOTICE IS HEREBY GIVEN that a Meeting of the **Policy and Resources Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 27 November 2018** 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 16 to 20 of business on the grounds that they 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 Written Questions **

5 Notice of Motion by Councillors L Laing and S Morrison 7 - 8

6 2017-18 Annual Energy Report 9 - 50

Report by Corporate Director (Economic Development, Planning and Infrastructure)

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Report by Corporate Director (Corporate Services)

- | | | |
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| 9 | Living Wage Accreditation
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Report by Corporate Director (Corporate Services) | 203 - 228 |
| 15 | 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 | |
| 16 | Community Asset Transfer Interest, Cullen [Para 6]

<ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person(s); | |

**17 Proposed Sale of Former Hostel at 11 Cluny Square,
Buckie [Para 9]**

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

**18 Proposed Sale of Land at Grampian Road, Elgin [Paras 6
& 9]**

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

**19 Sale of Council Owned Land at St Leonards Road,
Forres [Paras 6 & 9]**

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

**20 Moray Leisure Centre Temporary Change to Payment
Schedule [Para 9]**

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

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

GUIDANCE NOTES

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

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

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

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

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

Clerk Name: Moira Patrick
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THE MORAY COUNCIL

Policy and Resources Committee

SEDERUNT

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

Clerk Name: Moira Patrick
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Motion to Policy and Resources Committee

This committee notes the issue of plastic pollution and the negative impact it has on the environment and welcomes that it is a concern of the public.

The committee also notes the excellent work done by local groups to address the problem by carrying out litter picks and beach cleans.

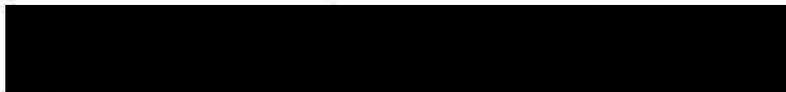
This Committee asks officers to phase out the use of single use plastics unless no alternative can be found, in all council buildings, as soon as practically possible.

The Committee would like to congratulate local businesses who are already taking steps to do this and would encourage more to join them.

Proposed: Cllr Louise Laing



Seconded: Cllr Shona Morrison





REPORT TO: POLICY AND RESOURCES COMMITTEE ON 27 NOVEMBER 2018

SUBJECT: ANNUAL REPORT ON ENERGY STRATEGY/ACTIONS

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

1. REASON FOR REPORT

- 1.1 This report presents the Annual Energy Report for 2017/18 and advises Committee on actions to minimise the Council's energy consumption, as well as progress and developments on a number of energy issues.
- 1.2 This report is submitted to Committee in terms of Section III (A) (39) of the Council's Administrative Scheme relating to ensuring that the organisation, administrative and management processes of the Council are designed to make the most effective contribution to achieving the Council's objectives.

2. RECOMMENDATION

2.1 It is recommended that Committee:-

- i) considers and notes the terms of the 2017/18 Annual Report; and**
- ii) notes that in 2017/18 the Council's energy consumption in non-domestic operational properties increased by 7.4%, and the energy bill increased by 7.6% (£188,132).**

3. BACKGROUND

- 3.1 The 12th Annual Energy Report, which relates to 2017/18, is attached to this report as **APPENDIX I**, with the main issues summarised below.

4. PERFORMANCE

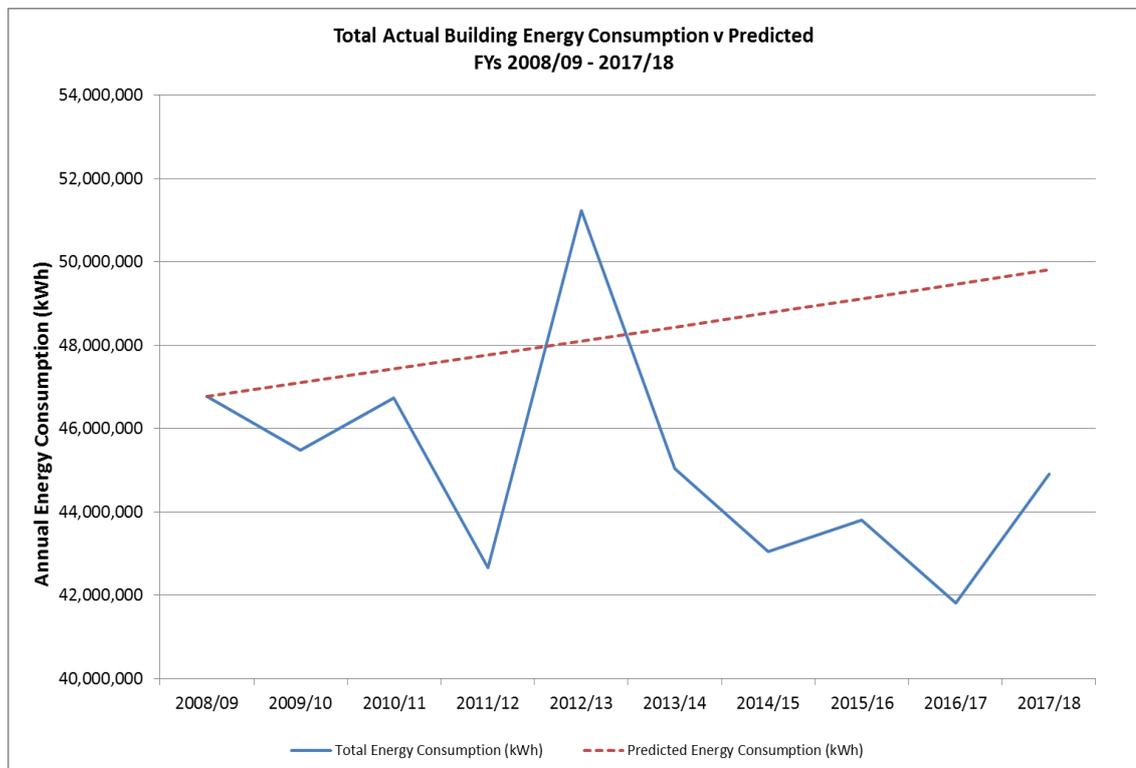
Energy Consumption

- 4.1 The Council's energy consumption (excluding street lighting) for 2017/18 was 44,901,152 kWh compared with consumption of 41,811,286 kWh for 2016/17. This is a 7.4% increase on the previous years' consumption, compared to the target of an annual 2% reduction as set out in the Council's Energy Policy and Strategy.
- 4.2 The following are contributory factors to the increase in energy consumption :-

- Windier, wetter and colder weather requires heating systems to be on for longer and to work harder. External temperatures were 7% colder compared to the previous year
- Elgin High School accounted for over a third of the Council's' total annual increase in gas consumption. Officers are assessing the reasons for the increase and the outcomes will be fed into the post project review undertaken by the client department
- Energy efficiency of buildings and heating systems reducing as a consequence of the Make do and Mend policy, including
 - Increased manual adjustment by building users
 - Greater heat loss through from draughts, e.g. gaps in doors and windows not being sealed
 - Lack of automatic adjustment to warmer conditions, i.e. heating control systems not fully functioning.

(The corporate review of the Make do and Mend Policy scheduled during 2018-19, should note the associated impact on energy performance.)

4.3 The graph below shows the Council's total energy consumption for the last 9 years, compared to predicted increases based on Department of Energy and Climate Change advice.



Energy Costs

4.4 In 2017/18 the Council's energy bill at its non-domestic properties totalled £2,654,219 – an increase of £188,132 (7.6%) compared to 2016/17.

4.5 The following are contributory factors to the increase in energy costs :-

- During 2017-18 electricity, gas and oil prices rose 5.3%, 3.1% and 6.6% respectively
- Energy consumption increased by 7.4%

Carbon Emissions

- 4.6 In 2017/18 the Council's carbon emissions for its non-domestic properties amounted to 12,832 tonnes of CO₂e - a decrease of 1,063 tonnes of CO₂e (8%) compared to 2016/17.
- 4.7 The following are significant contributory factors to carbon emissions levels :-
- Decrease - More grid electricity produced from renewables and less from carbon intensive sources such as coal, gas and oil
 - Decrease - More street lighting provided from LED technology
 - Increase - Additional heat requirement due to colder weather

5. ENERGY SAVING MEASURES

Carbon Reduction Commitment Energy Efficiency Scheme (CRC)

- 5.1 CRC costs decreased from £206,085 in 2016/17 to £192,649 in 2017/18.
- 5.2 The CRC scheme is to be abolished from April 2019 and the Climate Change Levy will increase from 1 April 2019 to cover the cost of the CRC abolition.

Energy Policy and Strategy

- 5.3 Reducing energy consumption in the Council's non-domestic operational properties by 2% per annum remains the main objective of the Council's Energy Policy set out in **APPENDIX IV**. However it is considered that the an energy based reduction target is no longer appropriate, particularly given that national targets are based on carbon emissions reduction and that Moray is currently out of step with other Scottish Local Authorities.
- 5.4 It is intended to report carbon emissions as an additional performance indicator in the next Annual Energy report, contributing factors such as electricity, gas and water shall be retained, with detail relating to cost and consumption provided in a similar manner to current practice.

Building Energy Management System (BEMS)

- 5.5 There are BEMS systems in 25 Council buildings and the Energy Team use them to regularly monitor temperatures in buildings, identify anomalies early and adjust heating settings accordingly. A new technical specification is improving consistency across the Council's properties, including new-build projects and refurbishments, such as the 4-schools project and Keith Grammar School. Examples of the measures applied include performance dashboards, visibility of all setpoint & control parameters, interactive graphics of facilities and consistent representations of boiler system components and arrangements. This continues to be rolled out as and when the opportunity arises. Current financial constraints are restricting work in this area, but potential spend to save prospects will be kept under review.

Energy Awareness

- 5.6 As detailed in Section 6.1 of **APPENDIX I** various energy awareness briefings and training sessions were carried out in 2017/18, including presentations at staff inductions and school assemblies/ eco groups. These reached 52 council staff and over 900 pupils. Other initiatives have included regular articles in

the staff Connect magazine, posters and participation in Earth Hour. More such measures are being implemented in 2018/19.

Energy Audits

- 5.7 In 2017/18 the Energy Team carried out audits at 6 Primary Schools. This has resulted in a number of energy saving measures being implemented and potential energy saving projects being identified. Audits of 6 further schools are scheduled in 2018-19.

Utility Invoice Processing

- 5.8 Almost all utility invoices relevant to the non-domestic council estate are processed by the Energy Team; over 13,500 in 2017/18. The active management, checking and validation of utility consumptions and invoices identified over £64,000 of erroneous charges in 2017/18. Full details can be found in **APPENDIX III**.

Projects

- 5.9 Projects carried out in 2017/18 and potential future energy saving projects is set out in **APPENDIX V**.

4-Schools Project

- 5.10 Refurbishment of 4 Primary schools were carried out during 2016/17 which included improvements to the building fabric, mechanical and electrical systems. Analysis of energy and water consumptions of the relevant properties demonstrated that significant consumption reductions were realised. It indicates that for full school refurbishments of this type the following savings could be achieved.

Electricity Reduction	35%
Oil/Gas Reduction	27%
Water Reduction	30%

- 5.11 **APPENDIX VI** contains graphical profiles of electricity, gas and water consumptions, by school and by utility.

6. SUMMARY OF IMPLICATIONS

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

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

The Council's Corporate Plan 2018 -2023 and 10-year Moray Local Outcome Improvement Plan (LOIP) make no specific reference to energy efficiency or carbon emissions reduction, with the exception of the Energy from Waste project.

(b) Policy and Legal

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

(c) Financial/Risks Implications

In 2017/18 the Council's energy bill for non-domestic properties was £2,654,219 – an increase of £188,132 (7.6%) compared to 2016/17.

During 2017-18 electricity, gas and oil prices rose 5.3%, 3.1% and 6.6% respectively. Recent budget guidance issued in May 2018 by Scottish Procurement indicated that by 2020-21 increases of 17-20% are forecast for both electricity and gas, cumulatively increasing the Council's costs by £452,000 compared to 2016/17.

Since the above guidance was issued there have been further significant increases in the wholesale market prices which have the potential to considerably exacerbate the Council's energy costs over the next 24 months.

The above figures do not include CRC costs which decreased from £206,085 in 2016/17 to £192,649 in 2017/18. The unit charge increased to £16.60 per tonne CO₂ in 2017/18, compared to £16.10 per tonne CO₂ in 2016/17. Further rises are scheduled until the scheme ends and is replaced from 1st April 2019 by increases in the Climate Change Levy.

During 2017-18 the active management, checking and validation of utility consumptions and invoices identified over £64,000 of erroneous charges.

Unit charges for electricity consumption accounted for 54%, whilst the indirect charges (a mixture of fixed charges and others relating to transmission, metering etc.) accounted for approximately 46% of the Council's overall electricity costs. Unit charges for gas consumption accounted for 79%, whilst the indirect charges accounted for approximately 21% of the Council's overall gas costs.

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

£15,000 has been allocated in the Council's 2017/18 capital plan and £19,200 in the Council's revenue plan for energy saving projects and awareness raising initiatives, although officers will also continue to take forward spend to save proposals.

(d) Staffing Implications

There are no staffing implications.

(e) Property

The property implications are as set out in this report.

(f) Equalities

There are no equalities implications.

(g) Consultations

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

7. CONCLUSION

- 7.1 The Council's utility consumption and costs rose by 7.4% and 7.6 % respectively in 2017/18. The primary contributing factor was much colder temperatures during the heating season compared to the previous year. In addition unit costs increased for all utilities.**
- 7.2 There is still potential for reductions in energy consumption through a programme of energy projects, property rationalisation, use of Building Energy Management Systems and staff awareness/behaviour changes. These are necessary to minimise the Council's carbon emissions, energy costs and the associated impact of the Carbon Reduction Commitment Energy Efficiency Scheme/Climate Change Levy.**

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



APPENDIX I

ANNUAL ENERGY REPORT 2017/18

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1 Introduction

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

The Scottish Government announced in May 2018 a new £54.5million strategy to improve the energy efficiency of Scotland's buildings by 2040. It is intended the Energy Efficient Scotland Route map will tackle the problems of fuel poverty and greenhouse gas emissions. The programme builds on existing legislation and programmes supporting the efficiency of homes, businesses and public buildings.

During the financial year 2017/18 Moray Council's expenditure on utilities (including street lighting) was approximately £3.74M, with associated carbon emissions of 12,832 tonnes CO₂.

1.1 Council Aims and Objectives

The aims of the Council's Energy Policy are:-

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

2 Performance

2.1 Consumption and Costs

Table 1 provides a summary of the Council's utilities' consumption, costs and carbon emissions during 2017/18.

Table 1

Annual Report Figures 17-18			
Commodity	Consumption (kWh/m3)	Net Cost (£)	Carbon (tonnes CO_{2e})
Biomass	2,683,474	£127,088	34
Oil	4,063,176	£192,542	1,121
Gas	25,044,411	£601,898	4,612
Electricity	13,110,091	£1,732,691	5,040
Street Lighting & Unmetered Elec	4,900,855	£576,624	1,884
Water (m3)	134,306	£506,794	141
Totals		£3,737,637	12,832

The operation of the Council's 247 non domestic buildings cost £3,161,013, with a further expenditure of £576,624 on street lighting and unmetered electricity.

2.1.1 Combined Energy Consumption

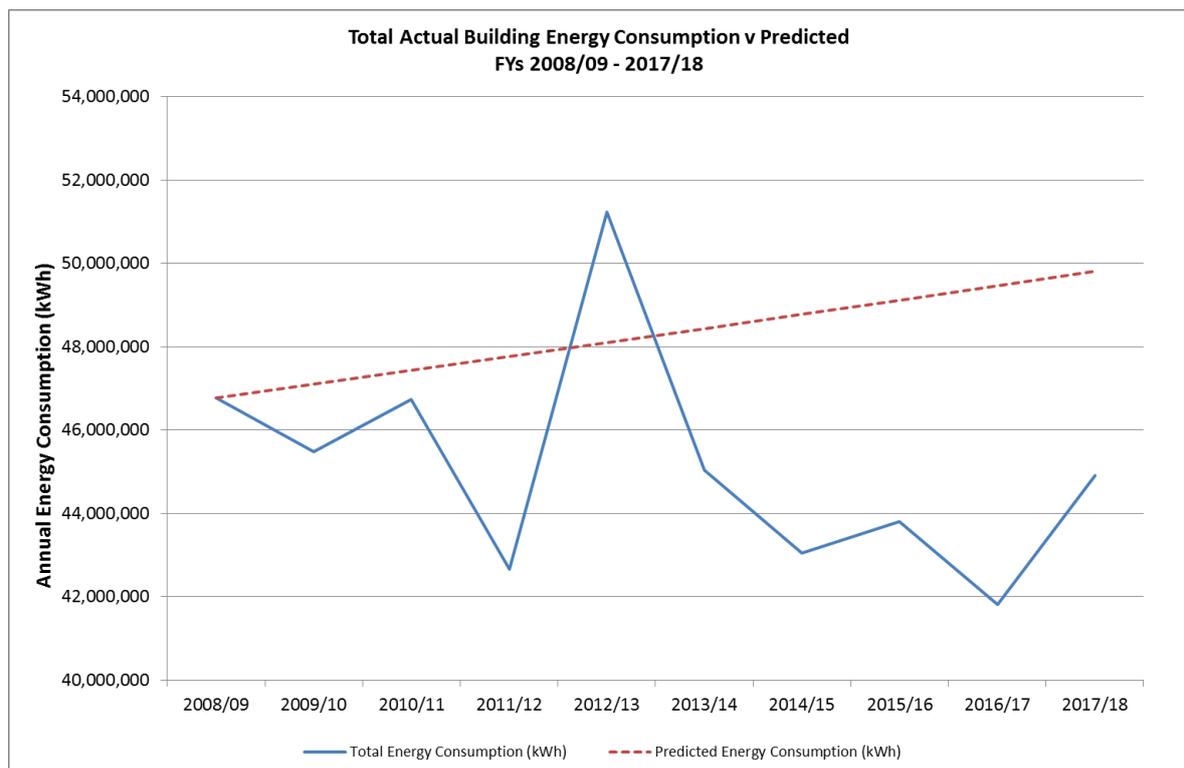
Table 2 below provides a comparison between 2016/17 and 2017/18 for individual utilities.

Table 2
Consumption

Utility	16-17	17-18	Difference	%
Biomass (kWh)	2,730,300	2,683,474	-46,826	-2%
Oil (kWh)	3,742,658	4,063,176	320,518	9%
Gas (kWh)	22,162,873	25,044,411	2,881,538	13%
Electricity (kWh)	13,175,455	13,110,091	-65,364	-0.5%
Overall Building Total (kWh)	41,811,286	44,901,152	3,089,866	7.4%
Street Lighting & Unmetered Elec (kWh)	5,972,737	4,900,855	-1,071,882	-18%
Overall Total (kWh)	47,784,023	49,802,007	2,017,984	4.2%
Water (m3)	136,116	134,306	-1,810	-1.3%

The combined energy consumption from the Council's buildings, (the measure to which the annual reduction target is assessed), for 2017/18 was 44,901,152 kWh compared with consumption of 41,811,286 kWh for 2016/17, equivalent to a 7.4% increase.

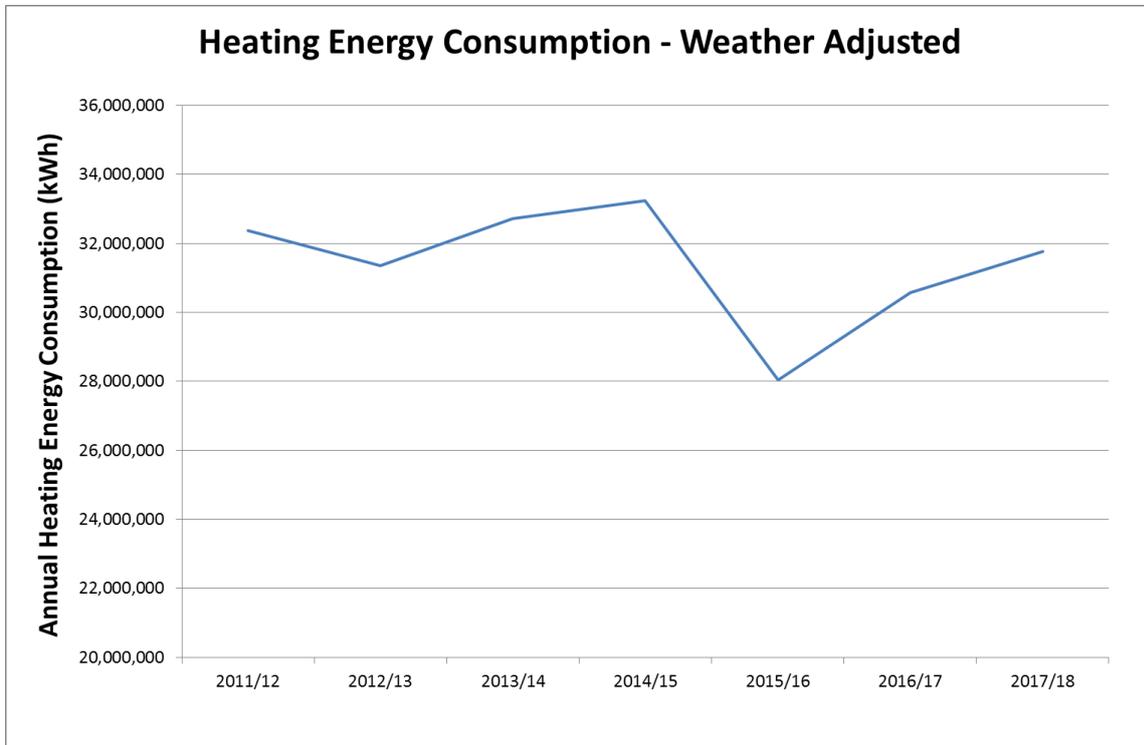
The graph below shows the Council's total energy consumption in its non-domestic buildings for the last 9 years, compared to the predicted increases, (based upon Government forecasts of a Business-as-Usual uplift of 0.7% per annum).



2.1.2 Heating-related Energy Consumption

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

The graph below shows the Council’s weather adjusted heating consumption for the last 5 years.



Heating accounts for a significant proportion of the Council’s energy consumption. The weather in 2017/18 was 7% colder than in 2016/17 and the graph above shows a weather adjusted increase in heating consumption of 3.9% compared to 2016/17. This indicates that the overall efficiency of heating provision within Moray Council properties has reduced, i.e. became less efficient.

The majority of the assessed increase is attributable to educational properties (80%), and in particular Secondary Schools. A significant contributing factor was the construction of the new Elgin High School. By itself, this site accounted for over a third of the Council’s total annual increase in gas consumption. The new school operates low carbon technologies including 2 Combined Heat & Power (CHP) units. (CHP units consume gas to produce heat and electricity). Investigations and liaison with the site are on-going to determine the reasons for the increased consumption, including to what extent the CHP units are attributable.

Across property type groupings

- Large percentage increases (greater than 20%) were recorded for
 - Primary Schools with oil-based heating systems
 - Secondary Schools

- Large percentage decreases (greater than 20%) were recorded for
 - Depots (positive reversal of increase seen in the previous year)
 - Libraries (Elgin Library - 6% reduction)

Given the number of potential factors which affect heating related performance, it is very difficult, without detailed and time consuming analysis, to identify exactly why consumption has increased. The following are contributory factors to the increase in energy consumption:-

- Windier, wetter and colder weather requires heating systems to be on for longer and to work harder.
- Energy efficiency of buildings and heating systems reducing as a consequence of the Make do and Mend policy, including
 - Increased manual adjustment by building users
 - Greater heat loss through from draughts, e.g. gaps in doors and windows not being sealed
 - Lack of automatic adjustment to warmer conditions, i.e. heating control systems not fully functioning

The Energy Team will be making relevant service managers aware of these issues prior to the start of the new heating season.

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

2.1.3 Water Consumption

The Council's water consumption for 2017/18 was 134,306 m³ compared with consumption of 136,116 m³ for 2016/17, equivalent to a 1.3% decrease.

2.1.4 Relative Energy Efficiency Performance - Benchmarks

United Kingdom wide benchmarks are available for different property types. However these are now dated and make no allowance for location and are considered of limited merit in assessing the Council's properties.

The public sector's Scottish Energy Officers Network (SEON) have commissioned University College London (UCL) to undertake a review of benchmarks for all public sector building types in Scotland. The benchmarks are expected to be available soon and will be used to re-assess the energy performance of Council properties.

A review of energy performance of primary schools was undertaken as part of the Council property asset management process and the results are summarised below with the full breakdown included within **APPENDIX II**.

<u>Rating</u>	<u>No of Primary Schools</u>
A	15
B	3
C	15
D	12

"A" rating indicates good efficiency; "D" rating indicates poor efficiency

2.2 Energy Performance Certificates (EPCs)

The Council remains statutorily obliged to provide EPCs for its public buildings with a floor area above 250m² as well as all properties for lease or sale (including Housing Revenue Account dwellings). EPC's are valid for 10 years following which they require renewal. Eight of our public buildings are to be renewed during 2018/19, with 37 due in 2019/20 as part of an ongoing programme.

2.3 Street Lighting

The management and maintenance of street lighting is undertaken by Direct Services. The associated energy consumption in 2017/18 was 4,900,855 kWh, 18% lower than the 2016/17 consumption of 5,972,737 kWh. A five year programme to upgrade existing street lighting to LED technology began in 2015 and is scheduled to complete in 2020.

2.4 Carbon

Carbon dioxide emissions are increasingly the measure by which energy management and sustainability activities are monitored and evaluated. It provides a single common denominator between disparate activities such as electricity, transport and waste recycling. The following table details the carbon emissions associated with energy and water consumptions attributable to Moray Council.
Table 3

Carbon

Utility	16-17	17-18	Difference	%
Biomass	36	34	-2	-5%
Oil	1,034	1,121	87	8%
Gas	4,078	4,612	534	13%
Electricity - Buildings	5,920	5,040	-880	-15%
Electricity - Street Lighting & Unmetered	2,684	1,884	-800	-30%
Water	143	141	-2	-1%
Overall Total CO₂e (tonnes)	13,895	12,832	-1,063	-8%

Overall carbon emissions from the Council's non-domestic buildings in 2017/18 were 8% lower than in 2016/17. Reductions were recorded against biomass, electricity and water with increases for oil and gas. Contributory factors which would have impacted on the above performance include:-

- More grid electricity produced from renewables and less from carbon intensive sources such as coal, gas and oil.
- Increased heat requirement due to colder weather.
- More street lighting provided from LED technology.

3 Utility Management

3.1 Utility Contracts

Electricity – Following a competitive tendering process by Scottish procurement the current contract supplier, EDF Energy, was successful in winning the new contract which is due to begin on 1st April 2019.

Gas - The current contract with Total Gas & Power expires in March 2020.

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

Biomass - The Energy Team participated with the Council's Maintenance Section and Highland Council in negotiating a new Biomass fuel supply and maintenance contract. The contract was won by the incumbent supplier HW Energy and covers the period 1/9/17 to 31/8/21.

3.2 Utility Cost Management

3.2.1 Budget Guidance

The following figures are based on guidance issued by Scottish Procurement.

3.2.2 Budget Monitoring

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

3.2.3 Utility Expenditure

In 2017/18 the Council's total utility bill amounted to £3,737,637, an increase of £67,674 (1.8%) compared to 2016/17 - energy within buildings constituted the largest element at £2,951,108. Table 4 below gives a breakdown of costs.

Table 4

Utility	16-17	17-18	Difference	%
Biomass	£129,460	£127,088	£2,372	-2%
Oil	£166,303	£192,542	£26,239	16%
Gas	£516,388	£601,898	£85,510	17%
Electricity	£1,653,936	£1,732,691	£78,755	5%
Water	£485,021	£506,794	£21,773	4%
Overall Total - Buildings Only (£)	£2,951,108	£3,161,013	£209,905	7.1%
Street Lighting & Unmetered Elec	£718,855	£576,624	£142,231	-19.8%
Overall Total (£)	£3,669,963	£3,737,637	£67,674	1.8%

3.2.4 Commodity Market Factors

The following factors should be noted with regard to the utility costs for 2017/18:

- The decreased Biomass cost recorded during 2017/18 reflects a decrease in usage of biomass heat, which matches a decrease in Renewable Heat Incentive payments to the Council. There has also been a significant reduction in oil consumption at Speyside High School.
- In 2017/18 oil prices generally rose throughout the year, overall there was a 6.6% increase, however they are still significantly lower than the historic average.
- The average electricity and gas prices in 2017/18 were 5.3% and 3.1% higher than 2016/17.

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

The table below is based upon budget guidance issued by Scottish Procurement in March 2018.

		2018-19	2019-20	2020-21
Variance to 17-18	Gas	11%	13%	17%
	Electricity	4%	22%	20%

		2018-19	2019-20	2020-21
Variance to 17-18	Gas	£68,418	£76,045	£104,747
	Electricity	£75,190	£378,001	£347,939
	Combined	£143,608	£454,046	£452,686

So far in 2018-19 electricity and gas prices have risen approximately in line with predictions.

However Scottish Procurement advised in August 2018, that significant price increases in electricity and gas wholesale costs have occurred recently for both the short and medium term markets. As part of the contract purchasing strategy for the public sector, thresholds are in place to force the purchase of energy and limit exposure to market swings. So far this year thresholds have been breached twice, whilst previously it had been breached only once in the preceding 10 years.

The Council has been protected to a degree to date as the majority of energy requirements are purchased in advance, however as indicated above it is expected that utility costs will increase markedly in the next two years.

3.2.5 Carbon Reduction Commitment (CRC)

The CRC is a scheme designed to incentivise large commercial and public sector organisations to implement cost effective energy efficiency opportunities at non-domestic properties and street lighting. The Energy Team undertake the preparation and submission of the CRC Annual Report and associated evidence pack. The charge per tonne (allowance) of CO₂ emitted increases year-on-year and can vary dependant on when the allowance is purchased.

Moray Council purchased 13,100 allowances at £16.60 each in April 2017 for the reporting period 2017/18, at a cost of £217,460. The actual amount of allowances required for the year was 11,286, at a cost of £192,956, and the Council is therefore able to carry forward 1,814 allowances.

The CRC scheme is due to finish in March 2019. This will be replaced by increases in the Climate Change Levy (CCL) from 1 April 2019. The CCL is a tax on energy delivered to non-domestic users in the United Kingdom. Its aim is to provide an incentive to increase energy efficiency and to reduce carbon emissions.

The change from CRC to CCL is not expected to increase costs to customers.

3.2.6 Renewable Heat Incentive (RHI)

The council currently operates 2 biomass heating systems, at Speyside and Milne's High Schools. As part of the refurbishment works at Forres Swimming Pool a roof-mounted solar thermal system was installed to supplement the heating of pool water. An RHI application was submitted to OFGEM and the scheme was registered with effect from 19 May 2017.

For the 2017/18 period the Council received total RHI payments of £104,374, apportioned as per the table below.

Table 5

Total RHI Income	16/17	17/18	Difference	%
Forres Pool	£0	£1,079	£1,079	
Milnes PS	£44,806	£45,746	£940	2%
Speyside HS	£64,694	£57,549	-£7,145	-11%
Total RHI Income	£109,500	£104,374	-£5,126	-5%

3.3 Utility Invoice Processing

All utility invoices go directly to the Energy Team for verification and validation prior to centralised authorisation and payment. The vast majority of utility invoices are received electronically and uploaded directly onto the Council's monitoring and targeting system – TEAM Sigma. The software automatically performs validation checks on the data received, highlighting any abnormalities for the Energy Team to investigate. During 2017/18 over 13,500 utility invoices were processed by the Energy Team.

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

During 2017-18 the active management, checking and validation of utility consumptions and invoices, identified over £64,000 of erroneous charges, including:

- Water leaks

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

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

3.3.1 TEAM Sigma Monitoring & Targeting Software

The provider of the Council's monitoring and targeting software, TEAM Sigma, is now running down support for self-hosted systems (such as the Council operates) to permit greater support of supplier-hosted systems. The additional cost for the hosted version is approximately £1,500 per annum.

During 2017/18 the Energy Team undertook an appraisal of alternative providers of software of this type. It was determined that alternative systems were more expensive than the TEAM Sigma hosted solution, but did not provide meaningful additional benefit.

Following a cost free trial of the hosted solution from November 2017 to May 2018 it was concluded that it would be beneficial and appropriate to move to the supplier-hosted system. The key benefits identified are as summarised below:-

- Future proofs on-going service provision
- Lowest cost option
- Retains existing operational functionality
- Enhanced reporting capabilities
- Removes internal requirement for IT server equipment to be operated and maintained

The additional funding requirement of approximately £1,500 is being met from existing energy management budgets.

4 Policy & Strategy

4.1 Scottish Government

4.1.1 Energy Efficient Scotland

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

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

Energy Efficient Scotland has two main objectives:

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

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

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

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

4.1.2 Scotland's Climate Change Plan and Proposals and Policies

The Scottish Government published the draft Climate Change Plan (CCP) 2017-2032 on 19 January 2017, which presents policies and proposals to meet Scotland's annual targets until 2032. Based on the most recent Scottish greenhouse gas inventory (2014), it contains annual targets which represent an emissions reduction of 66% compared to baseline levels by 2032. This level of transformational change presents Scotland with significant challenges and opportunities, which are explored within the draft plan.

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

4.1.3 Scottish Energy Strategy

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

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

4.2 Moray Council

4.2.1 Energy Policy & Strategy

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

No specific changes are suggested at present; however it is viewed that the current energy based reduction target is no longer appropriate, particularly given that national targets are based on carbon emissions reduction and that most other Scottish Local Authorities report performance on a carbon basis. It is intended to report carbon emissions as an additional performance indicator in the next Annual Energy report. Contributing factors such as electricity, gas and water shall still be included, with detail relating to cost and consumption, in a similar manner to current practice.

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

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

4.2.2 Corporate Heating Strategy

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

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

4.2.3 Strategic Energy Action Plan (SEAP)

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

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

4.2.4 Mandatory Carbon Reporting

The Energy Team contributed to the submission of the Council's first Public Sector Climate Change report in November 2017.

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

There are BEMS systems in 25 Council buildings and the Energy Team use them to regularly monitor temperatures in buildings, identify anomalies early and adjust heating settings accordingly.

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

The recently introduced BEMS technical specification is improving consistency across the Council's properties, including new-build projects and refurbishments, such as the 4-schools project and Keith Grammar.

Examples of the measures applied include performance dashboards, visibility of all setpoint & control parameters, interactive graphics of facilities and consistent representations of boiler system components and arrangements. This continues to be rolled out as and when the opportunity arises. Current financial constraints are restricting work in this area, but potential spend to save prospects will be kept under review.

6 **Energy Initiatives**

6.1 **Energy Awareness**

6.1.1 Energy Website

The Energy website on the internet and intranet continues to be reviewed and updated. The pages detail how to help the environment by following simple energy

saving tips for your home, workplace or school. In March 2018 the Council supported the WWF's Earth Hour through switching off the electrical lighting to the Landshut Bridge and statues within Elgin.

Copies of the Council's latest energy saving posters and the corporate heating strategy are also available on the website.

Regular articles were included in the Connect magazine during 2017/18, covering a variety of energy issues, which are continuing in 2018/19.

6.1.2 Corporate Training

A total of 52 staff and 935 primary school pupils attended energy awareness events in 2016/17, this include 7 staff induction sessions and 4 school eco groups.

Energy Awareness briefings are incorporated as part of the Corporate Staff Induction Training programme.

6.1.3 Energy Team Training

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

Energy Team staff regularly attend Scottish Energy Officers Network meetings.

The Energy Technician within the Energy Team volunteered and was accepted as a STEM Ambassador in February 2018.

6.2 Energy Surveys

In 2017/18 the Energy Team carried out surveys of the following sites:-

- Cullen Community Centre
- Elgin Community Centre
- Forres Community Centre
- Forres Academy
- Elgin Library
- Bishopmill PS
- Findochty PS

These audits resulted in the identification of several energy saving projects and the implementation of energy saving measures. A series of follow up visits to gauge the progress of the measures recommended were carried out and showed that the majority of the recommendations were in the process of being implemented.

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

In addition a number of further audits and inspections were carried out, including the following:

- Depots – 4 sites as part of asset management considerations
- Summer Shutdowns – 6 schools were inspected during summer holidays to check that equipment had been fully shut down
- Water Management – 5 schools were inspected during holiday periods to investigate higher than expected water consumption
- Hall Lighting – 10 properties were inspected to assess the scope of a project to install LED lighting

In all instances feedback was provided to relevant parties on opportunities to reduce energy and water consumption. Additionally a business case to install LED lighting in high bay halls was prepared, submitted and subsequently approved, with the project scheduled to be undertaken during 2018-19.

The programme of audits and surveys being progressed in 2018/19 is as follows

- Keith Grammar School
- Milne's High School
- Buckie High School
- Millbank PS
- Milne's PS
- Lhanbryde Primary

6.3 Energy Projects

APPENDIX V lists the energy saving projects carried out in 2017/18, including the anticipated savings in kWh and £'s for each. It also lists further energy saving projects being considered.

The 4-Schools project to refurbish, upgrade and extend 4 of the Council's Primary Schools included a number of measures which will substantially improve the energy efficiency of those properties. Analysis and comparison of on-going consumptions to historical trends have demonstrated a marked reduction across all utilities, as shown below;

Combined Electricity Reduction	42%
Combined Oil/Gas Reduction	7%
Combined Water Reduction	34%

Note: the combined oil/gas reduction value is negatively affected by the conversion of Millbank's heating system from electricity to gas.

APPENDIX VI contains graphical profiles of electricity, gas and water consumptions, by school and by utility.

The installation of a new heat recovery system and building fabric upgrade of Forres Swimming Pool initially produced a substantial improvement in energy efficiency of that property. Initial analysis of gas consumption indicated a reduction of over 50%. However there have been on-going snagging issues associated with the pool plant, particularly the Air Handling System, and on-going monitoring has shown only limited subsequent savings. Work continues to address these issues and maximise energy efficiency.

It should be noted that the on-going policy of “make do and mend” for on-going and future maintenance of Council properties has restricted opportunities to reduce energy consumption.

6.4 Future Energy Initiatives

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

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

6.5 Funding

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

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

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

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

APPENDIX II

THE MORAY COUNCIL

ENERGY POLICY AND STRATEGY – NON DOMESTIC OPERATIONAL PROPERTIES

2017-18 Educational Properties			Actual Annual Performance			Weighted Cost Rating
School	Floor Area	Electricity (kWh/m2)	Heat (kWh/m2)	Cost (£/m2)		
Aberlour PS	1,611	49	115	12.13	C	
Alves PS	693	32	256	16.68	C	
Andersons PS	2,038	27	165	7.62	A	
Applegrove PS	3,301	28	84	6.10	A	
Bishopmill PS	2,134	46	307	13.67	D	
Botriphnie PS	228	69	261	22.26	D	
Burghead PS	1,298	26	134	9.88	A	
Cluny PS	2,333	24	141	10.15	A	
Cullen PS	1,259	45	120	11.98	C	
Dyke PS	768	66	58	11.97	D	
East End PS	2,874	39	107	8.05	B	
Findochty PS	1,556	36	139	10.70	A	
Greenwards PS	2,138	46	124	9.13	C	
Hopeman PS	1,598	65	278	21.33	D	
Hythehill PS	2,711	14	127	4.95	A	
Inveravon PS	406	29	40	5.70	A	
Keith PS	3,490	61	152	12.48	C	
Kinloss PS	2,929	25	91	7.70	A	
Knockando PS	663	82	143	18.26	C	
Lhanbryde PS	2,433	55	186	11.94	C	
Millbank PS	2,225	36	106	8.56	A	
Milnes PS	2,252	126	240	21.20	D	
Mortlach PS	1,606	47	206	11.65	D	
Mosstodloch PS	1,513	44	176	10.12	C	
Mosstowie PS	533	23	161	11.01	A	
New Elgin PS	2,971	59	170	12.15	D	
Newmill PS	625	45	142	13.06	B	
Portessie PS	1,241	64	98	13.27	C	
Portgordon PS	932	27	126	9.98	A	
Portknockie PS	1,069	38	132	11.77	A	
Rothies PS	1,619	60	149	11.75	C	
Rothiemay PS	669	35	133	11.05	A	
Seafield PS	3,060	32	97	7.28	A	
St Gerardines PS	2,790	35	103	7.65	A	
St Peters PS	1,126	29	205	8.73	B	
St Sylvester's PS	1,136	53	149	10.78	C	
St Thomas PS	851	39	166	9.57	C	
Tomintoul PS	916	53	97	11.81	C	
West End PS	1,408	43	182	10.22	C	

Primary Schools
Traditional gas or oil heating systems

2017-18 Educational Properties			Actual Annual Performance			
	School	Floor Area	Electricity (kWh/m2)	Heat (kWh/m2)	Cost (£/m2)	Weighted Cost Rating
Primary Schools Electric Heating	Craigellachie PS	416	151	-	19.96	D
	Crossroads PS	343	82	-	11.67	C
	Dallas PS	283	132	-	17.18	D
	Glenlivet PS	371	176	-	24.01	D
	Logie PS	517	128	-	15.18	D
	Pilmuir PS	1,558	98	-	13.72	D
Primary - Total						
Secondary Schools	Buckie HS	13,445	38	139	8.23	A
	Elgin Academy	14,990	45	90	7.69	B
	Elgin HS	9,120	46	20	7.41	C
	Forres Academy	11,419	37	77	7.01	A
	Keith Grammar School	6,923	101	155	16.66	D
	Lossiemouth HS	7,431	74	166	13.22	C
	Milnes HS	7,427	53	177	13.84	C
	Speyside HS	7,143	68	242	20.60	D

Notes:

- The following secondary schools operate pools
 - Buckie High School
 - Forres Academy
 - Lossiemouth High School
 - Milne's High School
 - Speyside High School
- Buckie High School supplies electricity to Buckie Sports and Leisure Centre

UTILITY INVOICE MANAGEMENT SAVINGS

2017/18

Date raised	Project Descriptor Status	Summary	Energy Saving (£)	FY Year	Comments
Sep-17	complete	High Consumption Alert - The Square Cullen	10,018	17-18	High consumption alert from Anglian indicated if no action taken water consumption could result in annual increase of £40,074. Actual read would have been taken in 3 months therefore saving is a quarter of the 12 month implication
Sep-17	complete	Resolution of water meter charges - Speyside HS	8,400	17-18	New water meter installed at Speyside HS was 80/20 combination meter. Queried the 80 mm charges which were £700 per month. Anglian now charging at 20 mm saving 12 months at £700/month
Aug-17	complete	Water meter disconnections at Elgin Academy	4,900	17-18	Water meters from old Elgin Academy were discovered still to be in the chamber. Not removed as part of the demolition process. Being charged £700 per month by Scottish water for these meters. Escalated disconnections with Anglian - saving £700 per month Sept 17 - March 18
Aug-17	complete	Electricity Meter disconnection at The Firs Day Centre	210	17-18	Electricity meters disconnected at the Firs Day Centre prior to demolition. Standing charges would be £30 per month Sept 17 - March 18
Sep-17	in progress	Electricity Meter disconnection at Seafield Sports Pavilion	70	17-18	Electricity meter disconnected at Seafield Sports Pavilion which is not in use. Standing charges would be £10 per month Sept 17 - March 18
Apr-17	in progress	Water meter investigation at 9 West Road Forres		17-18	Water meter serving the property was found to be actually serving the Speyside Craft Brewery. Credit received for inaccurate charging (on-going)
Apr-17	complete	EDF Energy Invoice Queries - invoice dated 24 April 17	496	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
May-17	complete	EDF Energy Invoice Queries - invoice dated 30 May 17	645	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
Jun-17	in progress	EDF Energy Invoice Queries - invoice dated 26 June 17	2,914	17-18	Richmond Quarry in Dufftown being invoiced at out of contract rates. Rate amended from 20 p per kWh to 12 p per kWh

APPENDIX III

Jul-17	complete	EDF Energy Invoice Queries - invoice dated 18 July 17	1,176	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
Apr-17	in progress	Unmetered Supplies Investigation	4,000	17-18	Remove Bus Shelters from unmetered billing. Annual charge reduction £4,000
Sep-17	in progress	EDF Energy Invoice Queries- invoice dated 15 Sep 17	1,958	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
Nov-17	complete	Investigation of drainage charges at Elgin Library	6,781	17-18	Double charging for drainage at Elgin Library - refund backdated to April 2016
Nov-17	complete	EDF Energy Invoice Queries - invoice dated 15 Nov 17	346	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
Dec-17	in progress	Anglian Water - rateable value error	4,000	17-18	ex Public Convenience in Fife Arms Close. Rateable value stated as 99999 when it would be £4,300. Drainage charges altered accordingly.
Dec-17	complete	EDF Invoice Queries - invoice dated 14 Dec 17	1,144	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
Jan-18	complete	Incorrect fixed charges at Kinloss School Lodge	300	17-18	Incorrect fixed charges applied to account when transferred to Total Gas. £60 per month from Nov 17 - March 18
Jan-18	complete	Excessive estimate at Keith Bandstand	1,897	17-18	Meter read taken by staff in Keith to correct the account
Feb-18	complete	Excessive estimate at Tomintoul PS	8,900	17-18	Meter read taken by School Janitor to correct the account
Feb-18	complete	Excessive estimate at Auchernack	3,000	17-18	Meter read sent by staff at Auchernack to correct the account
Feb-18	complete	EDF Invoice Queries - invoice dated 15 Feb 18	514	17-18	Sites identified within the invoice where meter were incorrect. Raised with EDF and bills credited and rebilled.
Mar-18	complete	EDF Invoice Queries - invoice dated 15 March 18	428	17-18	Sites identified within the invoice where meter reads were incorrect. Raised with EDF and bills credited and rebilled.
Mar-18	complete	Excessive estimate at Pilmuir Nursery	2,322	17-18	Meter read taken by Energy Team on school visit
		Total	64,419		

APPENDIX IV

THE MORAY COUNCIL

ENERGY POLICY AND STRATEGY – NON DOMESTIC OPERATIONAL PROPERTIES

Energy Policy – Statement of Commitment

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

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

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

Aims

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

Energy Strategy

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

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

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

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

Monitoring and Review

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

Approved by
Chief Executive

Date

ENERGY SAVING MEASURES

Projects completed 2017/18

SITE	PROJECT	APPROX COST (£)	ESTIMATED ANNUAL SAVINGS (kWh)	ESTIMATED ANNUAL SAVINGS (£)
Keith Grammar School	Upgrade controls on electric heating	500	5,600	672
Forres Pool *	Pump Invertors VSD	14,406	19,710	2,058
Forres Academy	Reinstate BEMS communications link to modern studies area	-	5,000	150
Various Sites	Hydroboil Time Control (40 heaters)	3,105	45,142	5,417
Barlink Road	Electricity Debt Negotiation	-	-	13,500
Various Sites	Adjustment of Electrical AVCAPS - Various Sites	-	-	11,008
Unmetered Electricity	Account Audit	-	-	1,152
Unmetered Electricity	Account Audit - Retrospective Refund	-	-	4,600
Ashgrove Depot	Vehicle Store - LED Lighting	3,874	400	1,315
Bishopmill PS	Rationalise heating times and occupation patterns outwith normal hours	-	13,300	400
Various Sites	Replace cross head taps with push taps	2,157	500 m3	800
Bishopmill PS	Service PIR controllers in boys urinals	10	22 m3	35
Cumming Circle	Rationalise Heating and DHW setpoints and times	-	150	240
East End PS	LED Lighting	15,000	1,695	7,000
Elgin Community Centre	Apply local measures to limit ingress uncontrolled air through ventilation ducts	-	5,000	150
Elgin Community Centre	Apply pipework insulation to water heaters	30	2,000	60

APPENDIX V

Elgin Community Centre	Complete a building user guide covering operation of heating, lighting and other related functions	-	2,000	200
Elgin Library	Adjust temp setpoint of IT server room	-	220	20
Forres Academy	Repair door fault	-	1,800	600
Forres Academy	Review and adjust heating zone times	-	1,350	450
Forres Community Centre	Switch off PC monitors in Moray Council IT room when not in use	-	420	40

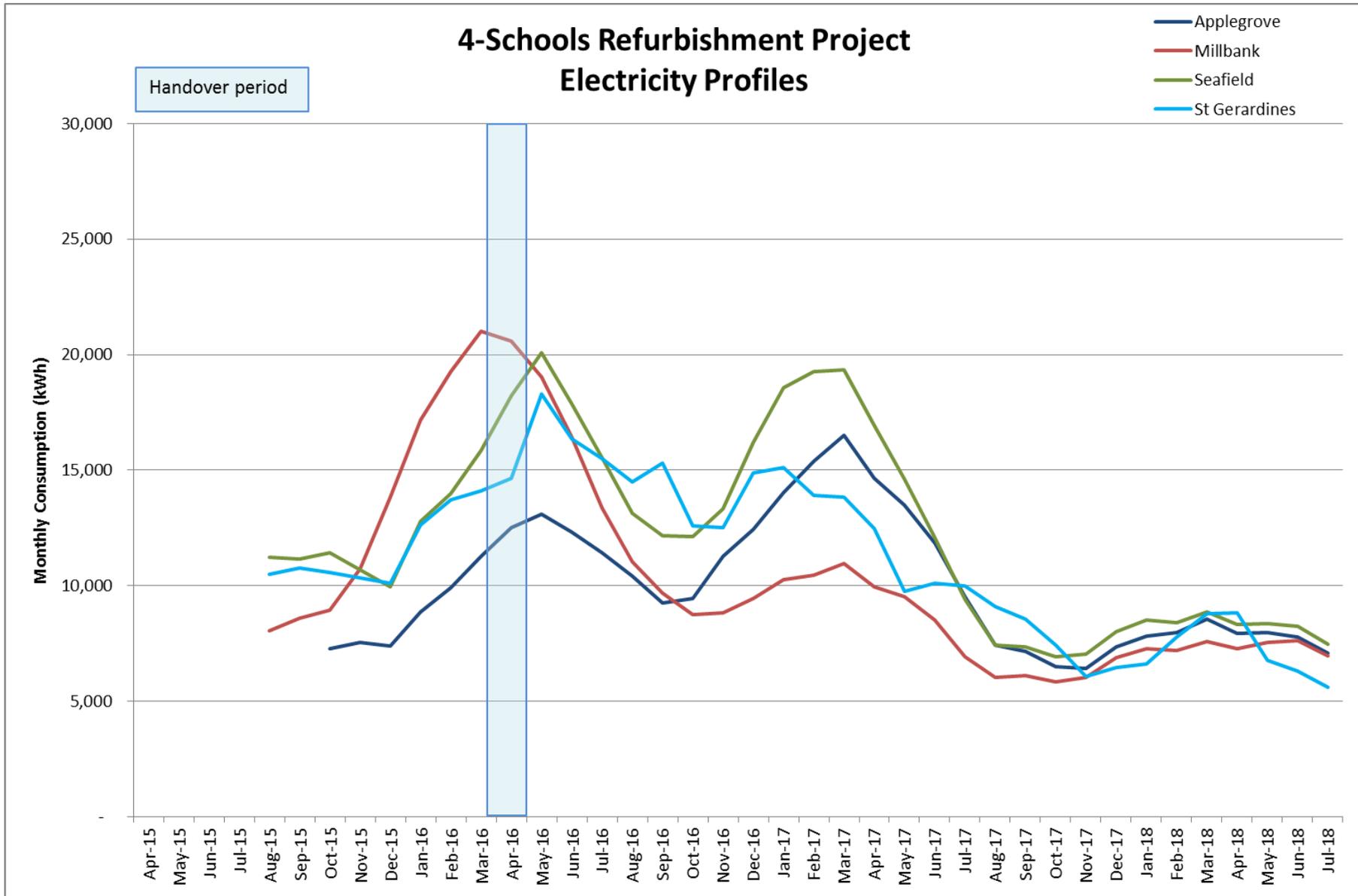
Projects currently ongoing or in detailed feasibility stage:

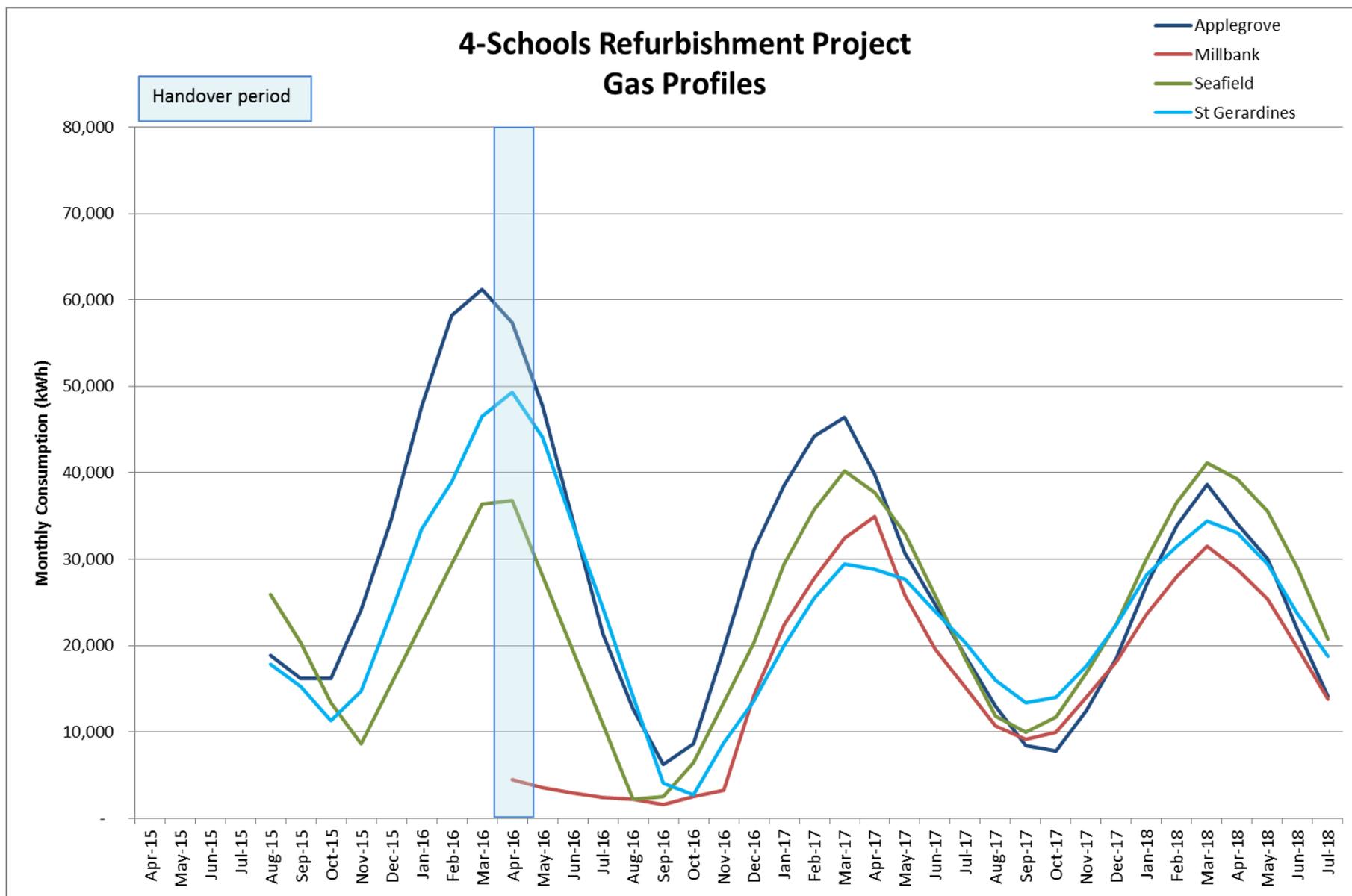
SITE	PROJECT	APPROX COST (£)	ESTIMATED ANNUAL SAVINGS (kWh)	ESTIMATED ANNUAL SAVINGS (£)
Various Sites	Replacement of High bay lighting with LED	70,000	350,000	34,000
Keith Sports and Forres Swimming Pool	Install sub-metering to determine consumptions to adjoining buildings	5,000	-	-
Elgin Library	Replace internal lighting	20,000	67,000	8,000
All educational Buildings	Urinal Controls	15,000	8,000	13,000
Multi-Storey Carparks	LED Lighting	30,000	150,000	18,000

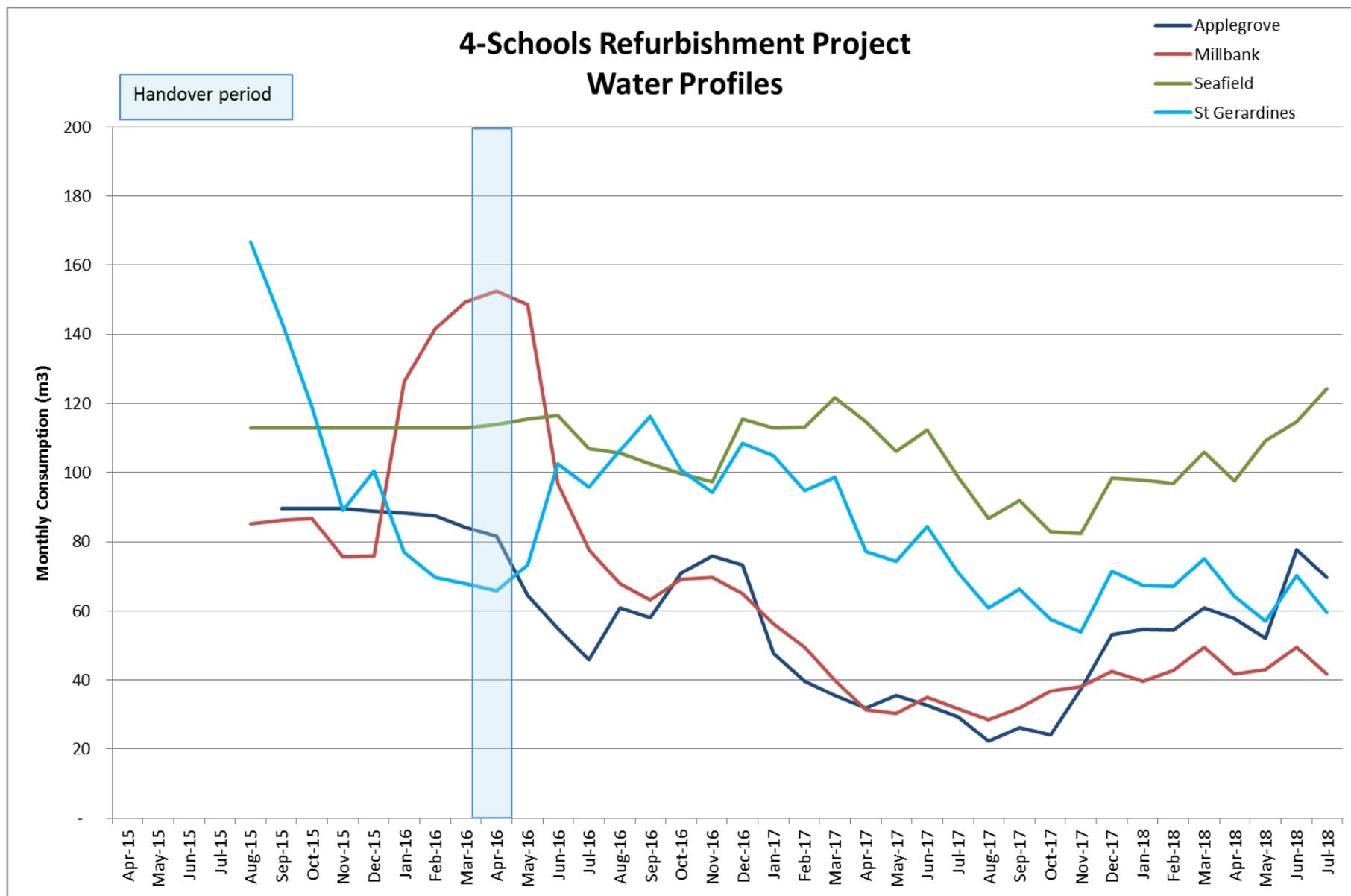
Projects in planning – initial feasibility stage:

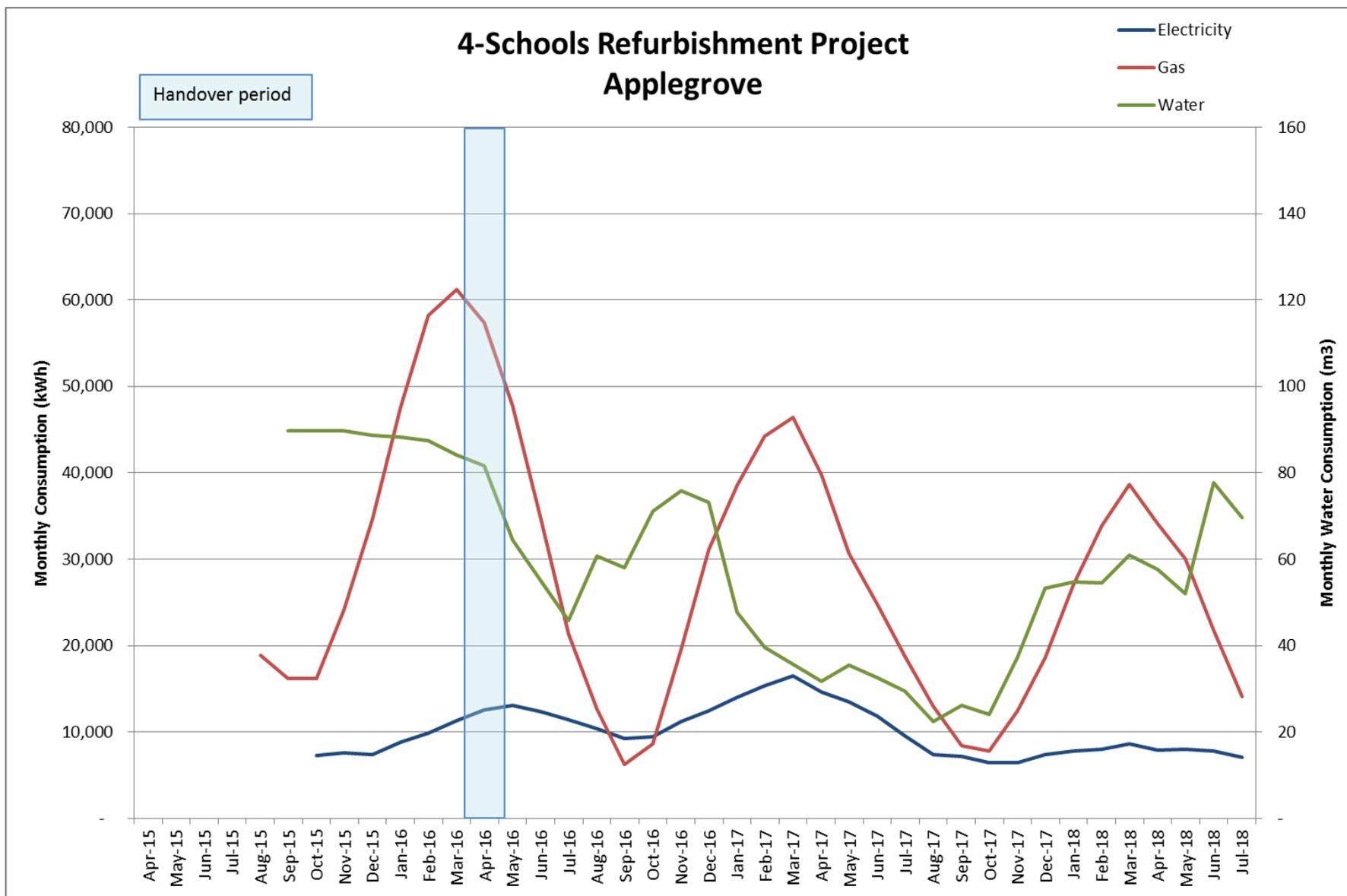
APPENDIX V

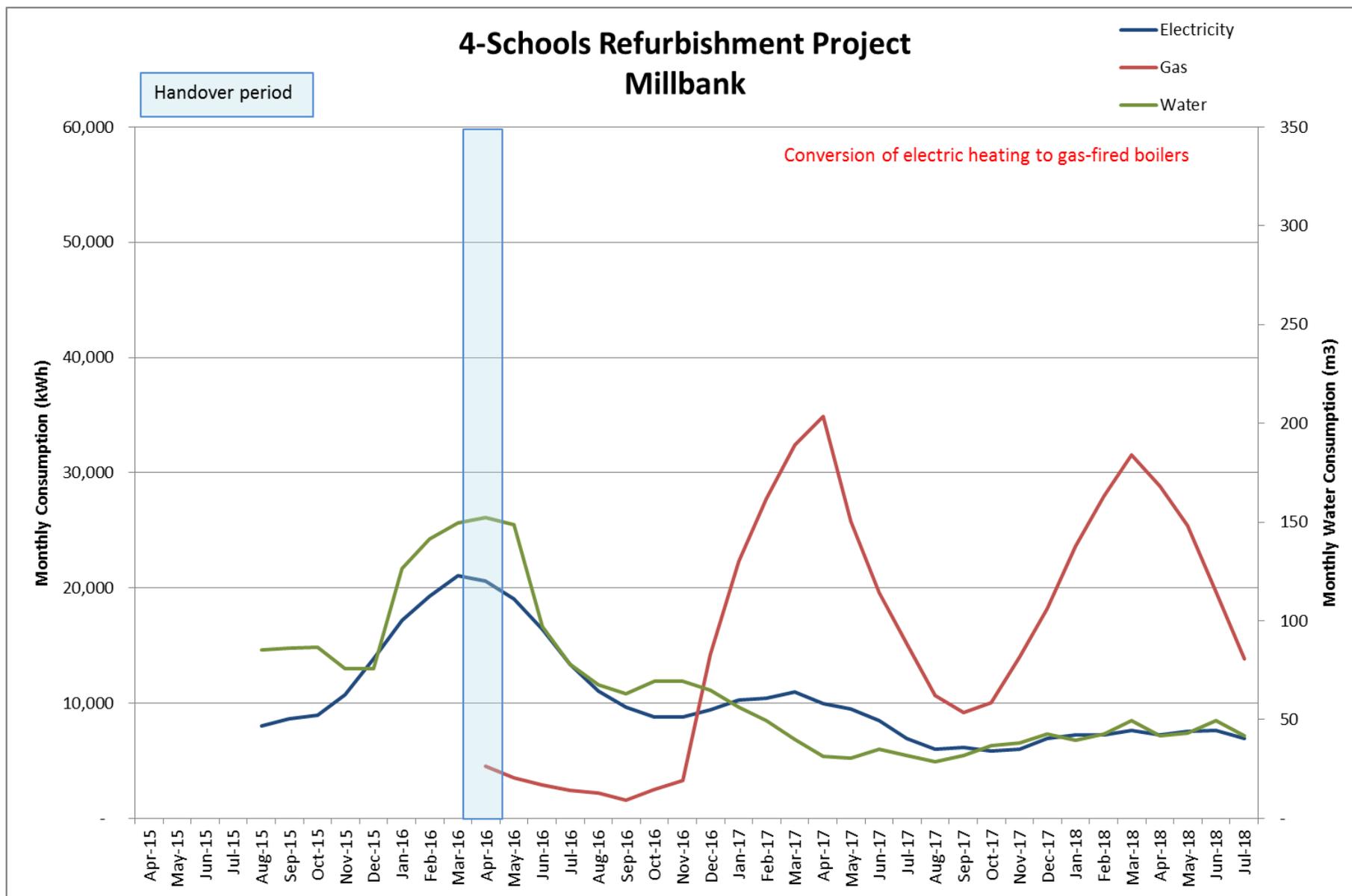
SITE	PROJECT
Elgin Library	Replace external lighting
Milnes PS	Upgrade BEMS
All sites	Valve and Pipe insulation
Hopeman PS	Roof Insulation
Llanbryde PS	External Lighting

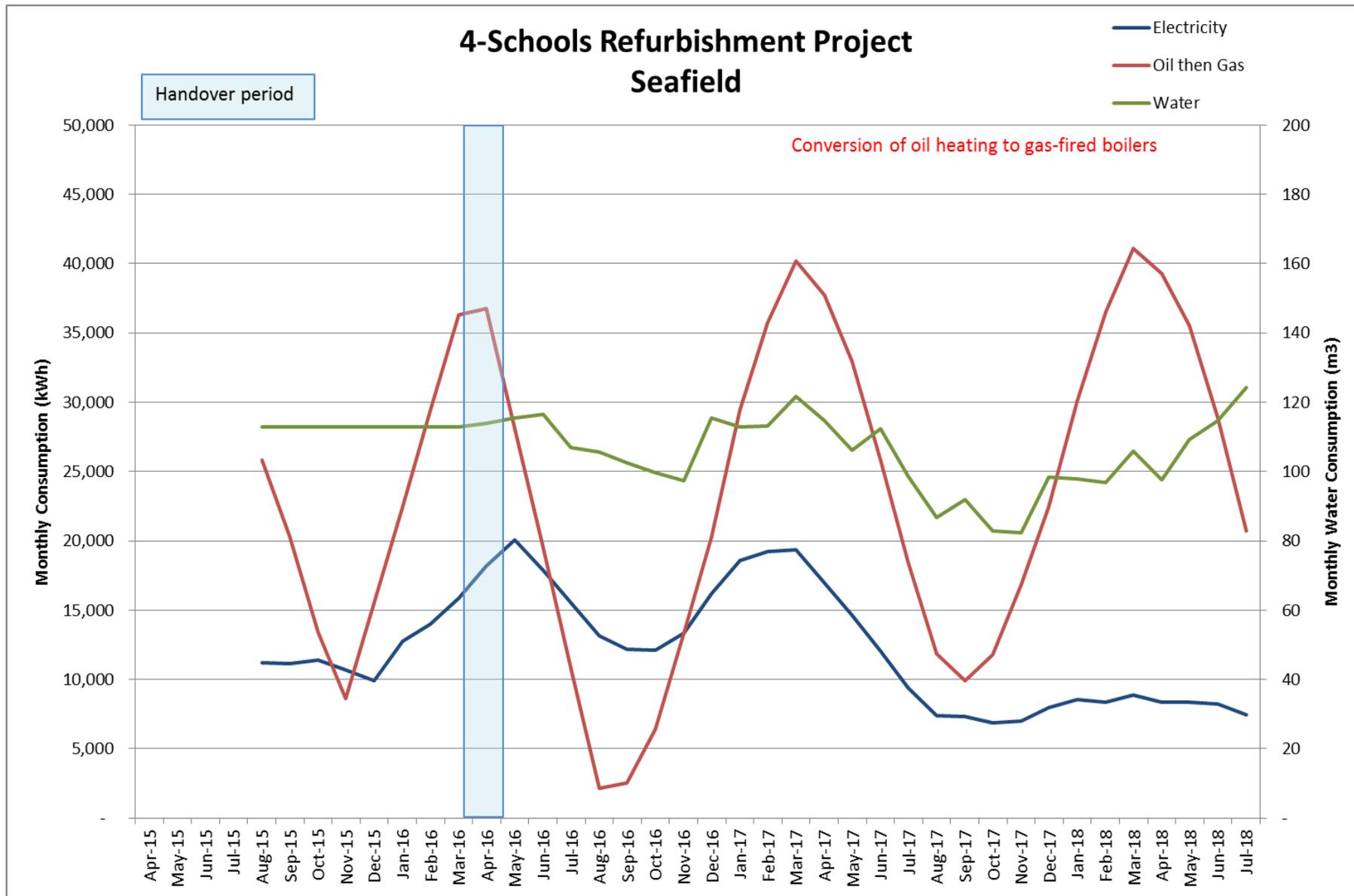


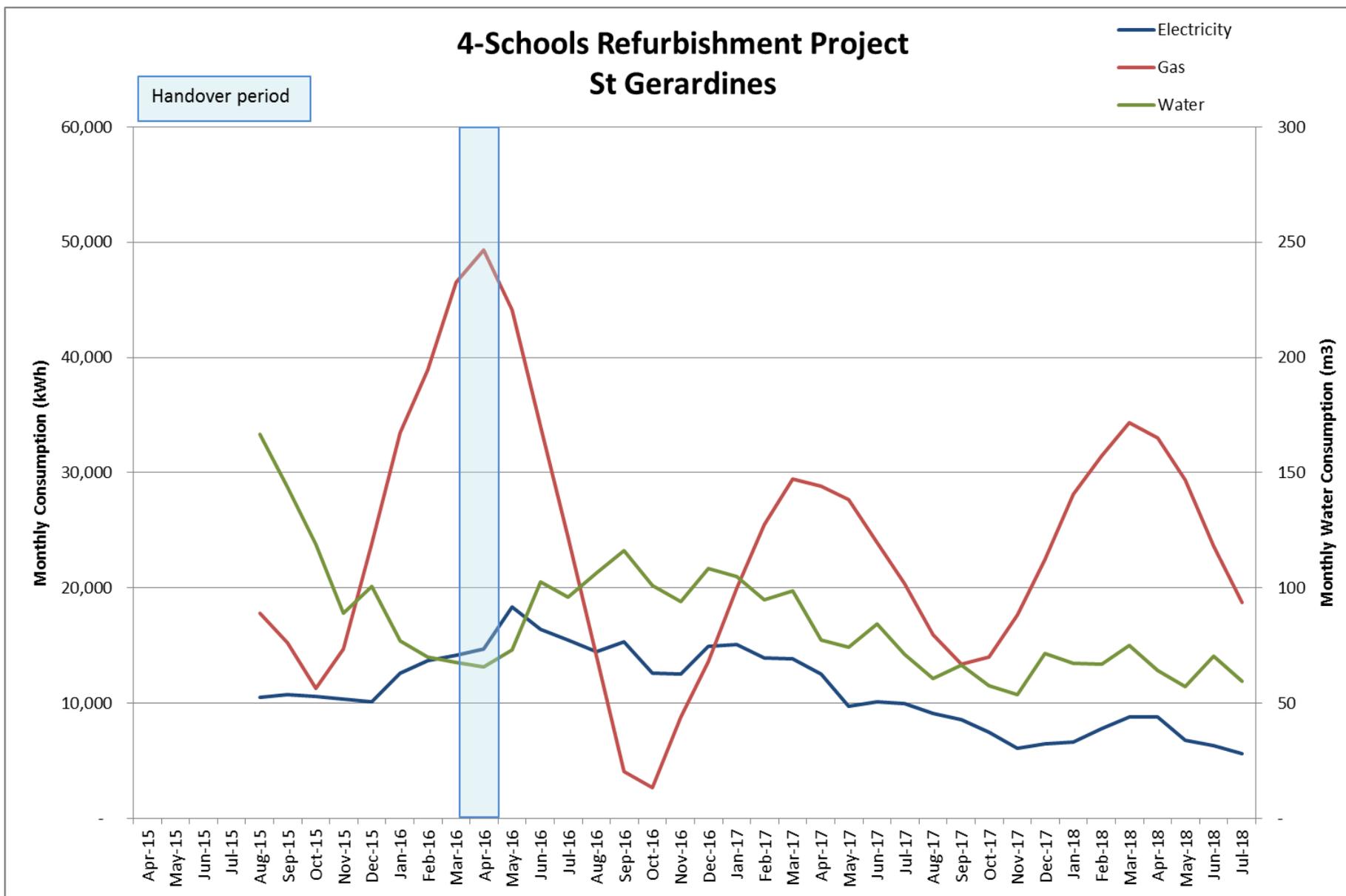














REPORT TO: POLICY & RESOURCES COMMITTEE ON 27 NOVEMBER 2018

SUBJECT: PARTNERSHIP AGREEMENT WITH tsiMORAY

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To provide the Committee with a progress report against the commitments made in the partnership agreement with tsiMoray and to update the partnership agreement for 2018/19.
- 1.2 This report is submitted to Committee in terms of Section III A (54) of the Administration Scheme, to deal with all matters relating to the Council's Strategy, Policy, budgetary and monitoring arrangements for the Third Sector.

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- a) **considers the progress in relation to the partnership commitments made in 2016/17;**
- b) **approves the proposed partnership agreement for 2018/19;**

3. BACKGROUND

- 3.1 Third Sector Interfaces were established by, and are funded by, the Scottish Government with the aim of achieving a range of outcomes as follows:-
- More people have increased opportunity and enthusiasm to volunteer.
 - Volunteer involving organisations are better able to recruit, manage and retain volunteers.
 - Social enterprise develops and grows.
 - Third sector organisations are well run and delivery quality services.
 - Different organisations and sectors are more connected and understand each other better.
 - Third sector organisations feel better able to influence and contribute to public policy.
 - Third Sector Interfaces are well run and quality driven organisations.
- 3.2 The council has extensive links with third sector organisations which provide a vast network of services and support to many people throughout the Moray area. For many years the council provided accommodation and grant funding

to support the work of MVSO and the role of that organisation has been subsumed within the larger remit of **tsiMoray**.

- 3.3 The council currently provides **tsiMoray** with an annual cash grant of £9,000 and free use of the office accommodation at 30/32 High Street, Elgin.
- 3.4 This committee approved the first partnership agreement with **tsiMoray** at its meeting on 17 February 2015 (paragraph 8 of the minute refers). This was reviewed by the Policy and Resources Committee at its meetings on 10 May 2016, when a number of amendments were approved (paragraph 11 of the minute refers), and on 27 August 2017 (paragraph 8 of the minutes refers).

4. REVIEW OF 2016/17 PARTNERSHIP COMMITMENTS

- 4.1 The 2017/18 partnership agreement identified a number of specific commitments from each partner and these have been updated annually since then. The commitments for 2017/18 are set out below in bold type with comments on progress provided against each point.

4.1.1 Particular issues where the council would like to see progress during 2017/18:

- a) **To be given the opportunity to comment on the next draft work plan prior to it being submitted to the tsiMoray Board for approval (the same to follow in respect of the next Strategic Development Plan).**

The council was given the opportunity to comment on the strategic development plan for 2017/2020. The work plan for 2016/17, on which the Council had an opportunity to comment in early 2016, was extended to cover the first quarter of 2017/18. In February 2018, the Corporate Management Team met with **tsiMoray** representatives and identified 8 areas in terms of supporting and assisting the set of targeted local improvement outcomes of the community planning partnership. **tsiMoray** have responded highlighting planned work relating to these and further definition of the outcomes that **tsiMoray**'s plans intend to deliver has been identified as being useful to ensure clear alignment of the planned **tsiMoray** outcomes to the priorities in the Loip and how **tsiMoray** supports the wider community planning partnership work. The areas identified are listed below:

1. Social enterprise
2. Volunteers/skills pipeline
3. Community and voluntary engagement
4. Funding support
5. CAT
6. Children's services
7. CLD
8. Health and wellbeing

- b) **The work plan to include specific actions in relation to the promotion and support of opportunities for grant funding from other bodies (such as Big Lottery).**

Many of the services provided by **tsiMoray** to third sector organisations are intended to make them 'ready for funding'. Examples of these services delivered during the 9-month period 1 July 2017 to 31 March 2018 include:

- support groups to set up a new organisation or a charity with an appropriate legal structure, to understand their obligations under Charity Law, and to help existing groups review their structure (46 organisations receiving in-depth support during the period); and
- help groups with their organisational planning and development (25 organisations receiving in-depth support during the period).

More specifically, **tsiMoray** also provided funding-focused services such as:

- support groups to identify their income strategy and diversify their income base (9 organisations receiving in-depth support during the period); and
- help groups identify and apply for suitable funding (51 organisations receiving in-depth support during the period).

In addition to these services, **tsiMoray** has taken on the role of Accountable Body for the delivery of the Moray LEADER programme, tasked with animating for and administering the distribution of £3M of European funding to Moray to support community-led development.

- c) tsiMoray to provide the council with a copy of their annual performance report against the targets in the work plan and a copy of the report to the Board describing progress in relation to the Strategic Development Plan.**

tsiMoray's latest annual performance reports, tracking progress against its key performance indicators provide detailed analysis of their performance.

4.1.2 Particular issues where tsiMoray would like to see progress during 2018/19:

- a) The development of partnership working on promoting civic engagement, social entrepreneurship and volunteering in Moray's schools.**

Work is ongoing between the council and **tsiMoray** in this regard. **tsiMoray** are appreciative of the commitment from the council in this regard and this work will continue.

b) The development of better partnership working and co-ordinated activity with the Council's Community Support Unit.

Officers have worked together to support the Community Engagement Group. In particular, they have developed an improvement plan which now forms the basis of the agenda for the group to ensure that attention is focussed on progress. Officers have also worked together to support community groups embarking on or considering Community Asset Transfers. The further development of cooperation and collaboration, building on that achieved on specific pieces of work to embed systemic coordination, remains of focus for the future.

c) A 3 year commitment to making the current premises available at no charge, and the provision of technical support in the planned review of the accommodation needs for tsiMORAY

The 3 year commitment was agreed by this committee in 2015 and renewed annually. tsiMoray have not yet sought technical support in relation to their review of accommodation, which is likely to include the development of options for upgrading the current premises or relocation to alternative premises. tsiMoray are the sole occupant of 30/32 High Street. As the Council will be reviewing its asset base in light of the requirement to reduce long term spending, Property Services have been asked to identify alternatives for tsiMoray so that all options can be considered for the future of this building. Discussions have also been reopened regarding the potential for tsiMORAY to apply for a full Community Asset Transfer for the premises. In light of these developments, it is proposed not to renew the three years commitment at this stage. Unless otherwise determined before then, the commitment will expire at the end of the financial year 2020/21.

d) A review of the decision to cease the 3 year commitment to the annual financial support of £9,000, noting that the council has indicated that this funding will be paid in 2017/18 and 2018/19 and cease thereafter.

The 3 year commitment was agreed by this committee in 2015. Since that time the council has advised tsiMoray that the final year of funding will be 2018/19. tsiMoray would welcome the opportunity to work with the council in reviewing financial support in future years.

e) The council will continue to support tsiMORAY to fulfil its obligations as accountable body for the LEADER programme, and will continue to support the Local Action Group as appropriate

In light of the difficulties encountered by the Council in the delivery of the previous LEADER programme, a unique arrangement was developed between the Scottish Government and tsiMORAY for tsiMORAY to be the only third sector organisation in Scotland entrusted with acting as Accountable Body for the delivery of the 2014/2020 programme. The Council continues to support the work of the Moray LEADER Local Action Group, and works in partnership with tsiMORAY and the Highland Council to deliver support for the associated but separate Fisheries programme.

4.2 **Partnership Agreement**

A copy of the Partnership Agreement is attached as **APPENDIX 1** to this report and the annual review note is attached as **APPENDIX 2**.

5. **SUMMARY OF IMPLICATIONS**

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

tsiMoray are one of the community planning partners responsible for delivering Moray Loip. Additionally the remit of **tsiMoray** supports the Council in delivering their priorities under the Community Empowerment Act.

(b) **Policy and Legal** - None.

(c) **Financial Implications**

2018/19 is the final year of the annual grant of £9,000 to **tsiMORAY**. The annual review proposes to continue to provide premises at no charge for a further two-years, i.e. the remaining balance of the previous three-years commitment, expiring at the end of 2020/2021. The estimated annual rental value of the premises occupied is £26,000.

(d) **Risk Implications**

The main risk is the capacity for **tsiMORAY** and the council to develop community engagement and participation from existing resources.

(e) **Staffing Implications**

Many Council officers work in partnership with colleagues at **tsiMoray**, particularly in relation to social enterprise, supporting volunteering and community engagement.

(f) **Property Implications**

tsiMoray occupy Council owned premises at 30/32 High Street. The premises present a number of challenges and **tsiMoray** have requested support from the Council in reviewing their property requirements.

(g) **Equalities**

There are no specific equalities issues arising from this report.

(h) **Consultations**

Ian Todd, Community Support Unit Manager, has been consulted on the proposed additions to the partnership agreement and is in agreement with the proposals.

Fabio Villani, Chief Officer **tsiMoray**, has contributed to the preparation of this report and is in agreement with the proposed wording of the partnership agreement for 2018/19, which will be discussed by the Board of **tsiMoray** at their next meeting on 26 November 2018.

6. CONCLUSION

- 6.1 Partnership working between the council and tsiMORAY has developed during the year and the specific commitments in the partnership agreement have assisted in this regard. There is more that can be achieved, in particular through more coordination of work between the council and tsiMORAY as well as other public sector partners. Annual progress reports will continue to be provided to this committee.**

Author of Report: Denise Whitworth

Background Papers: Previous reports to P&R Committee
tsiMoray's annual performance report

Ref: reports/P&R/tsiMoray annual partnership review 2018 (24-11-18)

Partnership Agreement between The Moray Council and tsiMORAY

Introduction

This partnership agreement sets out the principles and behaviours underpinning the relationship between The Moray Council and tsiMORAY.

A protocol for respectful dialogue, as appended, forms an integral part of our agreement. More detailed agreements, setting out roles, responsibilities and mutual expectations regarding specific activities and projects, will be developed as and when required.

Our agreement

We recognise each other as equal partners. We fully appreciate that we may have different approaches and different cultures, that we are often motivated by different drivers and that we face different challenges. However, we recognise that we have a shared interest in the wellbeing and sustainable development of Moray. We therefore agree that each of us should be a recognised and appreciated partner in the Community Planning Partnership, and that our relationships should be effective, supportive, based on parity of esteem and aimed to deliver real benefits to the people of Moray.

We agree that the effective participation of representatives of tsiMORAY in key groups and partnerships, and at all levels within the Community Planning Partnership, is essential. We appreciate the challenges associated with ensuring that the participation of tsiMORAY does not become an end in itself, but a way of providing crucial links between the public and third sectors. To this end we will collaborate to ensure tsiMORAY has the opportunity and the means to participate in, and engage with the wider third sector in relation to the agendas of, key groups and partnerships.

We recognise that there is potential to attract more external funding to Moray, and we will collaborate to ensure this happens. We also recognise the potential for developing tsiMORAY's offices as a 'one stop shop' for supporting the third sector, providing services from signposting and generic advice to detailed, in-depth advice and support, and we will collaborate to realise this potential.

We recognise the value of active early engagement with each other when either of us intends to develop initiatives in areas of mutual responsibility or interest. To this end we will link with the appropriate member of staff

or with the current designated contact. When input is needed from a higher level, this will be sought through contact between the Chief Executive of the Moray Council and the Chief Officer of tsiMORAY, or between the Leader of the Moray Council and the Chair of tsiMORAY

We will monitor the effectiveness of this agreement and will review both the agreement and our mutual engagement processes annually.

Protocol for Respectful Dialogue

We agree that it is in the interests of our continuing discussions that all of our communications are conducted civilly and with dignity. Therefore, we agree to:

- listen carefully to all points of view and seek fully to understand what concerns and motivates those with differing views from our own;
- acknowledge that there are many points of view and that these have validity alongside our own;
- show respect and courtesy to all individuals and organisations with which we have dealings;
- express our own views clearly and honestly with transparency about our motives and our interests;
- use language carefully and avoid personal or other remarks which might cause unnecessary offence;
- ask questions if we do not understand what others are saying or proposing;
- respond to questions asked of us with clarity and openness;
- support what we say with clear and credible information wherever that is available.
- treat as confidential all that is said and done in our meetings, subject to us all agreeing to an agreed summary for circulation to other interested parties at the conclusion of our discussions.

The Moray Council and tsiMORAY

Annual review of partnership agreement and mutual engagement process.

1. Particular issues where the council would like to see progress during 2018/19:
 - a) To be given the opportunity to comment on the next draft work plan prior to it being submitted to the **tsiMORAY** Board for approval (the same to follow in respect of the next Strategic Development Plan).
 - b) The work plan to include specific actions in relation to the promotion and support of opportunities for grant funding from other bodies (such as Big Lottery).
 - c) **tsiMORAY** to provide the council with a copy of their annual performance report against the targets in the work plan and a copy of the report to the Board describing progress in relation to the Strategic Development Plan.

2. Particular issues where **tsiMORAY** would like to see progress during 2018/19:
 - a) The development of partnership working on promoting civic engagement, social entrepreneurship and volunteering in Moray's schools.
 - b) The development of better partnership working and co-ordinated activity with the Council's Community Support Unit.
 - c) A 2 year commitment to making the current premises available at no charge, as well as the provision of technical support in the planned review of the accommodation needs of **tsiMORAY** and for the development of a full business case for a Community Asset Transfer of the premises from the Council to **tsiMORAY**
 - d) A review of the decision to cease the 3 year commitment to the annual financial support of £9,000, noting that the council has indicated that this funding will be paid in 2017/18 and 2018/19 and cease thereafter.
 - e) The council will continue to: support **tsiMORAY** to fulfil its obligations as accountable body for the LEADER programme, support the Local Action Group as appropriate and work in partnership with **tsiMORAY** and Highland Council to support the delivery of the Fisheries programme.



REPORT TO: POLICY AND RESOURCES ON 27 NOVEMBER 2018

SUBJECT: CARAVAN SITES AND CONTROL OF DEVELOPMENT ACT 1960

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING & INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of the changes to legislation in respect of the licensing of residential caravan sites and the timetable for implementing these changes.
- 1.2 This report is submitted to Committee in terms of Section III (B) 48 of the Council's Scheme of Administration relating to approval discretionary charges for Council services in accordance with policy.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) note that the Housing (Scotland) Act 2014 has made significant changes to the Caravan Sites and Control of Development Act 1960 in respect of the licensing of residential caravan sites;**
- (ii) note the changes to the licensing of residential caravan sites including the establishment of a fit and proper person test in respect of the applicant for a residential caravan site licence and any person involved with the day to day management of the site (including a site manager appointed by the site owner to manage the site);**
- (iii) note that those who already hold a site licence issued under the previous licensing regime have to be licensed in terms of the new regime by 1 May 2019; and**
- (iv) agree the fees to be charged for handling a first site licence application and for a licence renewal as set out in Appendix 2 to this report.**

3. **BACKGROUND**

- 3.1 Caravan Site Licences are currently issued under delegated powers in terms of the Caravan Sites and Control of Development Act 1960 (“the 1960 Act”). At present, the essential elements of this licensing regime are:-
- (a) The Council cannot refuse a caravan site licence unless the applicant is not, at the time when the site licence is issued, entitled to the benefit of a permission for the use of the land as a caravan site granted under planning legislation;
 - (b) The Council is entitled to impose conditions on the grant of a caravan site licence and must have regard to model conditions issued by the Scottish Ministers when determining what (if any) conditions to attach to a site licence; and
 - (c) The Council grants permissions for mainly three types of use (touring, holiday static and residential static). Some sites can have mixed uses at the same site.
- 3.2 The Housing (Scotland) Act 2014 has made significant changes to the 1960 Act. Committee is specifically asked to note that these changes only relate to sites licensed to have permanent residents. The current sites that are affected by these changes are indicated in **Appendix 1**.
- 3.3 The main changes to the licensing of residential caravan sites can be summarised as follows:-
- (a) Licences granted last for 5 years and must be renewed.
 - (b) Applications for licences and for transfers and renewal of licences can be refused if the applicant or any person involved with the day to day management of the site (including a site manager appointed by the site owner to manage the site) is found not to be a fit and proper person to hold a site licence.
 - (c) A site licence can be revoked if the applicant or any person involved with the day to day management of the site (including a site manager appointed by the site owner to manage the site) is found not to be a fit and proper person to hold a site licence.
 - (d) The Council is entitled to charge fees for the first application for a site licence and for a renewal of a site licence.
 - (e) The Council can reclaim the expenses of enforcement action.
 - (f) The Council has a number of options in relation to enforcement. These are:-
 - i. the power to serve an improvement notice on a site owner, to require them to carry out work to comply with a licence condition;

- ii. the power to impose a penalty notice which would suspend pitch fee payments (other than for utilities) and the commission a resident pays to the site owner on the sale of their mobile home, if the site owner failed to comply with an improvement notice;
 - iii. the power to revoke a site licence in certain circumstances;
 - iv. making provision for an interim manager to take over the running of the site in specific circumstances, such as when a site licence is revoked, or a Local Authority has refused to renew a licence;
 - v. the power to carry out work on a site urgently (whether or not that site has a licence) when the licence holder is failing, or has failed, to comply with a site licence condition, or if the site has no licence; and as a result of that failure there is an imminent risk of serious harm to the health or safety of any person who is or may be on the land; and
 - vi. increasing the maximum criminal penalty for the offences of non-compliance with licence conditions to a maximum of £10,000. The fine for operating without a site licence once the new system is in force will be a maximum of £50,000. It will be for a sheriff to decide if a licence holder has failed to comply with a licence condition or has been operating a site without a licence, and how much any fine should be.
- (g) Applications for residential site licences will be received and processed under delegated powers. The Council has three months to make its decision on an application. If the Council is considering refusing an application then it must tell the applicant why. The applicant then has 28 days to make written representations. The Council must consider the representations from the applicant before it makes its final decision. If the Council refuses a site licence application, an applicant can appeal against that decision. A sheriff will hear the appeal. If the Council is considering revoking a site licence then the same process applies.
- (h) The Scottish Ministers have the power to issue guidance. A Local Authority must have regard to any guidance published when carrying out its functions under the 1960 Act.

3.4 In terms of fees, the fee must not exceed an amount which a Local Authority considers represents the reasonable costs of the Authority in deciding a relevant permanent site application. Guidance on the calculation was issued by Scottish Government and the fees recommended have been calculated in consultation with accountancy. It is recommended that a graded fee be charged based on the number of residential caravans permitted on the site and as set out in **Appendix 2** to this report.

4. SUMMARY OF IMPLICATIONS

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

Contributes towards priorities of Growing a diverse and sustainable economy and Healthier Citizens

(b) Policy and Legal

None.

(c) Financial implications

The proposed charges given in Appendix 2 represent a reasonable estimation of cost in relation to the processing of Site License applications and renewals calculated as per the Scottish Government guidance in consultation with accountants.

(d) Risk Implications

Residents put at risk by residential sites not being operated by a fit and proper person if the licensing regime is not implemented. Increased costs to the Council if the charges are not implemented.

(e) Staffing Implications

The workload created can be accommodated within the current staffing levels

(f) Property

None

(g) Equalities/Socio Economic Impact

An equality impact assessment will be undertaken when implementing the recommendations

(h) Consultations

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

5. CONCLUSION

5.1 A new licensing regime for residential caravan sites has been introduced which includes a fit and proper person test.

5.2 The Council can charge a realistic fee for the granting of the licence and the licence is limited to five years

5.3 The Council will have additional powers to ensure license conditions are adhered to.

Author of Report: Russell Anderson, Environmental Health Officer
Background Papers:
Ref:

**APPENDIX 1
POLICY AND RESOURCES COMMITTEE
27 NOVEMBER 2018**

Details of Caravan Sites currently Licenced for Residential Occupation

Name and Location of Site	Number of Residential Caravans Permitted
Riverview Caravan Park	128
Ashgrove Caravan Park	100
Kinloss Caravan Park	16
Findhorn Bay Caravan Park	64
Doohill, Easter Coxton, Elgin	6

**APPENDIX 2
POLICY AND RESOURCES COMMITTEE
27 NOVEMBER 2018**

Proposed Fee Structure

Number of Residential Caravans Applied For	Application Fee	Renewal Fee
1-50	£800	£575
51 plus	£1100	£650



REPORT TO: POLICY & RESOURCES COMMITTEE 27 NOVEMBER 2018

SUBJECT: LIVING WAGE ACCREDITATION

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 Committee is invited to consider and approve the proposal to seek Living Wage Accreditation for the Council.
- 1.2 This report is submitted to Committee in terms of Section III (B) (27(b)) of the Council's Scheme of Administration relating to the formulation, supervision and implementation of and review of the employment policies and practices of the Council in relation to the remuneration, conditions of service and allowances of all posts.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider and approve the attainment of Living Wage accreditation providing Living Wage Employer status.**

3. BACKGROUND

- 3.1 The Scottish Living Wage Accreditation Initiative was established in April 2014 with the purpose of increasing the number of accredited organisations across Scotland as a 'Living Wage Employer'. To become accredited employers must confirm that all directly employed staff are paid the Living Wage bar apprentices and interns. In addition, staff of all contracted organisations that regularly provide services for the Council must either be paid the Living Wage or have a plan in place to move these staff to the Living Wage. The accreditation body works with organisations to ensure that the criteria are satisfied and a nominal fee applies in the event of accreditation, currently in the region of £1,000.
- 3.2 The benefits of accreditation are deemed to be enhanced quality of work, improved loyalty and customer service (fewer complaints), reduced absenteeism, improved retention rates and enhanced general reputation.
- 3.3 Moray Council signed up to paying the Living Wage to direct employees in 2012 at the meeting of this Committee on 20 March 2012 (paragraph 26 of the

minute refers). While all Scottish Local Authorities now pay their employees at or above the current Scottish Local Government Living Wage rate, recent information indicates that 16 Scottish Councils are also currently Living Wage accredited. While there are recognised complications with the Living Wage and commissioning and procurement of provider organisations, the number of Scottish Local Authorities that are now accredited suggests that these difficulties can be overcome.

- 3.4 As Moray Council already pays the Scottish Local Government Living Wage to its direct employees, agreeing to sign up to accreditation will commit the Council to progressing towards ensuring that all contracted staff are being paid the Living Wage. At present in Moray, contracted organisations submitting tender bids are asked to confirm whether they apply the Living Wage but this is for information purposes only and does not form part of the decision making process. Moving to being accredited as a Living Wage Employer will mean asking contracted organisations to sign up to a set of achievable milestones within agreed timescales, which are monitored.
- 3.5 There are two main areas of contracted work that require particular consideration: social care and construction. Discussions with the service managers indicate that most partner providers in both areas are already paying the Living Wage (or above) to their employees.
- 3.6 Feedback from councils who are accredited indicate that while there is an initial setting up process, the day to day maintenance of the accreditation process is not overly onerous. It is anticipated that the workload for achieving accreditation would be co-ordinated by HR with individual services responsible for the day to day contact and liaison with relevant contracted service providers.
- 3.7 Concerns regarding managing the administrative impact of achieving and maintaining Living Wage Accreditation have been investigated with a number of other accredited councils. There are a variety of ways of managing the impact and it is anticipated that this can be mitigated through learning from the experience of those councils e.g. using shared templates and established procedures.

4. SUMMARY OF IMPLICATIONS

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))** – Living Wage accreditation supports the Council's commitment to be a good employer.
- (b) **Policy and Legal** – As outlined in the body of this report with regard to procurement policy.
- (c) **Financial implications** – None other than the annual accreditation fee.

- (d) **Risk Implications** – a small number of commissioned service providers may not wish or be in a position to sign up to paying the Living Wage however it is not possible to assess the likelihood or impact of this risk at this stage.

- (e) **Staffing Implications** – there are no direct staffing implications however the increased administrative work will require to be borne by the services that procure with external service providers.

- (f) **Property** – there are none.

- (g) **Equalities/Socio Economic Impact** – the purpose of the Living Wage is to address low pay and achieving Living Wage Accreditation demonstrates the Council's commitment to this principle and encourages commissioning partners to do the same.

- (h) **Consultations** – The Senior Commissioning Officer for the IJB, the Procurement Manager and the Corporate Management Team have been consulted and their views with mitigating actions are contained within the contents of this report.

5. **CONCLUSION**

5.1 **Committee are asked to consider and approve the achievement of Living Wage accreditation to achieve Living Wage Employer status.**

Author of Report: Frances Garrow, Joint Acting Head of HR & ICT
Background Papers:
Ref: The Living Wage Report to P & R on 20 March 2012



REPORT TO: POLICY & RESOURCES COMMITTEE 27 NOVEMBER 2018

SUBJECT: HUMAN RESOURCES SERVICE PRESSURES

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To ask the Committee to consider the current pressures on the Human Resources (HR) service and seek approval for provision of a scaled down workforce plan.
- 1.2 This report is submitted to Committee in terms of Section III (B) (27) (a) – (d) and (30) of the Council's Scheme of Administration relating to the formulation, implementation of and review of the policy and practices of the Council for all employees, including teachers.

2. RECOMMENDATION

2.1 The Committee is asked to:

- (i) Consider the current pressures on the HR Service**
- (ii) Approve the provision of a scaled down workforce plan, and**
- (iii) Review the situation in 2019 as part of the annual workforce plan report**

3. BACKGROUND

- 3.1 As the Council prepares for the budget savings for 2019/20 and 2020/21 the Human Resources (HR) section are ensuring effective consultation, communication and implementation related to all workforce changes. The impact from this work adds significantly to the existing pressures the service is already under through high volume operational demand and commitments within the workforce plan, as well as the impact arising from the current acting up arrangements for the Head of Service and absences amongst key members of staff. This report reviews the demands on the service against corporate priorities with a view to agreeing a revised more moderate workforce plan that will free up resources to continue focusing on the current and forthcoming budget work.

3.2 The HR service operates with four main areas of focus that are required to ensure a minimum operating model:

- Strategy: employment strategies for the council, corporate advice and guidance to committees and senior management, organisational development including workforce planning and preparing for the future.
- Employment Framework: to support the strategy, a range of employment policies, terms and conditions of employment, corporate industrial relations, employment procedures and practices to comply with legislation and codes of practice and ensure effective management of resources across the council.
- Professional Advice: across a range of functions, advice and support to managers on the deployment of strategies and policies, the management of their workforce and industrial relations matters.
- Administration: contracts of employment, maintenance of employment records including training, accidents, absence and preparing management information to inform policies and strategies

3.3 There is no specific statutory requirement to provide these services, with the exception of Health and Safety where there must be a 'competent' person available to advise the organisation. There is, however, a considerable amount of employment legislation which the service applies in order to avoid costly claims, including codes of practice which if not followed will result in an uplift of tribunal awards. There are also direct and indirect costs associated with poor employee management, for example, productivity and absence costs.

3.4 Benchmarking data shows that the council already operates with a very lean HR structure and resource:

	Moray Council	Xpert HR
HR cost/employee	£115	£739
Employees/HR staff (Head Count)	173	60

4. CURRENT POSITION

5.1 Current levels of workload within the operational teams are challenging in that the demand is greater than the team are able to deal with. This shows no signs of easing and includes: the residual work arising from some of the 2018-19 budget decisions (School Technicians and Waste Management/ Supervisory Structure); numerous change management plans that are currently ongoing within various services; conditions of service and contractual issues; vacancy management; Transform; short-leeting; general recruitment issues; absence management; a high number of disciplinaries and grievances; capability hearings; and complex relationship and team dynamic issues requiring mediation work.

- 5.2 The Organisational Development section is directly affected by budget proposals and this is impacting on the capacity of some of the planned and business as normal work from both the Workforce Policy and Strategy team who are responsible for large sections of the development work within the workforce plan and the Social Work Training team.
- 5.3 The Health and Safety team is also directly impacted by the proposals and this is affecting the focus and motivation of the team while the consultation and changes are implemented.

6. IMPACT AND RISKS

- 6.1 The impact and risks arising from the current demand on the HR Service are noted below:
- (a) Managers are progressing management of absence, performance, disciplinary and grievance situations with limited HR input until the latter stages of the process increasing the risk of inconsistency and lack of adherence to policy, legislation and good practice in the earlier stages of the procedures. This leads to weaker basis upon which to progress with punitive action including dismissals and increases the risk of successful challenge at a later stage.
 - (b) Managers have to wait longer for professional advice which is delaying and impacting on the robustness of the implementation of planned change.
 - (c) Professional advice is not as well researched and grounded in the latest employment law, case law and best practice developments as it could be given the very dynamic nature of employment law which is exposing the Council to an increased risk of complaints and potential Employment Tribunal (ET) claims.
 - (d) Development work that would manage risks to the Council is not being progressed e.g. forward planning for known risks, implementation of Sharepoint, responding to new and changing legislation, information management (for performance indicators and reports).
 - (e) Specific feedback from managers and employees within the service and from out with HR indicate that employee motivation and morale within the service is decreasing. The constant significant pressure on an already lean service is leading to increased sickness absence, poor performance and decreased morale, making it difficult to lead the work on creating a positive workforce culture and improved employee engagement across the organisation.
- 6.2 To help manage the risks, the support provided to managers is being triaged with issues likely to lead to dismissals and potential ET claims prioritised above lower level situations. This does, however, mean that a level of exposure remains.

7. **PROPOSAL**

- 7.1 Given the increase in work that the workforce implications from the budget proposals is bringing, and in order to take a responsible approach to managing this, an assessment of the corporate and service related priorities and main pressure points contained within the HR Workforce Plan has been undertaken. This is set out in **Appendix 1** as a scaled back version and proposes where the main resources could be targeted and which areas of work will be effectively reduced or put on hold while the workforce implications of the budget savings work takes place. **Appendix 2** sets out the proposed scaled back Employee Engagement Programme in more detail.
- 7.2 This is a temporary crisis management situation and the position would be reviewed in early 2019 and an updated position reported to P & R along as part of the annual corporate workforce strategy and plan reporting schedule.
- 7.3 It should be noted that the majority of the ongoing planned work still supports the priorities within the corporate workforce strategy; workforce transformation and change, employee engagement and culture, leadership and workforce development. Development work on recruitment has been reduced and this would be a key consideration in March 2019 given the requirement for the council to ensure it has the future skills and capacity it needs to deliver services in the future. It is anticipated however that the overall direction and structure of the council will be clearer at that time which will enable a renewed review and focus on the corporate workforce priorities and resources available to progress these.

8. **SUMMARY OF IMPLICATIONS**

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))** – this report supports the aspirations for developing the workforce as set out in the Corporate Plan to help achieve the priorities in the LOIP.
- (b) **Policy and Legal** – none from this report.
- (c) **Financial implications** – none from this report.
- (d) **Risk Implications** – none from this report.
- (e) **Staffing Implications** – there are no direct staffing implications however the increased demand on HR resources for operational issues is indicative of the workforce situation at the current time.

To continue with the expectation of delivery of a full workforce plan programme is not feasible and would result in poor performance as well as placing unrealistic pressures of unmanageable workload and timescales on the HR resource at a time when their input is particularly crucial to wholesale workforce contraction and change.

- (f) **Property** – none from this report.

(g) Equalities/Socio Economic Impact – none from this report.

(h) Consultations – CMT have been consulted on this report and are in agreement with the recommendations.

9. CONCLUSION

9.1 The Council is facing a period of sustained and significant workforce contraction, the implementation of which is placing a considerable demand on the teams within the HR Service. The corporate workforce plan has been modified to help provide capacity within HR to support the change and transformation work, and the operational work is being triaged according to risk, albeit some exposure remain. The situation will be reviewed in March 2019 when the future structure and shape of the Council is clearer.

Author of Report: Frances Garrow, Acting Joint Head of HR & ICT / OD
Manager

Background Papers:

Ref:

2018 Corporate Workforce Strategy and Plan

THE MORAY COUNCIL
SUMMARY OF REVISED CORPORATE WORKFORCE PLAN 2018-19

ACTION REQUIRED	IMPACT OF REDUCING/STOPPING	RISKS AND MITIGATION	RECOMMENDATION
Workforce Transformation and Change: <i>manage the contraction and re-shaping of the Council workforce to achieve a sustainable skilled and motivated workforce for the future aligned to the Council's priorities</i>			
1. Continue to use <i>Transform</i> approach for change management and relevant recruitment	Workforce reductions managed inconsistently and without central professional oversight leading to lack of suitable redeployments	Opportunities for redeployment not realised, number of compulsory redundancies increases Mitigation – continue	PROGRESS
2. Manage employee relations and consultation comprehensively and sensitively in relation to workforce changes	Employee relations and consultations weak and inconsistent	Trade unions dissatisfied with level of consultation and engagement, industrial unrest, increase in employment tribunal claims and reputational damage Mitigation – continue	PROGRESS
3. Work in partnership to support the IJB on the integration of health and social care	Workforce management arrangements for Integration of health and social care are inconsistent, unfavourable to council employees and staff/TU partnership working is poor	Integration arrangements are more favourable to NHS arrangements and workforce with negative impact on council workforce Mitigation – explore provision of core IJB HR resource	PROGRESS
	Risks in a joint working environment are not jointly managed	Inconsistent approach with potential for increased risk for council employees Mitigation – explore MIJB H & S resource	PROGRESS
	Organisational development of partnership and is delayed	Current separate cultures impede overall development of service provision Mitigation – assign progression of OD plan to specific NHS and Adult Services officers, possible temporary IJB OD post.	ON HOLD
Employee Culture, Engagement/Morale and Motivation: continue to develop effective communication and engagement across the workforce to sustain and improve engagement in a challenging environment and continue to develop a positive workforce culture.			
1. Deliver employee engagement programme	Communication and engagement with workforce deteriorates, visibility of CMT/SMT declines, management activity is inconsistent and employee voice and involvement reduces	Workforce becomes increasingly disengaged, dissatisfied and demotivated with a reduction in overall morale and consequent impact on service delivery Mitigation – engagement programme is reduced to basic level of activity – see appendix 2	PROGRESS AS AMENDED
2. Implement actions to improve and promote a positive workforce culture and improve employee involvement and influence in the workplace	Workforce culture deteriorates, employee involvement reduces and workforce dissatisfaction increases	Increase in employee relations issues Mitigation – continue to promote/embed culture activity to date	PROGRESS AS AMENDED
3. Continue work to enhance management activity and consistency	Management activity becomes inconsistent and poor	Increase in complaints and employee relations issues Mitigation – continue to implement changes so far	PROGRESS AS AMENDED
Developing Leadership Capacity: <i>prepare and develop current and future leaders to meet the demands of local government of the future to ensure the continuous improvement of services</i>			

ACTION REQUIRED	IMPACT OF REDUCING/STOPPING	RISKS AND MITIGATION	RECOMMENDATION
1. Implement re-designed leadership development to ensure it develops the skills and behaviours necessary for the corporate and strategic direction and leadership the council requires	Leaders are not developed and equipped to meet the demands of local government now and in the future	Council does not travel in the direction required Mitigation – implement blended development programme based on Improvement Service assistance, North East Learning Collaborative and collaboration with neighbouring authorities	PROGRESS AS AMENDED
2. Provide management and supervisory training to address management standards and a more positive workforce culture	Managers and supervisors are not equipped to lead and prepare the workforce for the challenging agenda ahead	Management practice is weak, culture is poor and employee relations issues increase Mitigation – continue with MMM training, current training and development options and link with development activity from leadership development programme where appropriate	PROGRESS
3. Provide elected member support, training and development required for effective leadership of the council	Elected members are not developed with the effective leadership skills and behaviours required for political leadership	Council has weak political leadership Mitigation – focus programme on requirement for self-directed continuing professional development, promote blended training programme based on IS and collaboration with neighbouring authorities	PROGRESS AS AMENDED
Workforce/Employee Development: <i>ensure that employees have the skills, competencies and experience required and are prepared to meet current and future requirements</i>			
1. Co-ordinate training activity across the council to form a comprehensive view and to ensure it is aligned to the corporate and OD priorities	Employees do not have the skills, competence and experience to deliver the current and future requirements of service delivery	Service delivery is poor, potential for increase in complaints from community, risks from competence issues and reputational damage Mitigation – essential training only based on risk assessment approach, outline OD plans available for services to take forward	PROGRESS AS AMENDED
2. Develop the quality of the employee review experience, while continuing to ensure that all employees have the opportunity to participate in a review process on at least an annual basis	Employees do not have an annual review	Workforce feels disengaged, unsupported and undervalued Mitigation – regular workplace discussions are promoted	ON HOLD
3. Review Management Appraisal Framework	Performance management of managers is inconsistent and managers are not developed to capacity	Quality of management skills and competence decline and capacity of managers to meet demands of future are impeded Mitigation – consistent use of current review and development tool to be continued	ON HOLD
4. OD support to services as required	OD capacity of organisation is compromised	Current behaviours and approach that are not aligned to corporate priorities are left to develop and impact future capacity of services Mitigation – continue with current programmes	PROGRESS

ACTION REQUIRED	IMPACT OF REDUCING/STOPPING	RISKS AND MITIGATION	RECOMMENDATION
Health and Well-being: <i>pro-actively support the health and well-being of employees</i>			
1. Support the implementation of the Council's Health and Work policy in order to deliver ongoing improvements in absence levels	Sickness absence is not proactively managed, absence levels increase, costs of backfill increase and remaining workforce are overstretched and disengaged	Absence is inconsistently managed with potential employment tribunal claims Mitigation – HR support is provided through a helpline unless at final formal stage	PROGRESS AS AMENDED
2. Act together with employees and their representatives to improve workforce consultation and improvement	H & S workforce representatives are not involved in awareness raising	Workforce awareness of H & S remains low Mitigation – focus resources on communication and engagement activity as TUs struggle to resource H & S reps	PROGRESS AS AMENDED
3. Manage risks well by implementing our health and safety system effectively	Quality and practical usability of risk assessments declines, particularly in higher risk services	Increase in number of accidents Mitigation – continue with current plan of risk assessment audits	PROGRESS
4. Share our success and learn from our experience of health and safety practice	Learning from experience does not happen	Poor practice is not improved, risks of harm continue Mitigation – continue with agreed communication plan	PROGRESS
5. Developing the Health and Safety Culture of the council	H & S culture of the council does not improve	Accidents and risks of harm continue Mitigation – implement currently agreed programme of communication	PROGRESS
6. Contractor Control	Manager and supervisor responsibilities for contractor control relationship not fully understood or controlled	Contractors continue to operate out with council agreed H & S parameters and standards Mitigation – continue with plan to improve standards of control	PROGRESS
Workforce and Succession Planning: Address workforce issues in relation to demographic changes and skill shortages and develop strategies to address the consequences			
1. Develop and implement the corporate approach to apprenticeships and other schemes aimed at young workers	Future skills gaps remain, young workforce numbers remain low NOTE: initial plans for intake of apprentices overtaken by budget savings	Skill shortages increase and future capacity of workforce is compromised as more experienced employees leave Mitigation – consider developing current workforce where possible with MAs, continue contributing to Skills Framework activity	PROGRESS
2. Work with services on specific challenges (such as early years)	Council is not prepared for national initiatives/specific challenges	Service delivery and reputational damage risks Mitigation – use external funding	ON HOLD
Recruitment and Retention: <i>ensure that Council Services are as well-resourced as possible by making the Moray employment package as attractive as possible and deploying appropriate recruitment strategies</i>			
1. Consider recruitment and retention activities to promote employment opportunities and profile of Moray Council	Council image as employer remains static with lack of promotion and marketing as good employer	Difficulties attracting range of suitably qualified and experienced candidates Mitigation – continue to work with SPDS portfolio Talent Management group	ON HOLD
2. Establish pathways for support, training and experience for professional development for professional and	Lack of career progression	Difficulties attracting and retaining candidates with suitable potential Mitigation – continue to develop apprentices	ON HOLD

Appendix 1

ACTION REQUIRED	IMPACT OF REDUCING/STOPPING	RISKS AND MITIGATION	RECOMMENDATION
specialist posts			
3. Work with Educational Services to develop recruitment strategies (both long and short term) for the improvement of Teacher recruitment	Difficulties with teacher recruitment remain	<p>Unable to recruit sufficient teacher numbers and consequent impact on class sizes/curriculum choice</p> <p>Mitigation – continue to support service developments and link with national and SPDS work</p>	ON HOLD
Reward and Recognition: <i>have in place fair and competitive pay and conditions that are recognised as such and are free of bias</i>			
1. Continue to monitor the long term impact on the pay structure arising from the living wage and other pay related issues	Integrity of pay structure is compromised	<p>Risk of challenge to current rank order of jobs, job evaluation scheme and possible equal pay claims</p> <p>Mitigation – monitor national position through CoSLA and SPDS</p>	ON HOLD
2. Ensure that jobs are well designed and defined to meet future service needs	Jobs may not be amended to suit current and future requirements	<p>Negative impact within services, potential equal pay claims</p> <p>Mitigation – amend as required through change management plans within service changes</p>	ON HOLD
3. Undertaken equal pay audit	Statutory requirement	Non-compliance with statutory requirement	PROGRESS
Other Actions			
1. Employment Policies – rolling review of policies (and development of new)	Council policy and practice may lag behind professional and legislative developments	<p>Outdated / weak management practice</p> <p>Mitigation – keep watching brief through professional body, CoSLA and Improvement Service</p>	ON HOLD
2. Respond to changes in legislation and national policy development	Council approach may lag behind developments in national policy and legislation	<p>Outdated practice leading to possible risk of complaints and employment tribunal claims</p> <p>Mitigation – keep watching brief through professional body, CoSLA and Improvement Service</p>	ON HOLD

Priority rating 4 indicates an ongoing area of work where further development is not required at this stage.

EMPLOYEE ENGAGEMENT 2019 – PROPOSED REVISIONS TO THE PROGRAMME

Activity	General Purpose of Activity	Current Application (as is)	Proposed Application (To be)
TEAM WORK			
Teamtalk Dialogue	Stimulate dialogue on strategic issues, priorities and direction Ideally there will be face to face communication with staff but this will be supported by online tools via the intranet to enable wide participation	Dialogue is used on an ad hoc basis i.e. shaping the future feedback/ bridging the gap etc	Put on hold
Teamtalk Strategy Talk	Provide awareness and knowledge of strategic issues, priorities and direction	Strategy Talks are published monthly in Connect magazine and should be discussed and referred to at Team Meetings. The topics are a mix of corporate and service specific as well as case studies to support development of Moray Management Methods.	Remain 'as is'
Managers' Briefings	Provide an overview and ensure a shared understanding of the topics.	Briefing to 3rd tier Managers on forthcoming corporate connect topics by authors of Strategy Talk articles.	Change to virtual briefing by publishing on SMI site /HR Bulletin
LEADERSHIP			
Leadership Forum	Senior manager forum to develop shared understanding of the corporate environment and priorities in order that these can be promoted and developed across council services.	Delivered quarterly by CMT	Refresh and clarify purpose. To include a development activity

Activity	General Purpose of Activity	Current Application (as is)	Proposed Application (To be)
(Manager) Listening Meetings	To allow structured discussions to take place based on key corporate initiatives. Links to issues leading from the Leadership Forum and how these are progressing in services.	Bi-annual meetings with Chief Executive. These have been well attended although more proactive participation from attendees required. <ul style="list-style-type: none"> • Agenda follows up on implementation and progress on items from LsF agenda • Operational issues/ implications from the above HR - Labour intensive to set up, support and maintain	Needs a refresh. Consider self-facilitating approach and note taking by attendees. Build in facility for group discussions to build action planning as part of outcome of discussions which is owned by attendees
(Supervisor) Listening Meetings	As above	As above – noted these work more effectively than 3 rd tier equivalent.	As is
ENGAGING AND LEARNING			
Employee Conference	Annual event to highlight corporate issues, feature key council projects and provide an opportunity to engage directly with senior managers through discussion groups	Events are attended by a cross spectrum of employees from all services and always receive excellent feedback. Recently there have been one large and 2 smaller events in towns outside Elgin. Areas for development: Leadership Conference/Symposium (2018)	Deliver one conference per annum or consider delivery each alternative year to survey year. New activity to be developed which could be added as an afternoon session of conference
Service Learning Visits	To allow employees across range of services to engage directly with Senior Managers and give feedback and	Monthly visit undertaken by representatives from CMT and Cllrs. Supported and minuted by HR representative. Can take up to 2 – 2.5 hours	Reduce the length of visit to one hour. No HR support on day so less choreographed.

Activity	General Purpose of Activity	Current Application (as is)	Proposed Application (To be)
	appropriate actions be taken where possible as a result of this.	Set up and support element labour intensive for HR.	CMT member takes issues back to resolve. Manage expectations effectively in relation to the purpose and delivery of SLVs for all involved. Develop good practice guidance for delivery
Service Learning Visits Roadshows	As above Provides an additional format for SLVs for areas where tour style not appropriate. Taken to work teams at their location.	Offer continued the dialogue as mini-versions of the employee conference, using Morayopoly as a discussion tool These are currently on hold	Remain on hold
Back to the Floor	Employees can engage directly with Senior Managers/Directors, sharing experience of day to day front line roles and giving opportunities to show case best practice, efficiencies, technology etc.	3 Back to the Floor activities have been undertaken in various service areas over 2018	Remain 'as is' delivering one per quarter
RECOGNITION			
Star Awards	To recognise the performance of the workforce, specifically those who go above and beyond what is expected of them and/or have shown outstanding commitment to their work during the challenging financial position that the Council is facing.	The presentations are due to take place in November. This year received limited nominations however it is acknowledged we were amidst budget consultation at the time of voting. An article will be published in the December edition of Connect and the STAR Awards information and winners are available on the Interchange.	Remain 'as is' or move to every two years in between survey and conference. Consider reviewing categories.
Employee Suggestion Scheme	Open to all employees to provide the opportunity to put forward suggestions which	42 suggestions submitted and all suggestions and outcomes have been posted on the interchange	Continue however revise parameters for applications i.e. must include service

Activity	General Purpose of Activity	Current Application (as is)	Proposed Application (To be)
(Bright Ideas)	would result in efficiencies or financial savings for the Council.	Labour intensive activity Consider investment of resource v quality of ideas	improvement or corporate improvement; own service ideas must be escalated via own manager, scale back response process and time invested in process.
Employee Involvement and Influence	Develop an inclusive improvement culture where employees are involved in identifying and implementing work improvements and efficiencies	Culture Working Group reinstated as of Jan 2018. Action plan developed and progress continues. With budget impact on reduced staff resource, revise action plan	Review original remit and current action plan.
COMMUNICATIONS			
Connect	Circulate consistent corporate information - including policies, activities, achievements (work and non-work related)	Connect was initially established with the purpose stated and continues to be used as a method of communicating strategic and corporate issues. However, the format has moved on to become more caption and picture based with less substantial content. This can make the corporate messages appear unappealing. However, Connect remains an important communication tool for passing key messages to staff, unless an alternative is developed.	Remain 'as is' for HR input.
Interchange	Intranet facility with a clear focus on corporate communication that support the council's culture and the employee	The Interchange was launched in October 2016 and is used for communications that underpin employee engagement and activity. Polls on the interchange have been introduced and will be further utilised to measure and evaluate culture and engagement activities	Continue to develop as main point for general workforce communications.
Connections (noticeboards)	Making information available to those who do not have intranet	Content is reflective of current relevant communications and engagement issues.	Remain 'as is'

Activity	General Purpose of Activity	Current Application (as is)	Proposed Application (To be)
	access via contacts who update noticeboards including policy info, activities, healthy working lives information.		
Chief Exec Blog	Running communication giving an informal personal perspective.	Delivery of blog not being maintained	Review as to whether to continue
HWL	To promote health working across the authority	Quarterly activities delivered to promote healthy living and working. Partnership working with NHS and OH	Continue 'as is' linking to other areas of the engagement programme
MONITORING AND EVALUATION			
Employee Survey	Ascertain the views, satisfaction and levels of awareness among staff of a range of issues related to council business and staff management so that areas for improvement can be identified and progress monitored over time.	Results used to identify areas where targeted work would be undertaken. Progress well underway with positive work towards completion of ERDPs for frontline staff in Environmental Protection & Roads. Employee Survey 2017 launched in June with some revised content and communication strategy aiming to improve the response rate. Labour intensive piece of work	Reduce the number of questions and provide reduced analysis of the survey i.e. Maintain but reduce detail in Corporate Report and Department Reports. Use info graphics approach rather than narrative Research and benchmark with other councils
SERVICE IMPLEMENTATION			
Departmental and Service Engagement Programmes		IJB - To be developed to continue to support the effective development of MIJB. Home care Direct Services	Ongoing work



REPORT TO: POLICY & RESOURCES COMMITTEE ON 27 NOVEMBER 2018

**SUBJECT: COMMUNITY ASSET TRANSFER REQUEST (2015 ACT):
MARINE PARK, LOSSIEMOUTH**

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 This report invites the Committee to consider an asset transfer request made under the Part 5 of the Community Empowerment (Scotland) Act 2015 for a transfer of ownership of Marine Park, Lossiemouth.
- 1.2 This report is submitted to Committee in terms of section III(B)(16) of the Council's Scheme of Administration relating to the management of Common Good and Trust property and section III(B)(29) relating to asset management and the property disposal programme.

2. RECOMMENDATION

2.1 The Committee is invited to:

- (i) **approve the request to transfer ownership of Marine Park to Action Marine Park at nil consideration subject to the terms set out in section 6 of this report; and,**
- (ii) **note that, if the asset transfer request is agreed by this Committee, Action Marine Park will have 6 months from the date of the decision notice within which to submit a formal offer to purchase the property, failing which the agreement will have no further effect and the asset transfer process will come to an end.**

3. BACKGROUND

- 3.1 Marine Park is held as a public trust, which provides that the park is to be used for the purposes of a playing field for public recreation for the benefit of the inhabitants of the former burgh and the public generally.
- 3.2 Action Marine Park (AMP) has leased the tennis courts within the park since 1 March 2015. AMP enjoys a 100% rental discount valued at £1,500 per annum in relation to this lease. This allowed the charity to completely refurbish the tennis courts, bringing them back into beneficial use.

- 3.3 On 29 May 2018, AMP submitted an asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015 for ownership of Marine Park at nil consideration, equivalent to a £65,000 discount on the purchase price.
- 3.4 AMP is a community-controlled Scottish Charitable Incorporated Organisation (charity number SC043530) with the following purposes:
- The advancement of education;
 - The advancement of public participation in sport; and,
 - The provision and organisation of recreational facilities and activities.
- The above purposes are carried out with the object of improving the conditions of life for the inhabitants of Lossiemouth and its environs.
- 3.5 AMP meets the requirements of a community transfer body as set out in the Community Empowerment (Scotland) Act 2015 and is eligible to make an asset transfer request under Part 5 of that Act.

4. ASSET TRANSFER REQUEST

- 4.1 AMP has requested a transfer of ownership to facilitate bringing the whole park back into beneficial use. Its proposals include the development of a pavilion with toilets, putting green, sensory garden, and children's play area. All facilities are intended to be fully accessible and provide a benefit to disabled people.
- 4.2 A redacted copy of the asset transfer request is included as [Appendix 1](#)*. The full request comprises the following documents:
- (a) Asset Transfer Request form;
 - (b) Status update regarding grass cutting;
 - (c) AMP constitution;
 - (d) Financial Statements/Cash Flow 2013-17;
 - (e) Financial Statements/Cash Flow update 24-Apr-2018;
 - (f) Asset site plan;
 - (g) Business Plan;
 - (h) Equality and Diversity Policy
 - (i) Consultation/Survey Results by Mackenzie Consulting; and,
 - (j) Framework Study by NB Planning and Architecture.

***Due to its size paper copies will be available by request only.**

- 4.3 A redacted copy of the collated responses following public consultation and Action Marine Park's comments thereon is included as **Appendix 2**.
- 4.4 AMP has asked for a transfer at nil consideration with the condition that the Council continues to cut the grass in Marine Park at its own expense for a minimum period of three years following the transfer. The costs of grass cutting currently amount to £5,000 annually. There is no upper time limit attached to the requested condition.

5. ASSESSMENT

- 5.1 AMP's submission makes a strong case that there will be benefits in relation to public health and social wellbeing, and a moderate case that there will be benefits in relation to regeneration. The public health benefits relate to activities designed to help people lead healthier lives. Social wellbeing

benefits can arise from activities that bring people together. Regeneration benefits come from making an area a better place in which to live and work, including increased access to social and leisure facilities.

- 5.2 AMP's purposes and proposals for the park are compatible with the trust purposes and have the potential to deliver greater benefits beyond the ability of the public trust.
- 5.3 The Council's Estates Manager has advised that the estimated market value of the land, taking into account the restrictions on the use of the land in terms of the Trust, is in the region of £65,000. Agreeing to the request would mean agreeing to forego a potential capital receipt that could be invested to provide a trust income of £1,020 per annum. The likely benefits that would be provided by the AMP proposal are considered sufficient to compensate for any loss of benefits that such an income could purchase.
- 5.4 As part of the process of preparing for the 2019/20 budget setting process, the Council has considered a range of measures including ceasing to carry out grounds maintenance on land not owned by the Council and reducing the level of grass cutting in Council owned parks, unless sponsorship can be found to maintain the current level of maintenance. Agreeing to the AMP proposal would oblige the Council to continue to carry out grass cutting indefinitely on land that it no longer owned at an annual cost of £5,000. This is contrary to the budget proposals approved to be considered and would increase the level of savings to be found elsewhere when the budget is set.
- 5.5 AMP's governance and financial management arrangements are considered to be sound and sustainable (strong) and Best Value characteristics are evidenced in its proposals (strong). When looking at the projected benefits, the Committee should consider the proposal from two perspectives. From the public trust perspective the projected benefits are demonstrated well and represent value for money (strong). However, from a Council perspective the projected benefits (in relation to grass cutting) demonstrate questionable value for money (weak).
- 5.6 If the requested condition relating to grass cutting was removed then the proposal would support the Corporate Plan priority of working towards a financially stable Council. In that event, the projected benefits from both perspectives would be considered strong.

6. TERMS OF TRANSFER

- 6.1 For the reasons set out above, the requested condition that the Council continue to cut the grass for a minimum of three years after the transfer should be refused. With this condition removed, a transfer at nil consideration for the proposed purposes would be in keeping with the trust purposes.
- 6.2 If agreed, the following terms would apply to the transfer:
 - (a) Subjects – the asset comprises the area of land known as Marine Park located off Stotfield Road, Lossiemouth, the approximate boundaries of which are shown in **Appendix 3**;
 - (b) Existing Lease – the existing lease terms would apply until the date of the transfer;

- (c) Fees/Expenses – each party would meet its own legal expenses in the processing of the transaction, including legal expenses and surveyors fees; and,
 - (d) Other Terms – any other terms agreed with the Council’s Legal Services Manager (Property and Contracts) and Estates Manager.
- 6.3 AMP will have a right to request that the Council reviews its decision if the request is refused, no decision is made by 29 November 2018, or the terms of the decision differ from those requested.

7. SUMMARY OF IMPLICATIONS

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

As Marine Park is a public trust asset, the trust purposes take precedence over the Corporate Plan and the 10 Year Plan (LOIP). The trust purposes are set out in the body of the report. Transferring the asset at nil consideration would be in keeping with the trust purposes.

Grounds maintenance is currently carried out by the Council at its own expense, i.e. it is not a cost to the public trust. The Corporate Plan and LOIP must be considered in relation to this aspect of the proposal. Transferring assets to the community can support the LOIP aim of creating more resilient and sustainable communities with less need for universal services provided by the public sector. It is also consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities take on more responsibility. However, a key priority of the Corporate Plan is to work towards a financially stable Council. The AMP condition that the Council would continue to carry out grass cutting at Marine Park for an indefinite period but for not less than three years after transfer is inconsistent with that priority.

(b) Policy and Legal

Under section 4 of the Trusts (Scotland) Act 1921, trustees have wide powers. Those powers include selling trust estate and granting leases provided that such acts are not at variance with the terms or purposes of the trust. As the Feu Charter is silent on selling or granting leases, the Moray Council as trustees has the power to transfer Marine Park to a community group for the purposes of a playing field for public recreation.

Marine Park is classed as public open space. In accordance with the requirements of section 27 of the Town and Country Planning (Scotland) Act 1959, details of the proposed transfer were published in a local newspaper. In addition and in accordance with the requirements of section 7 of the Asset Transfer Request (Procedure) (Scotland) Regulations 2016, details were published on the Council’s website - http://www.moray.gov.uk/moray_standard/page_109940.html.

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

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

Typically, assets transferred under Community Asset Transfer arrangements are transferred at less than market value. Such disposals must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires that the Council must be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to at least one of the following purposes:

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

There is a low risk of State Aid arising from this report as the intervention is unlikely to affect trade between EU Member States.

(c) Financial Implications

AMP has occupied the tennis courts under a lease since March 2015 with the benefit of a 100% rental concession valued at £1,500 per annum. The Council's Estates Manager has advised that the estimated market value of the park is in the region of £65,000. If the trust was able to realise a capital receipt of this amount, it would generate a trust income of £1,020 per annum. The likely benefits that would be provided by the AMP proposal are considered sufficient to compensate for the loss of benefits that such an income could purchase.

If the request was to be agreed with the condition that the Council continue to carry out grass cutting then the council would be obliged to incur ongoing revenue costs of £5,000 for a minimum of three years after the transfer and thereafter until such time as AMP choose to take over responsibility. Removing this condition would result in revenue savings of £5,000 with effect from the date of transfer.

(d) Risk Implications

Project risks have been considered by AMP in its business plan. The risks of the project failing are considered to be low. Nevertheless, AMP's constitution provides that, in the event of its winding up or dissolution, any remaining assets would transfer to another community or charitable body that has purposes which resemble closely the purposes of AMP.

(e) Staffing Implications

All work required in transferring the asset can be accommodated within existing staffing resources.

(f) Property

The property implications are set out in the body of the report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as agreeing the recommendations would have no adverse effect on service delivery. The proposals include the installation of play equipment that would be suitable for children with physical and sensory impairments.

(h) Consultations

Consultation has taken place with the Asset Management Working Group's CAT Sub-Group*, Head of Housing and Property, Legal Services Manager (Property and Contracts), P Connor Principal Accountant, Estates Manager, Community Support Manager, Democratic Services Manager, and Equal Opportunities Officer. All comments have been incorporated in the report.

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

Local Ward Members, Councillors Allan, Cowe, Edwards, and Patience, have been consulted and may make their views known at Committee.

8. CONCLUSION

8.1 With the removal of its condition relating to grass cutting, there is a strong case in favour of agreeing AMP's request for a transfer of ownership at nil consideration.

8.2 Marine Park is a public trust with no other assets or source of income other than the park itself. AMP's proposals are compatible with the trust purposes and have the potential to deliver greater benefits beyond the ability of the trust.

8.3 The Council currently covers the cost of all grounds maintenance within the park. With the removal of the requested condition, agreeing the transfer to AMP provides a financial benefit to the Council while protecting and improving the amenity of the park for the benefit of the local community.

Author of Report: Andrew Gray, Asset Management Coordinator
Background Papers: Held by author
Ref: CAT/038/ATR



ASSET TRANSFER REQUEST

Office Use only:

Asset / Ref	Marine Park
Name CTB	Action Marine Park
ATR Ref	038

NOTICE OF ASSET TRANSFER REQUEST Representation Submissions / CTB Feedback

Part 5 of the Community Empowerment (Scotland) Act 2015 sets out that people are to be made aware that an asset transfer request has been submitted. Notification has been published via the Moray Council website (www.moray.gov.uk) notification to any tenant/owner/occupier of said asset and notification at the site of the asset. These notifications explain how representation can be submitted.

Details of submissions can be found below. In order to comply with data protection requirements, any personal information will be 'blacked out' from these documents before submission to you.

Date of Representation period (20 working days):	04 June 2018 – 29 June 2018
Number of Representation(s) received:	5

Date collated Representation sent to Action Marine Park:	04 July 2018
Date of Action Marine Park Feedback to representation (20 working days)	06 July 2018 – 03 August 2018
Deadline date of feedback submission to CAT	03 August 2018 (12 Noon)

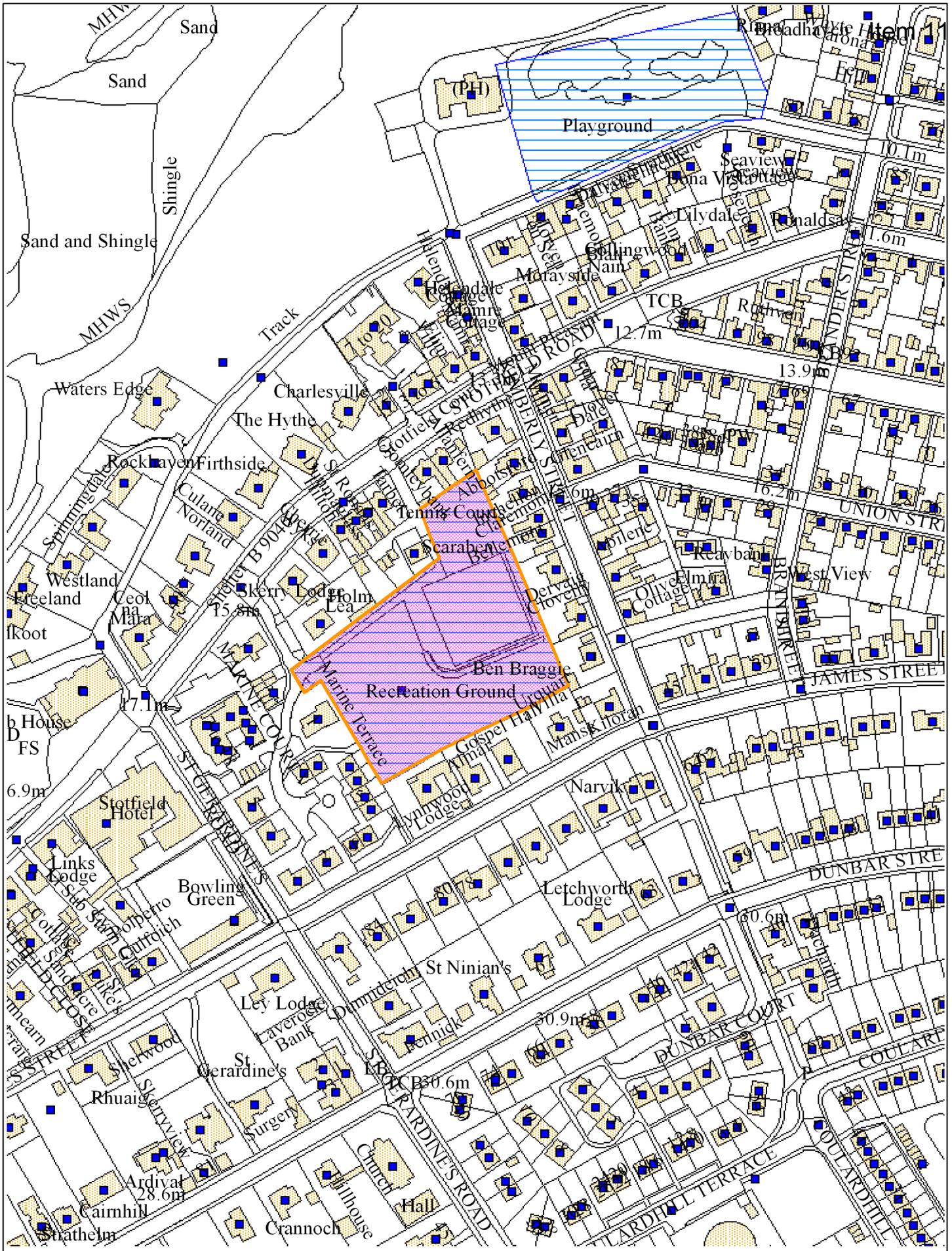
Date Response Received:	12/06/2018
Comments Received:	<p>We, the Lossiemouth Business Association, would like to register our support of the proposed Community Asset Transfer to Action Marine Park (AMP).</p> <p>This beautiful green space in Lossiemouth Town Centre was for years left unused with no purpose. In recent years AMP has not only revitalised this beautiful area but the tennis courts have been completely refurbished to a very high standard and is now home to a very active Tennis club and the facilities are very well used by adults and children locally as well as visitors and tourists during the busy school holidays. The green space is used for various activities including Walking Football which meets weekly, Footgolf and regular football events.</p> <p>AMP's regular fundays at Marine Park is not only for fundraising but is a great fun event for everyone and is always very well supported and attended. They regularly host other fundraising events including Quiz nights, Tombolas, tennis and football events for Lossiemouth's annual Seafest as well as many more throughout the year. This revitalisation of a previously unused space as a sports and recreational facility for locals, visitors and holidaymakers is a very welcome addition to Lossiemouth's facilities and attractions and the LBA completely supports AMP's CAT application.</p>
CTB Response:	<p>AMP are members of the Lossiemouth Business Association and work well together promoting Lossiemouth as a wonderful town for locals and visitors. We are delighted to have the support of LBA, who greatly assist AMP .</p>

Date Response Received:	13/06/2018
Comments Received:	Tennisscotland support the application for a community asset transfer of Marine park by Action Marine Park. In particular to aid the continued development of the tennis facility and support the continued growth of the newly formed tennis club, ensuring quality places to play tennis.
CTB Response:	AMP are delighted to have the support of Tennis Scotland, who have been instrumental in assisting the Lossiemouth Tennis Club with tennis activities in Marine Park for the last few years. We hope to work closely with them in the future also.

Date Response Received:	25/06/2018
Comments Received:	<p>The action marine park have already improved marine park and brought it back to life. This is a fantastic achievement with only self funding from various small events , in order to carry on I believe they need an asset transfer to carry on restoring and regenerating the park. It is understandable that moray council does not have the resources available for such a project so it would be wonderful for the park to be transferred to the community who will benefit from it and see their plans come to fruition. The benefits of the park are innumerable, for children to have a safe place to play, learn different sports , interact with others is vital to the well being and future of our younger generation whilst benefiting the whole community and visitors too.</p> <p>The plans and consultations outlined by the committee are exciting and impressive and a testimony to their commitment to this project. I sincerely hope this asset transfer is granted.</p>
CTB Response:	<p>It is wonderful to have such encouragement and trust from the community. AMP are greatly inspired to work towards the aims and goals for Marine Park with such understanding from our local population.</p>

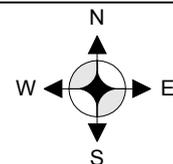
Date Response Received:	28/06/2018
Comments Received:	<p>As a life long resident of Lossiemouth, I well remember the days when the park now known as Marine Park in the town was a hub of activity especially in summer time. The attraction of putting, bowling and tennis was a source of enjoyment for visitors and locals alike. The demise of this excellent amenity over many years was unfortunate to say the least.</p> <p>The efforts by AMP are greatly to be commended and encouraged and I am sure that their hard work is much appreciated by the overwhelming majority of Lossiemouth residents of all ages. I would ask that Moray Council do their utmost to facilitate the transfer of the ownership of Marine Park to AMP whose enthusiasm and hard work deserves to be recognised and augers well for this local community,</p>
CTB Response:	<p>AMP are particularly thankful for the support of those who can recall great memories of family days in Marine Park and see clearly the vision for its regeneration. The enthusiasm to work to make this regeneration happen is continually fired by this community encouragement.</p>

Date Response Received:	28/06/2018
Comments Received:	<p>The effort, enthusiasm, hard work and results show how the AMP committee are dedicated to reviving Marine Park as a great asset to Lossiemouth</p> <p>The tennis courts now look fantastic after the refurbishment (again by the committee) and are well used on a daily basis.</p> <p>The AMP fun days are also a success helping fund future projects for the park and most importantly enjoyed by locals and visitors.</p> <p>Job well done AMP!</p>
CTB Response:	<p>It is wonderful to know that the work and effort involved in phase 1 of AMPs aims – the refurbishment of the tennis courts – is appreciated and recognised. We are more than ready to move forward with plans for the larger park area.</p>



Marine Park, Lossiemouth
Proposed CAT by Action Marine Park

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Scale : 1:2299



REPORT TO: POLICY & RESOURCES COMMITTEE ON 27 NOVEMBER 2018

**SUBJECT: COMMUNITY ASSET TRANSFER REQUEST:
PORTKNOCKIE BOWLING GREEN AND TENNIS COURTS**

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 This report invites the Committee to consider an asset transfer request for a transfer of ownership of the Portknockie bowling green and tennis courts. The request is to be considered outwith the provisions of the Community Empowerment (Scotland) Act 2015.
- 1.2 This report is submitted to Committee in terms of section III(B)(16) of the Council's Scheme of Administration relating to the management of Common Good and Trust property and section III(B)(29) relating to asset management and the property disposal programme.

2. RECOMMENDATION

2.1 The Committee is invited to:

- (i) approve the request to transfer ownership of the Portknockie bowling green and tennis courts to Portknockie Bowling and Tennis Club at nil consideration subject to the terms set out in section 6 of this report; and,**
- (ii) if approved, remit the matter to the Estates Manager and the Legal Services Manager (Property and Contracts) to complete the transfer of title.**

3. BACKGROUND

- 3.1 The bowling green and tennis courts at Seafeld Terrace, Portknockie, are held as part of a public trust, which provides that the land is to be used solely for the purpose of "public bowling greens, tennis courts ... and generally as an amenity ground for the use and recreation of the inhabitants of Portknockie and others in the neighbourhood."
- 3.2 Portknockie Bowling and Tennis Club (the Club) occupies the bowling green and tennis courts under a lease expiring in March 2028. The rent payable under the lease amounts to £400 per annum and is now due to be reviewed.

- 3.3 On 26 June 2018, the Club submitted a formal asset transfer request for a transfer of ownership for nil consideration, equivalent to a £50,000 discount on the purchase price. The Club has confirmed that it does not wish its request to be considered under the Community Empowerment (Scotland) Act 2015.
- 3.4 The Club is a Scottish Charitable Incorporated Organisation (charity number SC047619) with the following purposes:
- The advancement of public participation in sport; and,
 - The provision and organisation of recreational facilities and activities.
- The above purposes are carried out with the object of improving the conditions of life for the residents of Portknockie.
- 3.5 There is a pre-emption right reserved to the Trustees of the Dowager of Seafield, i.e. the Council cannot sell or transfer the property without first offering to sell it to the Trustees. Consequently, a transfer of title could not be progressed without confirmation from the Trustees that they would not exercise the right.

4. ASSET TRANSFER REQUEST

- 4.1 The Club has requested a transfer of ownership of the bowling green and tennis courts to facilitate the development and upgrading of the facilities with the purpose of increasing participation in bowling, tennis and other indoor and outdoor sports. All proposed improvements would be completed to standards recommended by Sports Scotland.
- 4.2 A redacted copy of the asset transfer request is included in **Appendix 1**. The full request comprises the following documents:
- (a) Asset Transfer Request form;
 - (b) Club Constitution;
 - (c) Appendices in support of request (including Business Case)
 - (d) Site Plan
 - (e) Responses to Leaflet Distribution (including letters of support)

5. ASSESSMENT

- 5.1 The Club's submission makes a strong case that there will be benefits in relation to public health and social wellbeing, and a moderate case that there will be benefits in relation to regeneration.
- 5.2 The public health benefits of the proposal relate to activities designed to help people lead healthier lives. Social wellbeing benefits are likely to arise from activities that bring people together. Regeneration benefits come from making an area a better place in which to live and work, including increased access to social and leisure facilities.
- 5.3 The Club's purposes and proposals for the bowling green and tennis courts are compatible with the trust purposes and have the potential to deliver greater benefits beyond the ability of the public trust.
- 5.4 An independent assessment prepared by the District Valuer following a joint instruction from the Council and the Club determined that the market value of the property, subject to the existing tenancy, is £50,000. Agreeing to the request that the property be transferred at nil consideration would mean

agreeing to forego a potential capital receipt that could be invested to provide a trust income of £785 per annum. The likely benefits that would be provided by the Club's proposals are considered sufficient to compensate for any loss of benefits that such an income could purchase.

- 5.5 Overall, the Club's submission in support of its asset transfer request is considered to be strong. That is:
- Governance and financial arrangements are sound and sustainable;
 - Best value characteristics are in evidence in the proposal; and,
 - Projected benefits are demonstrated well and represent value for money.

6. TERMS OF TRANSFER

6.1 If agreed, the following terms would apply to the transfer:

- (a) Subjects – the asset comprises the bowling green and tennis courts located in Seafield Terrace, Portknockie, the location of which is shown in **Appendix 2**;
- (b) Pre-emption – the transfer would be subject to confirmation from the Seafield Estate that it did not wish to exercise its right of pre-emption;
- (c) Existing Lease – the existing lease terms would apply until the date of the transfer;
- (d) Fees/Expenses – each party would meet its own legal expenses in the processing of the transaction, including legal expenses and surveyors fees; and,
- (e) Other Terms – any other terms agreed with the Council's Legal Services Manager (Property and Contracts) and Estates Manager.

7. SUMMARY OF IMPLICATIONS

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

As the land is a public trust asset, the trust purposes take precedence over the Corporate Plan and the 10 Year Plan (LOIP). The trust purposes are set out in the body of the report. Transferring the asset at nil consideration would be in keeping with the trust purposes.

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

(b) Policy and Legal

Under section 4 of the Trusts (Scotland) Act 1921, trustees have wide-ranging powers. Those include selling trust estate and granting leases provided that such acts are not at variance with the terms or purposes of the trust.

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

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

Typically, assets transferred under Community Asset Transfer arrangements are transferred at less than market value. Such disposals must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires that the Council must be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to at least one of the following purposes:

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

There is a low risk of State Aid arising from this report as the intervention is unlikely to affect trade between EU Member States.

(c) Financial Implications

An independent assessment prepared by the District Valuer following a joint instruction from the Council and the Club determined that the market value of the property, subject to the existing tenancy, is £50,000. Agreeing to the request that the property be transferred at nil consideration would mean agreeing to forego a potential capital receipt that could be invested to provide a trust income of £785 per annum. The likely benefits that would be provided by the Club's proposals are considered sufficient to compensate for the loss of benefits that such an income could purchase.

The rent payable by the Club under its existing lease amounts to £400 per annum.

(d) Risk Implications

The risks of the project failing are considered to be low. Nevertheless, the Club's constitution provides that, in the event of its winding up or dissolution, any remaining assets must be used for purposes which are the same, or which closely resemble, the purposes of the Club.

(e) Staffing Implications

All work required in transferring the asset can be accommodated within existing staffing resources.

(f) Property

The property implications are set out in the body of the report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as agreeing the recommendations would have no impact on service delivery.

(h) Consultations

Consultation has taken place with the Asset Management Working Group's CAT Sub-Group*, Head of Housing and Property, Legal Services Manager (Property and Contracts), P Connor Principal Accountant, Estates Manager, Community Support Manager, Democratic Services Manager, and Equal Opportunities Officer. All comments have been incorporated in the report.

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

Local Ward Members, Councillors Coull, Gatt, and Shepherd, have been consulted and may make their views known at Committee.

8. CONCLUSION

8.1 Overall, there is a strong case in favour of agreeing the Club's request for a transfer of ownership of the property at nil consideration.

8.2 The property is a public trust asset. The Club's proposals are compatible with the trust purposes and have the potential to deliver greater benefits beyond the ability of the trust.

Author of Report: Andrew Gray, Asset Management Coordinator
Background Papers: Held by author
Ref: CAT/062/ATR



ASSET TRANSFER REQUEST

Section A:

Information about the community transfer body (CTB) making the request

1. Details of Community Transfer Body (CTB)	
Name of CTB	Portknockie Bowling and Tennis Club
Registered address (inc postcode)	c/o J.Cowie, [REDACTED] (Address of Bowling/Tennis Pavilion: Seafield Terrace, Portknockie, by Buckie. AB56 4NA. No email or Telephone.)

2. Details CTB Contact Information	
Contact name	James Cowie
Position in CTB	Main Contact, Chairperson, Portknockie Bowling and Tennis Club
Postal address (inc postcode) <i>If different from above</i>	[REDACTED] [REDACTED]
Contact telephone no.	[REDACTED]
Contact email address	[REDACTED]

We agree that correspondence in relation to this asset transfer request may be sent by email to the address given above. <i>(Please tick to indicate agreement)</i>	✓
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You can ask us to stop sending correspondence by email, or change the email address, by telling us at any time, please give 5 working days' notice.

3. No of people involved in the organisation	
Management Committee / Board	9
Total Membership	70
Paid staff (no of FTEs)	Nil

NB: *Please supply a full list of the current membership (including names and full address).*

4. Please tick the corresponding box below to confirm the type of CTB and its official number, if it has one:		
Company, and its company number is.....		
Scottish Charitable Incorporated Organisation (SCIO), and its charity number is.....		SC047619
Community Benefit Society (BenCom), and its registered number is.....		
Unincorporated organisation (no number)		<i>LEAVE BLANK</i>

5. Please tick the corresponding box below to confirm which documents accompany this asset transfer request:	
Constitution	✓
Articles of Association	
Registered Rules	
Financial Statements	✓
Membership List	✓

6. Has the organisation been individually designated as a Community Transfer Body by the Scottish Ministers?		
Yes		Please note that this question relates only to those bodies referred to in section 77(2)(a) of the Community Empowerment (Scotland) Act 2015.
No	✓	
Don't know		
If yes, please give the title and date of the designation order:		

7. Does the organisation fall within a class of bodies which has been designated as Community Transfer Bodies by the Scottish Ministers?		
Yes		Please note that this question relates only to those bodies referred to in section 77(2)(b) of the Community Empowerment (Scotland) Act 2015.
No		
Don't know		
If yes, please give the class of bodies it falls within together with the title and date of the designation order:		

**Section B:
Information about the land and rights requested**

1. You should provide a street address or grid reference and any name by which the land or building is known as. If you have identified the land via the Council's register of land, please enter the details we have listed.

Name of Asset	Portknockie Bowling and Tennis Club
Name Asset otherwise known by	
Asset Address	Seafield Terrace, Portknockie AB56 4NA
Grid Reference of Asset	
Asset UPRN (Unique Property Reference) as listed on Council Register	Sports/Leisure Facility 02/00326/ASS (From Moray Council Land and Building Assets)

2. A map or drawing showing the boundaries of the land requested is required. If you are requesting part of a piece of land or part of a building, you must explain clearly your requirements. (Please tick the below corresponding box to confirm which documents accompany this asset transfer request).

Map attached	✓
Site drawing attached	✓

**Section C:
Type of Request**

1. Please indicate below what type of request is being made:

For ownership (section 79(2)(a)) of the Act – go to question 2	✓
For lease (section 79(2)(b)(i)) of the Act – go to question 3	
For other rights (section 79(2)(b)(ii)) of the Act – go to question 4	

2. Request for ownership

What price are you prepared to pay for the asset requested?

Proposed Price:	£Nil
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Please attach a note setting out any terms and conditions you wish to apply to the request.

3. Request for lease

What is the length of the lease you are requesting?

NA

How much rent are you prepared to pay? Please make clear whether this is per year or per month:

Proposed Rent: £NA	Per: month / year
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Please attach a note setting out any other terms and conditions you wish to be included in the lease, or to apply to the request in any other way.

4. Request for other rights

What are the rights you are requesting?

Right to determine planning/management of day to day activities at the site of the facility and to propose and introduce changes to the site to support ongoing development of the activities offered to the Community of Portknockie. Taking on board changes within sports provision offered/times of opening etc/in line with information/suggestions submitted from local groups and organisations. These with at all times due deference to ongoing procedures re Planning and Building Rules and Regulations of the Region.

Do you propose to make any payments for these rights?

Yes	
No	No

If yes, how much are you prepared to pay? Please make clear what period this would cover, for example per month, per week, per day:

Proposed Payment: £	Per: month / week / day
---------------------	-------------------------

Please attach a note setting out any other terms and conditions you wish to apply to the request.

Section D: Reasons for Request

1. Community Proposal

Please set out the reasons for making the request and describe how the land or building will be used.

(This should explain the objectives of your project, why there is a need for it, any development or changes you plan to make to the asset, and any activities that will take place there.)

Please see a leaflet produced by PB&T Asset Transfer Committee for delivery to every home in Portknockie (500+) – informing all home owners/inhabitants of PB&T Club proposals and seeking their comments. Some 47 replies were received on behalf of a noted 130 inhabitants (*there are approx. 60 holiday homes*). Copy of the report is on file see below.

Proposal

Key reasoning for this proposal by Portknockie Bowling & Tennis Club is to develop increased participation in the tennis and bowling facilities at Seafield Terrace and other indoor/outdoor sports incl. for example, Squash, Petanque, Indoor Bowls etc. Progression of this project/Asset Transfer would facilitate the recreational development of the site with upgraded pavilion/changing rooms/toilet facilities combined with enhanced participation opportunities for all ages from the young to the elderly. Any improvements would be developed in line with Sports Scotland recommendations and specifications. Any upgrades would aim to help increase the participation of the less able, who at the moment are restricted from participation in the above noted sporting and social activities.

The Future

The future possibilities for participation of both sexes and use by an increased base of bowlers & tennis players provide an exciting platform for development. It is hoped that with the introduction of coaching, younger players will be attracted to the sports to build on an age span of players from young to senior with of course the inherent health and social benefits for all.

Responses on file

The responses of inhabitants returned following our leaflet drop to all homes in the village are in the Pre- App. files held by Moray Council - & also in the Appendices.

2. Benefits

Please set out the benefits that you consider will arise if the request is agreed to.

(This should explain how the project will benefit your community, and others. Please refer to the Scottish Government Guidance documents on how the Council will consider the benefits of the request.)

Generally

Benefits would include providing the village of Portknockie with a key focal point not only aesthetically and environmentally but with a facility which is totally designed to enhance the future well-being of the village. In general, *and specifically*, focussing on the various age groups of inhabitants - including those of mixed race, religion, creed and variable physical ability *ie* those who perhaps otherwise would not be involved in the beneficial social and sporting activity on offer. In other words achieving the key aims of the Moray Planning Partnership 2026: Plan for the future in -

“Providing an improved life for all in Moray”.

Future Benefit

If Asset Transfer is progressed there are many opportunities for the community to benefit from the process. Our main focus for the next 3 years would be to develop and increase our membership. A key target group for us is the high proportion of retired residents at 22.8% of the population, which is 6% higher than the rate for Moray in general and 8% higher than in the rest of Scotland. Action in this area would have benefits in improving social well being whilst providing a healthier lifestyle.

Feasibility studies

In time we will carry out feasibility work into upgrading and expanding the current facilities so that we can include other leisure activities incl. for example exercise classes, and social interaction events. We also aim to address the needs of those currently rurally disadvantaged who have little or no access to leisure facilities and activities.

3. Restrictions on use of the land

If there are any restrictions on the use or development of the land, please explain how your project will comply with these.

(Restrictions might include, amongst others, environmental designations such as a Site of Special Scientific Interest (SSI), heritage designations such as listed building status, controls on contaminated land or planning restrictions.)

Portknockie Bowling and Tennis Club are not aware, or have been informed of, any restrictions on the use or development of the land indicated in the site map/registry.

Caveat

However, historically when the ground was gifted by Seafield Estates to Moray Council (or Council in power at the time) it was stated that the ground/space/area should be used for recreational purposes. This may need clarification via early missives of deeds held by Moray Council?

Negative consequences

What negative consequences (if any) may occur if your request is agreed to? How would you propose to minimise these?

(You should consider any potential negative consequences for the local economy, environment, or any group of people, and explain how you could reduce these.)

Portknockie Bowling & Tennis Club believe there are no negative issues relating to the proposal. Discussion has been held with the various clubs and public organisations in the village eg Community Association, U3A, and Youth Club in considering what sports and activities may be offered within the Portknockie Bowling and Tennis Club and there appears to be no negative issues relating to the Asset Transfer proposals and to the actual establishment of a community owned facility. If there are opportunities to enhance provision or take up in sporting activities eg table tennis, mini tennis, indoor bowling etc then discussion and cooperation will be set in place to ensure any action is taken with an awareness of community interests in a cooperative manner to the benefit of the community.

4. Capacity to deliver

Please show how your organisation will be able to manage the project and achieve your objectives.

(This could include the skills and experience of organisation members, any track record of previous projects, whether you intend to use professional advisers, etc.)

We believe the the organisation will be able to manage the project due to the skills and experience of existing management Committee members and the future addition of members of both sexes with appropriate skills and experience.

• For example the Asset Transfer Group backgrounds/experience are as follows:

Andrew Dewar [REDACTED]

[REDACTED]

John Myles [REDACTED]

[REDACTED]

James Cowie [REDACTED]

[REDACTED]

Wilson Weir [REDACTED]

[REDACTED]

John Pirie [REDACTED]

[REDACTED]

The Bowling Club (former name) has for many years provided a high quality green with a composite events calendar and is financially secure. The Tennis Club management group has successfully accessed funding to develop, virtually a derelict site, into a double court enclosed/fenced facility. As can be seen - Committee members involved in running the Club(s) have backgrounds in public service, trade union operations, interior design, horticulture, fund raising, marketing, security, engineering construction and financial planning and management. The expertise of such personnel noted above is key to the successful management of future activities and in ensuring the financial well being of the Club.

Section E:

Level and nature of support

Please provide details of the level and nature of support for the request, from your community and, if relevant, from others and describe any consultation carried out.

(This could include information on the proportion of your community who are involved with the request, how you have engaged with your community beyond the members of your organisation and what their response has been. You should also show how you have engaged with any other communities that may be affected by your proposals.)

Door to door leaflet distribution

In submitting our Pre-Application Asset Transfer request and the application for Charity Status (OSCR), Portknockie Bowling and Tennis Club produced a single page colour leaflet outlining the Asset Transfer proposals. This leaflet outlined the various possible advantages of the proposals and stressed the importance of being a recognised Charity together with seeking the views of the local inhabitants via a return section in this leaflet* (included in this Application request*).

ON FILE, MORAY COUNCIL

The responses to the leaflet via the return slips were collated by Moray Council and are held in file at Moray Council Asset Transfer Office. Some 47 replies representing approx. 120 inhabitants were submitted via the tear off slip from inhabitants of the 5-600 homes to which leaflets were delivered. (Of the homes in the village some 60 - 70 are holiday homes with no year round occupation). Further copies of this information/response exercise can be submitted if required –

Contact [REDACTED]

Section F:

Funding

Please outline how you propose to fund the price or rent you are prepared to pay for the asset, and your proposed use of the asset.

(You should show your calculations of the costs associated with the transfer of the land or building and your future use of it, including any redevelopment, ongoing maintenance and the costs of your activities. All proposed income and investment should be identified, including volunteering and donations. If you intend to apply for grants or loans you should demonstrate that your proposals are eligible for the relevant scheme, according to the guidance available for applicants.

Where a transfer at less than full market value is being sought, your business case should include a cash flow forecast covering the first full year of operation, together with an indicative budget for at least the following 2 years.)

Costs associated with the transfer of land and buildings

Legal fees @ **£3,500.00**

Estimates based on Income and Expenditure accounts.

Expenditure/costs for Bowling.

Costs estimated for 2017-2018 £15,000.00

Expenditure/costs for Tennis.

Costs estimated for 2017-2018 £6,000.00

Income from Bowling activities/Bar 2017-2018 £20,000.00

Income from Tennis activities, events, fees & £4,000.00

“Pay as you go” non-members Honesty Box

See also accompanying sheets for Income and Expenditure - Bowling and Tennis 2016-2017

Please refer to SHEET 1 and SHEET 2, Pages 6-7 of additional information accompanying CAT Application Form. This information includes financial statements in spreadsheet form with projections for future income and costs of the provision.

Volunteering activities and hypothetical costs at average £13.00 per hour

Bowling

Volunteer activity in supporting management of Bowling provision

Greenkeeper	(£8,000.00)
Bar Convener	(£2,500.00)
Secretary & Match Secretary	(£3,500.00)
Groundsman	(£3,500.00)
Misc. volunteers in attendance at events, provision of hospitality etc	(£5,000.00)
President (organising meetings, attendance at events, contribution to green keeping and landscaping)	(£1200.00)

Tennis

Volunteer activity in supporting management of Tennis provision

Level One Training undertaken by 2 members incl. time in travel to venue and return (3 days in courses). Plus 2 days at 1 st Aid course.	(£800.00)
Delivery of skills courses to Primary 3-5 schoolchildren	(£416.00)
Volunteering at Open Day, assistance with erection of wind-screens for courts, maintenance of courts (weeding, painting and cleaning)	(£700.00)
Opening and closing of courts from April- October, emptying	(£700.00)
Honesty Box, ensuring cash is delivered to Treasurer (11 people at 4hrs each).	(£600.00)
Chairperson duties, applying for funds, organising courses, checking courts. Preparing agenda notes for meetings, writing minutes etc). Producing publicity materials, self print costs liaison with Bowling Club. Attendance and travel to forum meetings in Inverness, Nairn, Elgin etc	(£3,250.00)

Total min. volunteer contribution for 2017 (£30,166.00)

No salaries paid or payments made except minimal expenses for Bowling Secretary.

Income projection for years 2018-2020 would be based on above income and expenditures.

Income net from Bowling activities/Bar 2018-2019, 2019-2020 £20,000.00 - £25,000.00

Income from Tennis activities, events, fees & "Pay as you go" non-members 'Honesty Box' £7,000.00 - £10,000.00+

Following this application exercise all applicable fund sources will be examined and where applicable/feasible/potentially successful – they will be applied to.

Potential Funding sources

As well as being able to cover our annual running costs over the past 3-4 years the organisation has achieved a good track record in applying for funding which financed the refurbishment of the tennis courts, complete with signage, security fencing, paintworks, gates etc. Funding organisations fully audited all the financial activity related to the completion of the tennis courts etc. *All procedures relating to funds awarded were audited by EFF (European Fisheries Fund), and Entrust, (Landfill Fund). Records of auditing files and procedures are in hand if viewing is required.*

A funding project application was successful re the 'Tesco Bags of Help' project and we await the the voting results from this source. (3 projects with a main award of £4K and secondary awards of 2K and 1K.) The organisation has also held periodic Open Days, Information events, discos, coffee mornings and other fund raisers in addressing ongoing funding needs.

Section G:

Declarations

Two office bearers (board members, charity trustees or committee members) of the community transfer body must sign the form. They must provide their full names and home addresses for the purposes of prevention and detection of fraud.

This form and supporting documents will be made available online for any interested person to read and comment on. Personal information will be redacted before the form is made available.

We, the undersigned on behalf of the community transfer body as noted at Section A, make an asset transfer request as specified in this form.

We declare that the information provided in this form and any accompanying documents is accurate to the best of our knowledge

Name:	James Cowie		
Address:	[REDACTED]		
Position:	Chairperson, Portknockie Bowling and Tennis Club (Charity Trustee)		
Signature:	James Cowie	Date:	06 10 2017

Name:	Andrew Dewar		
Address:	[REDACTED]		
Position:	Vice Chairperson, Portknockie Bowling and Tennis Club (Charity Trustee)		
Signature:	Andrew Dewar	Date:	06 10 2017

Please send the completed form, together with all accompanying plans and documentation, to:

By Post: **Asset Transfer Team**, Moray Council, High Street, Elgin IV30 1BX

By Email: CAT@moray.gov.uk

If you have any queries regarding the filling in of this form, please contact the Asset Transfer Team on telephone 01343 563915

**Section H:
Checklist of accompanying documents**

To check that nothing is missed, please list any documents which you are submitting to accompany this asset transfer request: (please tick)

Constitution	✓
Articles of Association	
Registered Rules	
Financial Statement See also attachments pages 6 &7	✓
Map / Site drawing of asset request	✓
Ownership request: Note of terms and conditions you wish to apply	
Lease request: Note of terms and conditions you wish to apply	
Other Rights request: Note of terms and conditions you wish to apply	
Business Case	✓
Membership List	✓

Please note any additional supporting documents that are not listed above:

* Notes of response to leaflet distribution to all homes in Portknockie seeking views of inhabitants to Asset Transfer proposals/Charity Recognition.	✓
* Responses to the above leaflet are included in the print and email version of this application.	

Office Use only:

Reference:	062
Date Received:	26/06/2018
Date Acknowledged:	28/06/2018
Validation Date:	28/06/2018

**CONSTITUTION OF PORTKNOCKIE BOWLING & TENNIS CLUB
SC047619**

CONSTITUTION
of
PORTKNOCKIE BOWLING & TENNIS CLUB SC047619

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GENERAL	type of organisation, Scottish principal office, name, purposes, powers, liability, general structure	clauses 1 - 10
MEMBERS	qualifications for membership, application, subscription, register of members, withdrawal, transfer, re-registration, expulsion	clauses 11 - 26
DECISION-MAKING BY THE MEMBERS	members' meetings, power to request members' meeting, notice, procedure at members' meetings, voting at members' meetings, written resolutions, minutes	clauses 27 - 53
BOARD (CHARITY TRUSTEES)	number, eligibility, election/retiral/re-election, termination of office, register of charity trustees, office bearers, powers, general duties, code of conduct	clauses 54 - 81
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GENERAL

Type of organisation

- 1 The organisation will, upon registration, be a Scottish Charitable Incorporated Organisation (SCIO).

Scottish principal office

- 2 The principal office of the organisation will be in Scotland (and must remain in Scotland).

Name

- 3 The name of the organisation is Portknockie Bowling & Tennis Club

Purposes

- 4 The organisation's purposes are:

the advancement of public participation in sport by providing and managing recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the residents of Portknockie (but not exclusively)

Powers

- 5 The organisation has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so.
- 6 No part of the income or property of the organisation may be paid or transferred (directly or indirectly) to the members - either in the course of the organisation's existence or on dissolution - except where this is done in direct furtherance of the organisation's charitable purposes.

Liability of members

- 7 The members of the organisation have no liability to pay any sums to help to meet the debts (or other liabilities) of the organisation if it is wound up; accordingly, if the organisation is unable to meet its debts, the members will not be held responsible.
- 8 The members and charity trustees have certain legal duties under the Charities and Trustee Investment (Scotland) Act 2005; and clause 7 does not exclude (or limit) any personal liabilities they might incur if they are in breach of those duties or in breach of other legal obligations or duties that apply to them personally.

General structure

- 9 The structure of the organisation consists of:-
- 9.1 the MEMBERS - who have the right to attend members' meetings (including any annual general meeting) and have important powers under the constitution; in particular, the members appoint people to serve on the board and take decisions on changes to the constitution itself;
 - 9.2 Junior MEMBERS – who have the right to attend members' meetings (including any annual general meeting) but will not have voting rights.
 - 9.3 the BOARD - who hold regular meetings, and generally control the activities of the organisation; for example, the board is responsible for monitoring and controlling the financial position of the organisation.
- 10 The people serving on the board are referred to in this constitution as CHARITY TRUSTEES.

MEMBERS

Qualifications for membership

- 11 Junior Membership is open to those individuals under 16 who complete an application form (parental signature) but will not have voting rights.
- 12 Employees of the organisation are not eligible for membership.

Application for membership

- 13 Any person who wishes to become a member must sign a written application for membership; the application will then be considered by the board at its next board meeting.
- 14 Membership is open to all and no application for membership will be refused on other than reasonable grounds. There will be no discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex; sexual orientation, political or other opinion.
- 15 The board may, at its discretion, refuse to admit any person to membership.
- 16 The board must notify each applicant promptly (in writing or by e-mail) of its decision on whether or not to admit him/her to membership.

Membership subscription

- 17 Membership subscriptions will be set by the Club at the AGM.

Register of members

- 18 The board must keep a register of members, setting out
 - 18.1 for each current member:
 - 18.1.1 his/her full name and address; and
 - 18.1.2 the date on which he/she was registered as a member of the organisation;
 - 18.2 for each former member - for at least six years from the date on he/she ceased to be a member:
 - 18.2.1 his/her name; and
 - 18.2.2 the date on which he/she ceased to be a member.
- 19 The board must ensure that the register of members is updated within 28 days of any:

- 19.1 which arises from a resolution of the board or a resolution passed by the members of the organisation; or
 - 19.2 which is notified to the organisation.
 - 19.3 at no point should membership be less than 20 members.
- 20 If a member or charity trustee of the organisation requests a copy of the register of members, the board must ensure that a copy is supplied to him/her within 28 days, providing the request is reasonable; if the request is made by a member (rather than a charity trustee), the board may provide a copy which has the addresses blanked out.

Withdrawal from membership

- 21 Any person who wants to withdraw from membership must give a written notice of withdrawal to the organisation, signed by him/her; he/she will cease to be a member as from the time when the notice is received by the organisation.

Transfer of membership

- 22 Membership of the organisation may not be transferred by a member.

Re-registration of members

- 23 The board may, at any time, issue notices to the members requiring them to confirm that they wish to remain as members of the organisation, and allowing them a period of 28 days (running from the date of issue of the notice) to provide that confirmation to the board.
- 24 If a member fails to provide confirmation to the board (in writing or by e-mail) that he/she wishes to remain as a member of the organisation before the expiry of the 28-day period referred to in clause 23, the board may expel him/her from membership.
- 25 A notice under clause 23 will not be valid unless it refers specifically to the consequences (under clause 24) of failing to provide confirmation within the 28-day period.

Expulsion from membership

- 26 Any person may be expelled from membership by way of a resolution passed by not less than two thirds of those present and voting at a members' meeting, providing the following procedures have been observed:-
- 26.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion;

26.2 the member concerned will be entitled to be heard on the resolution at the members' meeting at which the resolution is proposed.

DECISION-MAKING BY THE MEMBERS

Members' meetings

- 27 The board must arrange a meeting of members (an annual general meeting or "AGM") in each calendar year.
- 28 The gap between one AGM and the next must not be longer than 15 months.
- 29 Notwithstanding clause 27, an AGM does not need to be held during the calendar year in which the organisation is formed; but the first AGM must still be held within 15 months of the date on which the organisation is formed.
- 30 The business of each AGM must include:-
- 30.1 a report by the chair on the activities of the organisation;
 - 30.2 consideration of the annual accounts of the organisation;
 - 30.3 the election/re-election of charity trustees, as referred to in clauses 59 to 62.
- 31 The board may arrange a special members' meeting at any time.

Power to request the board to arrange a special members' meeting

- 32 The board must arrange a special members' meeting if they are requested to do so by a notice (which may take the form of two or more documents in the same terms, each signed by one or more voting members) by voting members who amount to 5% or more of the total membership of the organisation at the time, providing:
- 32.1 the notice states the purposes for which the meeting is to be held; and
 - 32.2 those purposes are not inconsistent with the terms of this constitution, the Charities and Trustee (Investment) Scotland Act 2005 or any other statutory provision.
- 33 If the board receive a notice under clause 32, the date for the meeting which they arrange in accordance with the notice must not be later than 28 days from the date on which they received the notice.

Notice of members' meetings

- 34 At least 14 clear days' notice must be given of any AGM or any special members' meeting.
- 35 The notice calling a members' meeting must specify in general terms what business is to be dealt with at the meeting; and

- 35.1 in the case of a resolution to alter the constitution, must set out the exact terms of the proposed alteration(s); or
- 35.2 in the case of any other resolution falling within clause 46 (requirement for two-thirds majority) must set out the exact terms of the resolution.
- 36 The reference to “clear days” in clause 34 shall be taken to mean that, in calculating the period of notice,
 - 36.1 the day after the notices are posted (or sent by e-mail) should be excluded; and
 - 36.2 the day of the meeting itself should also be excluded.
- 37 Notice of every members' meeting must be given to all the members of the organisation, and to all the charity trustees; but the accidental omission to give notice to one or more members will not invalidate the proceedings at the meeting.
- 38 Any notice which requires to be given to a member under this constitution must be: -
 - 38.1 sent by post to the member, at the address last notified by him/her to the organisation; or
 - 38.2 sent by e-mail to the member, at the e-mail address last notified by him/her to the organisation.

Procedure at members' meetings

- 39 No valid decisions can be taken at any members' meeting unless a quorum is present.
- 40 The quorum for a members' meeting is 12 members, present in person.
- 41 If a quorum is not present within 15 minutes after the time at which a members' meeting was due to start - or if a quorum ceases to be present during a members' meeting - the meeting cannot proceed; and fresh notices of meeting will require to be sent out, to deal with the business (or remaining business) which was intended to be conducted.
- 42 The chair of the organisation should act as chairperson of each members' meeting.
- 43 If the chair of the organisation is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the charity trustees present at the meeting must elect (from among themselves) the person who will act as chairperson of that meeting.

Voting at members' meetings

- 44 Every member has one vote, which must be given personally.
- 45 All decisions at members' meetings will be made by majority vote - with the exception of the types of resolution listed in clause 48.
- 46 The following resolutions will be valid only if passed by not less than two thirds of those voting on the resolution at a members' meeting (or if passed by way of a written resolution under clause 50):
 - 46.1 a resolution amending the constitution;
 - 46.2 a resolution expelling a person from membership under article 26;
 - 46.3 a resolution directing the board to take any particular step (or directing the board not to take any particular step);
 - 46.4 a resolution approving the amalgamation of the organisation with another SCIO (or approving the constitution of the new SCIO to be constituted as the successor pursuant to that amalgamation);
 - 46.5 a resolution to the effect that all of the organisation's property, rights and liabilities should be transferred to another SCIO (or agreeing to the transfer from another SCIO of all of its property, rights and liabilities);
 - 46.6 a resolution for the winding up or dissolution of the organisation.
- 47 If there is an equal number of votes for and against any resolution, the chairperson of the meeting will be entitled to a second (casting) vote.
- 48 A resolution put to the vote at a members' meeting will be decided on a show of hands - unless the chairperson (or at least two other members present at the meeting) ask for a secret ballot.
- 49 The chairperson will decide how any secret ballot is to be conducted, and he/she will declare the result of the ballot at the meeting.

Written resolutions by members

- 50 A resolution agreed to in writing (or by e-mail) by all the members will be as valid as if it had been passed at a members' meeting; the date of the resolution will be taken to be the date on which the last member agreed to it.

Minutes

- 51 The board must ensure that proper minutes are kept in relation to all members' meetings.
- 52 Minutes of members' meetings must include the names of those present; and (so far as possible) should be signed by the chairperson of the meeting.
- 53 The board shall make available copies of the minutes referred to in clause 51 to any member of the public requesting them; but on the basis that the board may exclude confidential material to the extent permitted under clause 97.

BOARD

Number of charity trustees

54 The maximum number of charity trustees is 9

55 The minimum number of charity trustees is 5

Eligibility

56 A person will not be eligible for election or appointment to the board unless he/she is a member of the organisation.

57 A person will not be eligible for election or appointment to the board if he/she is: -

57.1 disqualified from being a charity trustee under the Charities and Trustee Investment (Scotland) Act 2005; or

57.2 an employee of the organisation.

Initial charity trustees

58 The individuals who signed the charity trustee declaration forms which accompanied the application for incorporation of the organisation shall be deemed to have been appointed by the members as charity trustees with effect from the date of incorporation of the organisation.

Election, retiral, re-election

59 At each AGM, the members may elect any member (unless he/she is debarred from membership under clause 58) to be a charity trustee.

60 The board may at any time appoint any member (unless he/she is debarred from membership under clause 58) to be a charity trustee.

61 At each AGM, all of the charity trustees must retire from office - but may then be re-elected under clause 62.

62 A charity trustee retiring at an AGM will be deemed to have been re-elected unless: -

62.1 he/she advises the board prior to the conclusion of the AGM that he/she does not wish to be re-appointed as a charity trustee; or

62.2 an election process was held at the AGM and he/she was not among those elected/re-elected through that process; or

62.3 a resolution for the re-election of that charity trustee was put to the AGM and was not carried.

Termination of office

- 63 A charity trustee will automatically cease to hold office if: -
- 63.1 he/she becomes disqualified from being a charity trustee under the Charities and Trustee Investment (Scotland) Act 2005;
 - 63.2 he/she becomes incapable for medical reasons of carrying out his/her duties as a charity trustee - but only if that has continued (or is expected to continue) for a period of more than six months;
 - 63.3 he/she ceases to be a member of the organisation;
 - 63.4 he/she becomes an employee of the organisation;
 - 63.5 he/she gives the organisation a notice of resignation, signed by him/her;
 - 63.6 he/she is absent (without good reason, in the opinion of the board) from more than three consecutive meetings of the board - but only if the board resolves to remove him/her from office;
 - 63.7 he/she is removed from office by resolution of the board on the grounds that he/she is considered to have committed a material breach of the code of conduct for charity trustees (as referred to in clause 80);
 - 63.8 he/she is removed from office by resolution of the board on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
 - 63.9 he/she is removed from office by a resolution of the members passed at a members' meeting.
- 64 A resolution under paragraph 63.7, 63.8 or 63.9 shall be valid only if: -
- 64.1 the charity trustee who is the subject of the resolution is given reasonable prior written notice of the grounds upon which the resolution for his/her removal is to be proposed;
 - 64.2 the charity trustee concerned is given the opportunity to address the meeting at which the resolution is proposed, prior to the resolution being put to the vote; and
 - 64.3 (in the case of a resolution under paragraph 63.7 or 63.8) at least two thirds (to the nearest round number) of the charity trustees then in office vote in favour of the resolution.

Register of charity trustees

- 65 The board must keep a register of charity trustees, setting out
- 65.1 for each current charity trustee:
 - 65.1.1 his/her full name and address;
 - 65.1.2 the date on which he/she was appointed as a charity trustee; and
 - 65.1.3 any office held by him/her in the organisation;
 - 65.2 for each former charity trustee - for at least 6 years from the date on which he/she ceased to be a charity trustee:
 - 65.2.1 the name of the charity trustee;
 - 65.2.2 any office held by him/her in the organisation; and
 - 65.2.3 the date on which he/she ceased to be a charity trustee.
- 66 The board must ensure that the register of charity trustees is updated within 28 days of any change:
- 66.1 which arises from a resolution of the board or a resolution passed by the members of the organisation; or
 - 66.2 which is notified to the organisation.
- 67 If any person requests a copy of the register of charity trustees, the board must ensure that a copy is supplied to him/her within 28 days, providing the request is reasonable; if the request is made by a person who is not a charity trustee of the organisation, the board may provide a copy which has the addresses blanked out - if the SCIO is satisfied that including that information is likely to jeopardise the safety or security of any person or premises.

Office-bearers

- 68 The charity trustees must elect (from among themselves) a chair, a treasurer, a secretary and a Club Welfare Officer.
- 69 In addition to the office-bearers required under clause 68, the charity trustees may elect (from among themselves) further office-bearers if they consider that appropriate.
- 70 All of the office-bearers will cease to hold office at the conclusion of each AGM, but may then be re-elected under clause 68 or 69.
- 71 A person elected to any office will automatically cease to hold that office: -
- 71.1 if he/she ceases to be a charity trustee; *or*

- 71.2 if he/she gives to the organisation a notice of resignation from that office, signed by him/her.

Powers of board

- 72 Except where this constitution states otherwise, the organisation (and its assets and operations) will be managed by the board; and the board may exercise all the powers of the organisation.
- 73 A meeting of the board at which a quorum is present may exercise all powers exercisable by the board.
- 74 The members may, by way of a resolution passed in compliance with clause 46 (requirement for two-thirds majority), direct the board to take any particular step or direct the board not to take any particular step; and the board shall give effect to any such direction accordingly.

Charity trustees - general duties

- 75 Each of the charity trustees has a duty, in exercising functions as a charity trustee, to act in the interests of the organisation; and, in particular, must:-
- 75.1 seek, in good faith, to ensure that the organisation acts in a manner which is in accordance with its purposes;
 - 75.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - 75.3 in circumstances giving rise to the possibility of a conflict of interest between the organisation and any other party:
 - 75.3.1 put the interests of the organisation before that of the other party;
 - 75.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the organisation and refrain from participating in any deliberation or decision of the other charity trustees with regard to the matter in question;
 - 75.4 ensure that the organisation complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.
- 76 In addition to the duties outlined in clause 75, all of the charity trustees must take such steps as are reasonably practicable for the purpose of ensuring: -
- 76.1 that any breach of any of those duties by a charity trustee is corrected by the charity trustee concerned and not repeated; and

- 76.2 that any trustee who has been in serious and persistent breach of those duties is removed as a trustee.
- 77 Provided he/she has declared his/her interest - and has not voted on the question of whether or not the organisation should enter into the arrangement - a charity trustee will not be debarred from entering into an arrangement with the organisation in which he/she has a personal interest; and (subject to clause 78 and to the provisions relating to remuneration for services contained in the Charities and Trustee Investment (Scotland) Act 2005), he/she may retain any personal benefit which arises from that arrangement.
- 78 No charity trustee may serve as an employee (full time or part time) of the organisation; and no charity trustee may be given any remuneration by the organisation for carrying out his/her duties as a charity trustee.
- 79 The charity trustees may be paid all travelling and other expenses reasonably incurred by them in connection with carrying out their duties; this may include expenses relating to their attendance at meetings.

Code of conduct for charity trustees

- 80 Each of the charity trustees shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board from time to time.
- 81 The code of conduct referred to in clause 80 shall be supplemental to the provisions relating to the conduct of charity trustees contained in this constitution and the duties imposed on charity trustees under the Charities and Trustee Investment (Scotland) Act 2005; and all relevant provisions of this constitution shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time

DECISION-MAKING BY THE CHARITY TRUSTEES

Notice of board meetings

- 82 Any charity trustee may call a meeting of the board *or* ask the secretary to call a meeting of the board.
- 83 At least 7 days' notice must be given of each board meeting, unless (in the opinion of the person calling the meeting) there is a degree of urgency which makes that inappropriate.

Procedure at board meetings

- 84 No valid decisions can be taken at a board meeting unless a quorum is present; the quorum for board meetings is 5 charity trustees, present in person.
- 85 If at any time the number of charity trustees in office falls below the number stated as the quorum in clause 84, the remaining charity trustee(s) will have power to fill the vacancies or call a members' meeting - but will not be able to take any other valid decisions.
- 86 The chair of the organisation should act as chairperson of each board meeting.
- 87 If the chair is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the charity trustees present at the meeting must elect (from among themselves) the person who will act as chairperson of that meeting.
- 88 Every charity trustee has one vote, which must be given personally.
- 89 All decisions at board meetings will be made by majority vote.
- 90 If there is an equal number of votes for and against any resolution, the chairperson of the meeting will be entitled to a second (casting) vote.
- 91 The board may, at its discretion, allow any person to attend and speak at a board meeting notwithstanding that he/she is not a charity trustee - but on the basis that he/she must not participate in decision-making.
- 92 A charity trustee must not vote at a board meeting (or at a meeting of a sub-committee) on any resolution which relates to a matter in which he/she has a personal interest or duty which conflicts (or may conflict) with the interests of the organisation; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 93 For the purposes of clause 92: -
- 93.1 an interest held by an individual who is "connected" with the charity trustee under section 68(2) of the Charities and Trustee Investment (Scotland) Act 2005 (husband/wife, partner, child,

parent, brother/sister etc) shall be deemed to be held by that charity trustee;

- 93.2 a charity trustee will be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter.

Minutes

- 94 The board must ensure that proper minutes are kept in relation to all board meetings and meetings of sub-committees.
- 95 The minutes to be kept under clause 94 must include the names of those present; and (so far as possible) should be signed by the chairperson of the meeting.
- 96 The board shall (subject to clause 97) make available copies of the minutes referred to in clause 94 to any member of the public requesting them.
- 97 The board may exclude from any copy minutes made available to a member of the public under clause 94 any material which the board considers ought properly to be kept confidential - on the grounds that allowing access to such material could cause significant prejudice to the interests of the organisation or on the basis that the material contains reference to employee or other matters which it would be inappropriate to divulge.

ADMINISTRATION

Delegation to sub-committees

- 98 The board may delegate any of their powers to sub-committees; a sub-committee must include at least one charity trustee, but other members of a sub-committee need not be charity trustees.
- 99 The board may also delegate to the chair of the organisation (or the holder of any other post) such of their powers as they may consider appropriate.
- 100 When delegating powers under clause 98 or 99, the board must set out appropriate conditions (which must include an obligation to report regularly to the board).
- 101 Any delegation of powers under clause 98 or 99 may be revoked or altered by the board at any time.
- 102 The rules of procedure for each sub-committee, and the provisions relating to membership of each sub-committee, shall be set by the board.

Operation of accounts

- 103 Subject to clause 104, the signatures of two out of three signatories appointed by the board will be required in relation to all operations (other than the lodging of funds) on the bank and building society accounts held by the organisation; at least one out of the two signatures must be the signature of a charity trustee.
- 104 Where the organisation uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in clause 103.

Accounting records and annual accounts

- 105 The board must ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.
- 106 The board must prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions (or if the board consider that an audit would be appropriate for some other reason), the board should ensure that an audit of the accounts is carried out by a qualified auditor.

MISCELLANEOUS

Winding-up

- 107 If the organisation is to be wound up or dissolved, the winding-up or dissolution process will be carried out in accordance with the procedures set out under the Charities and Trustee Investment (Scotland) Act 2005.
- 108 Any surplus assets available to the organisation immediately preceding its winding up or dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the organisation as set out in this constitution.

Alterations to the constitution

- 109 This constitution may (subject to clause 107) be altered by resolution of the members passed at a members' meeting (subject to achieving the two thirds majority referred to in clause 45) or by way of a written resolution of the members.
- 110 The Charities and Trustee Investment (Scotland) Act 2005 prohibits taking certain steps (eg change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of the Office of the Scottish Charity Regulator (OSCR).

Interpretation

- 111 References in this constitution to the Charities and Trustee Investment (Scotland) Act 2005 should be taken to include: -
- 111.1 any statutory provision which adds to, modifies or replaces that Act; and
 - 111.2 any statutory instrument issued in pursuance of that Act or in pursuance of any statutory provision falling under paragraph 111.1 above.
- 112 In this constitution: -
- 112.1 "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its objects are limited to charitable purposes;

112.2 "charitable purpose" means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts.

Adopted at the Inaugural Meeting held on 6th October at Portknockie Bowling & Tennis Club

Certified as a true copy

Name	Name
[REDACTED]	[REDACTED]
Address	Address
[REDACTED]	[REDACTED]
Office Held	Office Held
CHAIR PERSON	VICE-CHAIR PERSON
Signature	[REDACTED]
[REDACTED]	[REDACTED]

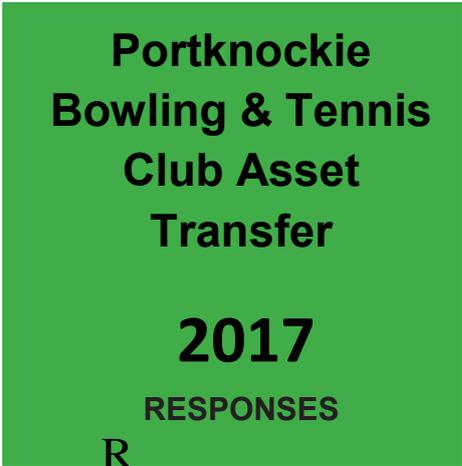
Witness Signature |||

Designation

**Portknockie Bowling and Tennis Club
 Appendices in addition to submission of
 Application for Asset Transfer. CAT project (14 11 2017).**

The following are in addition to CAT application:

- Page 2 - 3** **Members list, Bowling 2017** (For Members signed up for season 2017-18)
- Members list, Tennis 2017** (For Members signed up for season 2017-18)
- Page 4 - 5** **Bowling Club & Tennis Club financial information (Prior to inaugural meeting)**
 Please refer to **PDF SHEET 1 and SHEET 2 Pages 7 & 8** for information in
 SPREADSHEETS (A3 in printed version) on financial data and projected costs and
 income requested.
- Page 6 - 7** **PDF of SHEET 1 & SHEET 2 providing spreadsheet on financial operations
 2015/2016 and projected forecasts.**
- Page 8** **Assets of Portknockie Tennis and Bowling sections**
- Page 9** **Plan of Bowling Green & Tennis Courts
 with dimensions**
- Page 10** **Register of Scotland scan diagram**
- Page 11-12** **Business Case on Pages 11 & 12**
- Page 13** **Community Information & response leaflet (door to door delivered)**
(Responses on file, Moray Council and in attachments to this form application.)
- Page 14** **Constitution information - ie PDF or Print versions**



PORTKNOCKIE BOWLING & TENNIS CLUB - we need your support!

ASSET TRANSFER OF BOWLING AND TENNIS FACILITY
 As you may be aware, Portknockie is in Scotland, one of our fine villages will be the Bowling Green and Tennis Courts in Seafield Terrace. Recently, the management committees of the bowling and tennis clubs approached Moray Council asking that they intended to apply to the council with the view of securing joint management of the facility under an Asset Transfer project whereby the facilities would belong to the Community of Portknockie. This would be managed by a charitable organisation appointed by members of a joint Bowling and Tennis Club.

INCLUSION AND PARTICIPATION OPPORTUNITIES
 The management committees of Portknockie Bowling & Tennis Club see this as an exciting future project whereby there would be freedom from Moray Council lease restrictions and would enable them to map their future. This would allow development of the site with possibly new pavilion/changing room/violet facilities and enhanced participation opportunities for all ages from the young to the elderly. It would also increase inclusion and participation of disabled people/wheel-chair users, in a range of conditions, which may at the moment restrict them from taking part in the above sporting and social activities.

THE FUTURE
 The above opportunities for participation of both sexes and use by an increased base of bowlers and tennis players provide an exciting platform for development. However, you as an inhabitant of Portknockie will have your own opinion on this matter and we would like to gauge your support for this important development which would enhance the possibilities of the entire population for participation in the facilities in Seafield Terrace.

YOUR OPINION COUNTS
 Before application is made for Affiliation as a Charity, which would assist funding applications and B) Acceptability by Moray Council of the project as a valid possibility for Asset Transfer, we invite you to make comment on the project outlined above, regarding your view on the importance of the proposed facilities and your opinion, if the site was developed by the Bowling & Tennis Club, as an established, improving facility for the village. **Put simply** we need your support as an inhabitant of Portknockie - it is important to the Bowling and Tennis group that they are acting in the best interests of the Community and hence this consultation.

.....
 Please send along this leaflet and place in the Bowling Club Postboxes or to the Chairman, Portknockie by 17th June 2017

COMMENT

Address or POSTCODE:

Number of inhabitants living at above: AGED UNDER 16 16-30 30-60 60&OVER

If you have any queries or advice before or require feedback on outcome please email: portknockiebowlingandtennis@gmail.com

A print version of the publication - responses to PB&T information leaflet (above left, leaflet right) by householders etc, accompanies the printed version of the Application Request and in PDF format in the online version.

List of members (Tennis Section):

CONCESSIONS

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

FAMILY

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

ADULT

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

JUNIOR

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Membership categories will be reviewed/rationalised before start of next season - taking into account the two sections, Bowling and Tennis, which will be under one organisation ie Portknockie Bowling and Tennis Club.

- TENNIS MEMBERS - 23 Members plus *10-15 course members P2 - P4 x 2 courses plus non-members paying 'Pay as you go' via Honesty Box approx. 160 indiv. sessions over season (takings via Honesty Box).

Total of 67 members Portknockie Bowling and Tennis Club at
07 11 2017

- Portknockie Bowling Club Competitions (1)
& Income & Expenditure (2)

- 1)

CLUB COMPETITIONS

Income		Expenditure	
W Hay 2015	56.00	W.Hay 2015	56.00
Charity Cup	235.00	Charity Cup	235.00
Dougal	52.00	Dougal	62.00
A. Mclean	94.00	A. McLean	77.00
Weir Quaich	82.00	W Hay 2016	48.00
W Hay 2016	<u>48.00</u>		
Total	567.00	Total	<u>478.00</u>

See SHEET 1& 2 on Page 6/7 SPREADSHEETS for combined financial data and future projections.

- 2)

Portknockie Bowling and Tennis Club

Income and Expenditure Account 2015 - 2016

Income		Expenditure	
Bowls/hat nights indoor	585.30	Bar licence	180.00
Bowls/hat nights outdoor	554.37	Oil/petrol	72.28
Bar	13,087.71	Bar	6,516.73
Indoor membership	277.00	Secretary's expenses	50.00
Outdoor membership	838.00	Indoor prizes	65.00
Petanque	23.00	Clubhouse expenses	332.71
Teas	227.94	Outdoor/Green expenses	1,333.51
Bingo/raffle	267.07	Insurance	782.29
Club competitions	567.00	Club competitions	478.00
Open pairs	849.00	Open Pairs	320.00
Triples	775.00	Triples	330.00
		Teas	190.99
		Bowling fees	323.00
		Electricity	675.32
		Water	270.57
		Miscellaneous	959.02
		Rent for McBoyle Hall	741.00
	<u>18,051.39</u>		13,620.42
Bank Balance 31/8/15	25,158.32	Bank Balance 31/8/16	29,560.94
Cash in Hand 31/8/15	41.66	Cash in Hand 31/8/16	70.01
	<u>43,251.37</u>		<u>43,251.37</u>

SHEET 1

TENNIS FINANCIAL INFO

2016-2017

1	A	B	C	D	E	F	G	H	I	J			
2	SEASON 2016/17	DETAILS	CHEQUE NOS	INVOICES/RECEIPTS	INCOME	EXPENDITURE	STATEMENT DETAILS - CLYDESDALE						
3	09 02 2016	COMPASS SIGN POSTS - POLES, CAPS ETC INVOICE	13	YES		216.2		TENNIS INCOME & EXPENDITURE 2016 -2017 PRE NEW ORGANISATION 6th OCT 2017 IE NOW 'PORTKNOCKIE BOWLING & TENNIS CLUB' SHEET 1 The lower section of the TENNIS INCOME & EXPENDITURE PROVIDES INFO UP TO SEPT. 2017					
4	26 03 2016	ANDY DEWAR - INVOICES FOR COPY SHOP, ELGIN, CLUBTAGS, POSTCRETE (2) TRAVIS PERKINS	14	YES		134.19	ST NO: 17 15 03 2017 £4834.18						
5	26 03 2016	RACHAEL ADAMS, MIXED TENNIS EQUIP	15	YES		76.96							
6		SPORTS DIRECT											
7	31 03 2016	REGISTRATION FEES			£378.00								
8	31 03 2016	DONATIONS			£44.42								
9	31 03 2016	HAMPER DRAW			£76.00		ST NO: 18 15 05 2016 £5121.45						
10	17 05 2016	NOTICE BOARD FOR TENNIS POSTERS/INFO	16	YES		£424.80							
11													
12	15 06 2016						ST NO: 19 15 05 2016 £4696.65						
13	03 08 2016	MEMBERSHIP FEES & HONESTY BOX			£60.74								
14	JUNE/JULY	HONESTY BOX PLAYING FEES			£146.20								
15	03 08 2016	MISC DONATIONS			£20.00								
16							ST NO: 20 15 08 2016 £4924.09						
17	06 09 2016	MEMBERSHIP & HONESTY BOX			£23.00								
18	06 09 2016	RING PULL CONTRIBUTIONS & ANDY HONESTY BOX			£53.60		ST NO: 21 15 09 2016 £5000.69						
19	03 10 2016	HONESTY BOX			£16.00								
20	03 10 2016	HONESTY BOX			£21.00								
21	03 10 2016	HONESTY BOX			£25.00		ST NO: 22 14 10 2016 £5062.69						
22	17 10 2016	HONESTY BOX & RING PULL QUIZ ENTRIES			£77.50								
23	21 10 2016	SPORTS DIRECT - TENNIS EQUIPMENT	17	YES		£134.94							
24		RACQUETS AND BALLS											
25	08 11 2016	PTC INSURANCE (TENNIS SCOTLAND)	18	YES		£260.00	ST NO: 23 15 11 2016 £4745.25						
26													
27													
28													
29	YEAR END DECEMBER 31st 2016			TOTAL INCOME	941.46								
30				TOTAL EXPENDITURE		1247.09	CASH AT BANK 15 11 2016 £4745.25						
31													
32	2017-TENNIS	FOR INFORMATION ONLY - NOT FULL YEAR											
33													
34	21 02 2017	RINGPULL GUESS COMP. FINAL CONTRIBUTIONS				£54.00							
35		IE "HOW MANY IN THE JAR"											
36	02 03 2017	LIL URQUHART FIRST AID COURSE	20	NO INVOICE - PAID		£30.00							
37		KATY WHITELEGG FIRST AID COURSE	21	TO MORAY COUNCIL		£30.00							
38	21 03 2017	JIM URQUHART (PAINTER) - PAINT FOR COURT SECT.	19	YES		£430.00	ST NO: 24 15 03 2017 £4739.25						
39	06 04 2017	TENNIS EQUIPMENT FOR P2 - P5 CHILDREN'S	22	YES		£278.00							
40		BEGINNER'S FUN SESSIONS - MINI TENNIS KIT					ST NO: 25 06 04 2017 £4030.75						
41	17 04 2017	LEVEL 1 TENNIS COURSE, R. Adam & J. Anderson	23			£160.00							
42	02 06 2017	SPORTS EQUIPMENT	22	YES		£278.50							
43	02 06 2017	PAINT, J. URQUHART (PAINTER/DECORATOR)	25	YES		£430.00							
44	17 06 2017	J. MCKAY'S WEEK HONESTY BOX			£6.00		ST NO: 26 02 06 2017 £3407.28						
45	17 06 2017	J. MCKAY'S WEEK HONESTY BOX			£7.00								
46	17 06 2017	MEMBERSHIP			£40.00								
47	17 06 2017	DONATIONS FOR TEAS (OPEN DAY)			£74.85								
48	17 06 2017	MEMBERSHIP FEES			£143.00								
49	17 06 2017	MEMBERSHIP FEES & HONESTY BOX (£5.30)			£210.30								
50	17 06 2017	BOTTLE STALL OPEN DAY			£236.03								
51	20 06 2017	CHEQUE FROM M'SHIP ACCOUNT			£80.00								
52	04 07 2017	WINDBREAKS FOR COURTS	26	YES		£458.91							
53													
54	04 07 2017						ST NO: 27 04 07 2017 £3665.57						
55	15 09 2017						*ST NO: 28 19 08 2017 £3445.57						
56	19 09 2017	*MISC. NOT ENTERED in ledger			£180.12		*ABOVE AMOUNT NOT INCLUDING £180.12						
57		(D. ANDERSON, TENN. LESSONS £76.00											
58		ANDY D. 21.47, LIL 42.65, HONESTY BOX 14.00)											
59		*INCOME ABOVE INCL. IN NEXT STATEMENT No 29											
60	Nov-17	TESCO 'BAGS OF HELP' - PROJECTED £1000.00											
61		Above £1K not rec. yet. Project end Nov. 2017.											
62													
63	YEAR TO SEPTEMBER 31st 2017			TOTAL INCOME	£1,031.30								
64				plus incl. Tesco 1K	£2,031.30								
65				TOTAL EXPENDITURE		£2,095.41	CASH AT BANK EST. £4625.69 @ Nov.						
66													
67													

SHEET 2

BOWLING FINANCIAL INFO 2015-2016 +PROJECTED COSTS FOR BOWLING & TENNIS 2017-2020

	A	B	C	D	E	F
1	2015/16 TENNIS	BOWLING INCOME	INCOME £s	BOWLING EXPENDITURE	OUTGOINGS £s	BOWLING INCOME & EXPENDITURE SEPT 30TH 2015 - 31ST AUG 2016 PRE NEW ORGANISATION 6th OCT 2017 IE NAME NOW 'PORTKNOCKIE BOWLING & TENNIS CLUB' SHEET 2
2	Sep-15	BOWLS HAT NIGHTS INDOOR	£585.30	BAR LICENCE	£180	
3		BOWLS HAT NIGHTS OUTDOOR	£554.37	OIL AND PETROL	£72.28	
4		BAR	13,087.71	BAR (PURCHASES)	6,516.73	
5		INDOOR MEMBERSHIP	£277	SECRETARY'S EXPENSES	£50	
6		OUTDOOR MEMBERSHIP	£838.00	INDOOR PRIZES	£65	
7		PETANQUE	£23	CLUBHOUSE EXPENSES	£332.71	
8		TEAS	£227.94	OUTD'R/GREEN EXPENSES	£1,333.51	
9		BINGO/RAFFLE	£267.07	INSURANCE	£782.29	
10		CLUB COMPETITIONS	£567	CLUB COMPETITIONS	£478	
11		OPEN PAIRS	£849	OPEN PAIRS	£320	
12		TRIPLES	£775	TRIPLES	£330	
13				TEAS	£190.99	
14				BOWLING FEES (VISITS TO)	£323.00	
15				ELECTRICITY	£675.32	
16				WATER	£270.57	
17				MISCELLANEOUS	£959.02	
18				RENT FOR MCBOYLE HALL	£741.00	
19						
20	31 08 2015					
21						
22		TOTAL INCOME 2015-2016	£18,051.39	TOTAL EXPENDITURE 2015-2016	£13,620	
23						
24		BANK BALANCE 31/08/2015	£25,158.32	BANK BALANCE 31 /08/2016	£29,560.94	
25		CASH IN HAND 31/08/2015	£41.66	CASH IN HAND 31/08 2016	£70.01	
26		FIN. YEAR END 31 /08/15 2015		FIN. YEAR END 31 08/2016		
27		TOTAL INCOME + BANK BALANCE	£43,251.37	TOTAL EXPENDITURE + BANK BAL.	£43,251.37	
28						
29	FINANCIAL REPORTS & PROJECTIONS 2017, 2019 The Sheets 1 & 2 above detail the income and expenditure of both the Bowling and Tennis sections in their					
30	operations during 2015 to 2017. Before the organisation became one on October 6th 2017 both sections produced their own accounts. Thus - the different ways in which					
31	financial matters were accounted. However, it can be seen that, both sections combined, have cash reserves of approx. 35K. The basic expenditure on day to day running					
32	costs of both sections total approx. £7K per annum (FY 2016). The season for play is usually from April to October, dependant on prevailing weather conditions.					
33	PORTKNOCKIE BOWLING AND TENNIS CLUB PROJECTED INCOME AND EXPENDITURE 2017, 2018, 2019					
34	In viewing the figures above in Sheets 1 and 2 it can be seen that the actual basic costs of providing the facilities at Seafield Terrace (Bowling					
35	and Tennis) would be approx. 7K per annum. These basic costs would include green/site maintenance, fertilisers, services incl. electricity and					
36	water, paint for tennis court maintenance, equipment updates and ongoing expenses in providing competitions and play.					
37						
38	INCOME OVER EXPENDITURE The figures of 2016/17 FY end indicate there is substantial funds in reserve of approx. 35K Combined. If the					
39	Bowling and Tennis Club develop funding opportunities for redevelopment the bulk of this reserve may well be used for fund matching, if					
40	circumstances were favourable. However, at the moment there is a surplus of Income over Expenditure of some 5-6K per annum which has					
41	contributed to the 'surplus' or 'reserve' and this provides the basis for projecting that a basic income of approx. 7-8K per annum would be required					
42	to provide the facilities as they exist. In the circumstances that a new building would be developed then the income would need to be increased to					
43	around 9K per annum to provide the services required to run a new eg Pavilion (ie Increased general services for heating, equipment, cleaning,					
44	maintenance etc). Members in the past and others in the community have willingly provided assistance and physical input in a number fund raising					
45	events and several events could be organised to boost funding combined with an increased drive to obtain funding to provide key facility					
46	improvements.					
47						
48						
49	PORTKNOCKIE BOWLING AND TENNIS CLUB PROJECTED COSTS AND INCOME 2017-2019 (in present premises).					
50						
51	SEASONS 2017/19	NET INCOME (Excl. Costs)	INCOME NET	EXPENDITURE NET		
52						
53						
54	2017 - 2018	Membership, Fundraising (social activities)	£9,500.00	General site maintenance and basic	£7,000.00	
55		Competition entrance fees and		running costs incl. services		
56		BOWLING AND TENNIS course fees.		electricity, water, cleaning, fuels		
57		(See income sources above minus		fertilisers, court paints etc		
58		basic outgoings in Column E above.)				
59	2018 - 2019	Ditto	10,000.00		8000	
60						
61	2019 - 2020	Ditto	10,500.00		8500	
62		TOTAL OVER 3 YEARS	30,000.00	TOTAL OVER 3 YEARS	23,500.00	
63	PORTKNOCKIE BOWLING AND TENNIS CLUB PROJECTED COSTS. The costs illustrated above do not include possible funding from					
64	external organisations or individuals. Trustees will be pursuing funding assistance of approx. 100 - 250K during 2017-18/19.					
65						
66						
67						

FOR INFORMATION - ASSET VALUES @ 05 10 2017

*** = Moray Council property at present.**

Refurbishment of *Portknockie Tennis Courts 2013-2014 (See EFF Moray Council & Landfill Fund (Entrust) Audits) including fencing, nets/poles & 2 galvanised gates. Court surface at present is in good condition thus value est. (<i>Court surface actual/renewable costs would be this figure.</i>)	*(£18000.00)
The actual value of the *Bowling Green site is estimated at - this site is of course also *Moray Council property.	*(£175000.00)

Total est. value of *Portknockie Bowling & Tennis Club site is *(£263,000.00)

*** = Moray Council property**

Assets of P'knockie Tennis Club pre Dissolution.

Notice Board for Tennis 17 05 2016	£424.80
Site support poles for Notice Boards 26 03 2016	£134.19
Site signs for Tennis 18 05 2015	£528.00
Sports Equipment 21 10 2016 Racquets and Balls	£134.94
Sports Equipment 06 04 2017 for Primary courses & general use including mini tennis sets and junior balls	£278.50
Windbreakers for court perimeter fencing 04 07 2017	£458.91
Cash in hand from Primary Shoolchildren courses (equipment)	£100.00
Assets PTennis Club pre Dissolution of club Fri. 6th Oct.	£2059.34

Assets PBowling Club pre Dissolution of club Fri. 6th Oct.

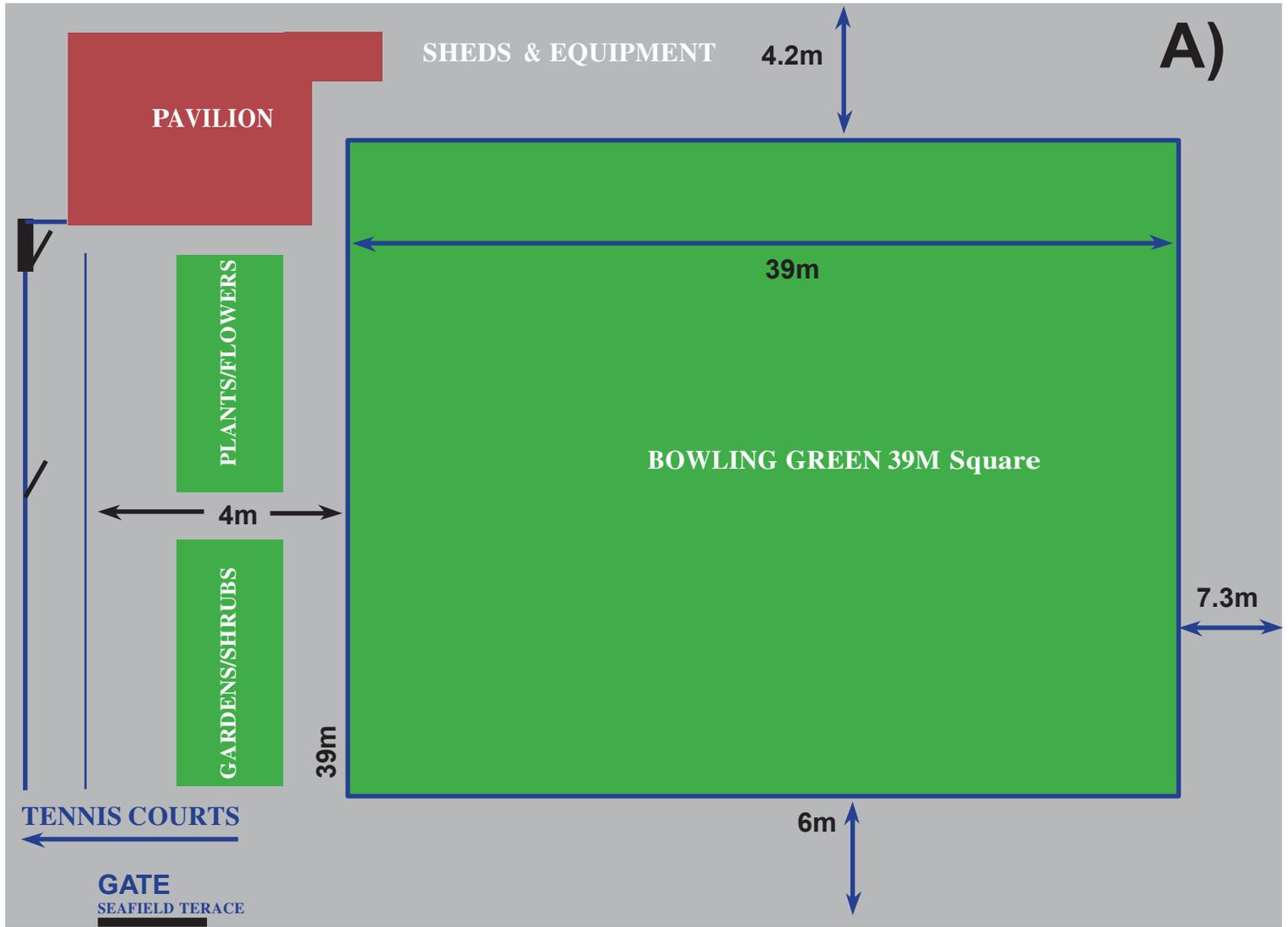
Stock (at Bar)	£1250.00
5 Outdoor use Bench Tables @ £90 each.	£450.00
35 plastic & metal chairs £15 each	£525.00
Wooden equipment shed.	£5000.00
Water storage tank.	£3500.00
Powered Mower.	£3000.00
Liquid sprayer.	£850.00
Scarifier	£500.00
Solid manure.	£400.00
Score boards.	£525.00
Mats	£60.00
Jacks	£75.00
Kitchen Units	£2000.00
Hob & Small oven	£80.00
Kettles 2of & Coffee pots 2of	£100.00
Crockery - Mugs, Side plates, Saucers - 60 units of each	£800.00
Cutlery 60 units	£250.00
Fridge	£100.00
Boiler/Water heater	150.00
Geysers 4 of	£360.00
Gas Heater	£90.00
Electric heaters 4 off	£90.00

Assets of Bowling Club pre Dissolution Fri. 6th October 2017. £20155.00

Total Assets Portknockie Bowling and Tennis Club = £22214.34

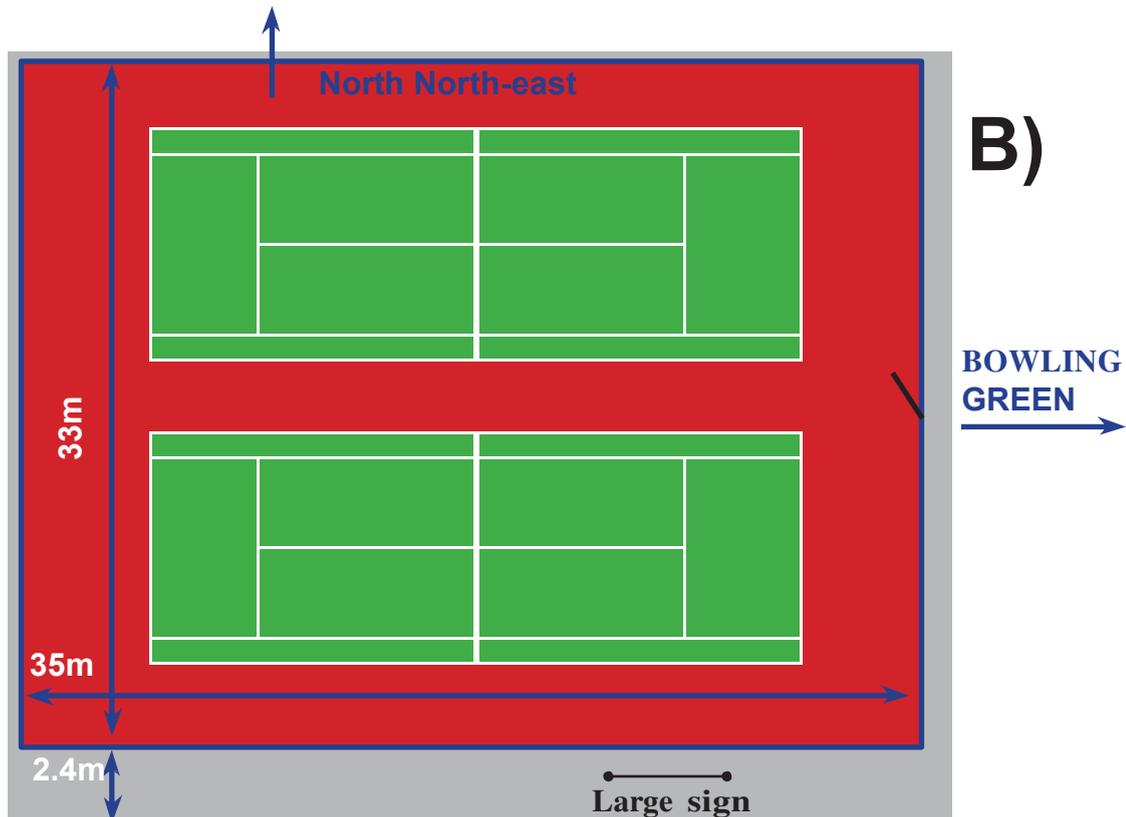
Assets noted above are at actual costs (not resale values).

PORTKNOCKIE Bowling Green & Tennis Courts A) and B)



Total width of Bowling area and Tennis Courts 75.8Metres

The **TENNIS COURTS** - occupy 35.4m x 35 metres of the site - bordered North East by a pathway & grass and South West by a gravel border with signage. The courts have perimeter fencing and windscreens. Please see **REGISTRY** map.



REGISTERS OF SCOTLAND



LOCATION PLAN
SCALE 1:5000



This is the plan referred to in the foregoing Lease between the Moray Council and the Portknockie Bowling and Tennis Club

AM take *James / Louise / Janet*
Murray Ritchie B. Kitcher & Co. K. Renouf
B. Kitcher Peter Edward K. Wood

Tennis & Bowling Club, Seafield Terrace, Portknockie

Scale	1:1000	Date	Feb 2013	Housing & Property Services Estates
Drawn B		Deed Padt		
TYJ.Q (1)	Numlter rawing	DP 1MC \PK \37		The Moray Council Council Office, High Street, Elgin IV30 1BX Telephone: 01343 563281 Fax: 01343 563091

And the said Lords grant Warrant for lawful execution hereon.

EXTRACTED by me having commission to that effect from the Keeper of the Registers of Scotland.

2

INFORMATION ON THE PROPOSED PROJECT Key aim for the first 3 years of the new organisation will be initially to remain within known income and expenditure parameters, based on previous years' finances. Given current circumstances, the organisation will be planning applications for funding from various organisations in order that an ambitious development programme can be initiated. At this moment the following **case** is based on known parameters and information on the project with proposed aims for attracting financial support for the development/refurbishment of the Bowling/Tennis Pavilion and *possible* erection of **non 'bricks and mortar' (low cost)** all year indoor carpet bowls and tennis provision (*possible fabric and steel-strut component based, 25 year durability*). See 'Toro shelters' Internet site for example..

CONTENTS

- **Information on the proposed project (above)**
- **Synopsis on financial reports (below)**
- **Business Case**
- **The Product/Facility**
- **Marketing and Publicity - Approaching the Community**
- **Target Market & Pricing**
- **Charity status**
- **SWOT Analysis - strengths, weaknesses, opportunities and threats**
- **'Day to Day' operations**

SYNOPSIS OF FINANCIAL FACTS (Approx.)

Costs of purchase/lease/rent	£0
Income based on FY 2016-2017	£19000.00
Expenditure FY 2016-2017	£14500.00
Income over expenditures	£4-5000.00
Bank Balance(s)	£30000.00
The costs of 'year-on' basic maintenance for Bowling and Tennis site facilities are projected at approx.	£5-7000.00pa. (see figs for 2016-17)

BUSINESS CASE

The organisation will be named '**Portknockie Bowling and Tennis Club**' subject to approval by the present members of 2 sections ie (Bowling and Tennis) on October 6th. (*This name will in no way jeopardise providing other sporting facilities if approved by the Board of Trustees and seen as providing benefits to the Community.*)

The Portknockie Bowling Club was established in the mid thirties with the tennis provision being in place for approx. 50years although the latter was only refurbished some 4 years ago after lack of maintenance/play.

BUSINESS FORECAST Initially, the immediate future of the Bowling and Tennis Club will be based on known income and outgoings. Main function of the organisation is to achieve the Asset Transfer, consolidate our activities and increase participation in sport providing facilities for Bowling & Tennis in the Community with easy access to all - at low cost and with accessibility to eg disabled, ethnic origin, lgbt, elderly and young alike. In the foreseeable future (2-3 years) these functions will be achieved within parameters of known present & near future income and expenditure. However, the organisation has ambitions **to develop the site and facilities**. We plan to carry out feasibility work into upgrading and improving our facilities.

BUSINESS STRUCTURE

The Business/organisation would be managed by a Board of (9) Trustees. The board of elected Trustees would consist of a Chairperson, Vice Chairperson, Treasurer and Secretary and Welfare Officer as Office Bearers. The Board would meet approx. 6 times annually, run the affairs of the new organisation as set out in the adopted Constitution and ensure an accurate, vouched for, accounting of the year's financial activity. The Board would monitor/initiate financial funding planning via volunteer support from within the Board or the wider membership/sub-committees.

PRODUCT/SERVICE DETAILS

The primary product or services provided by the organisation would be the provision of Bowling and Tennis and possible other sports or activities (mini-tennis, petanque, indoor bowls etc) to the Community of Portknockie. It would also be within the role of the Trustees to ensure proper maintenance of the provision and of the site. If any of the proposed developments were actioned during the initial 2-3 years then the Trustees may have to consider the need to employ certain key staff - eg cleaner/caretaker etc.

All other 'staff' would be on a volunteer basis ie Greenkeeper, Groundsman, Court Maintenance assistant(s).

MARKETING PLAN

Being a small rural community the organisation plan to initiate a local/area Marketing Plan using also social media ie Facebook/Twitter etc and local press features. Close watch would need to be made of nearby provision (competition). Key product here would be an A4 leaflet - highlighting what was on offer at the Bowling and Tennis Club. Because Tennis is a fairly hard sport to master, **coaching** at the first stages is vital. In session 2017/2018 efforts will be made to ensure coaching is available especially for people in the age group over 30-50+, where home based mothers/fathers or elderly people could socialise and learn how to play tennis or bowls together, and make friends. A smaller edition leaflet & social media lists would assist in forming links with other clubs in the area, in order that clubs could form friendly competitions against each other. Bowling has expanded its links/activities with other clubs in the area.

TARGET MARKET & PRICING

The 'target market' in a small community is basically - everyone living in the village, plus highlighting the presence of such an excellent facility to those in holiday home rentals. The Target Market must also involve people in **close-by villages** who have no Bowling/Tennis provision. Costs will be kept low (where at all possible) ie for non-member - fees at £2.00ph for adult non-members and £1.00ph for persons 16 or under or concessions. As noted above in the marketing plan - in our communication with our publics we must ensure that information is provided by poster, leaflet, social media, along with selected advertising on the membership structure/costs and of course hours of access. At the moment there are some 5 family groups involved in playing tennis, accounting for some 20 members. We must ensure that eg Family Member group costs are kept at a rate which attracts participation.

CHARITY STATUS

Portknockie Bowling and Tennis Club is now a registered charity SC047619.

SWOT Analysis - STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS Key plus factor in our economic strength is the lack of paid personell - and hopefully this will continue unless member numbers become too high to be run without a computer system of sorts for booking? and analysis of clients - also, in the event that we cannot depend on the skilled input of Chairperson, Treasurer, Greenkeeper, and Groundsman etc on a voluntary basis. **Key aim** is to provide an excellent Bowling and Tennis facility at Seafield Terrace.

OPERATIONAL DETAILS The day to day operations at Seafield Terr., Portknockie, includes opening/closing, general maintenance of green (cutting, fertilising, scarifying), attending to landscaping/flower beds, updating notices/notice boards and general look&feel of the site, weeding perimeters, checking fencing of the courts (wind damage?) ensuring that lines are visible, & are kept swept/tennis nets are at the appropriate height. Suppliers are all **local/area based** ie painter, builder, bar supplies, groceries, fertiliser etc. Details available if requested. Also, daily activity includes preparation for visiting teams, catering, scheduled competitions, health/safety checks, general maintenance duties. At present the facility has no paid staff. All work is volunteered. *(In future, coaching may include fees paid on a daily/session basis.*

Portknockie Bowling and Tennis Club Sept. 26 09 2017

• PORTKNOCKIE BOWLING & TENNIS CLUB - we need your support



ASSET TRANSFER of BOWLING AND TENNIS FACILITY

As you enter Portknockie from the South, one of your first sights will be the Bowling Green and Tennis Courts in Seafield Terrace. Recently, the management committees of the bowling and tennis clubs approached Moray Council noting that they intended to apply to the council with the view of securing joint management of the facility under an Asset Transfer project whereby the facilities would belong to the Community of Portknockie. This would be managed by a charitable organisation appointed by members of a joint Bowling and Tennis Club.

INCLUSION AND PARTICIPATION OPPORTUNITIES

The management committees of Portknockie Bowling & Tennis Club see this as an exciting future project whereby there would be freedom from Moray Council lease restraints and would enable them to map their future. This would allow development of the site with possibly new pavilion/changing rooms/toilet facilities and, enhanced participation opportunities for all ages from the young to the elderly. It would also increase inclusion and participation of disabled people/wheel-chair users, in a range of conditions, which may at the moment restrict them from taking part in the above sporting and social activities.

THE FUTURE

The future possibilities for participation of both sexes and use by an increased base of bowlers and tennis players provide an exciting platform for development. However, you as an inhabitant of Portknockie will have your own opinion on this matter and we would like to gauge your support for this important development which would enhance the possibilities of the entire population for participation in the facilities in Seafield Terrace.

YOUR OPINION COUNTS

Before application is made for A) Recognition as a Charity, which would assist funding applications and **B)** Acceptability by Moray Council of the project as a valid possibility for Asset Transfer, we invite you to make comment in the space outlined below, regarding your view on the importance of the present facilities **and** your opinion, if this site was developed by the Bowling & Tennis Club, as an established, improving facility for the village. **Put simply** - we need your support as an inhabitant of Portknockie - it is important to the Bowling and Tennis group that they are acting in the best interests of the Community and hence this consultation.

Please tear along this line and place in the Bowling Club Pavilion box or to the Chemist, Portknockie by 17th June 2017.

COMMENT

Address or POSTCODE:

Number of inhabitants living at above: AGED UNDER 16 16-30 30-60 60&OVER

If you have any queries on above leaflet or require feedback on outcome please email: <portknockiebowlingandtennis@gmail.com>

CONSTITUTION Portknockie Bowling and Tennis Club

The new Constitution is in PDF and printed versions. This will be sent with online application (PDF) or by post along with the printed version to accompany the CAT Application Request Form.

- This form has been completed by Andrew Dewar, Vice-Chairperson, Portknockie Bowling and Tennis Club.
- Chairperson is James Cowie, Chairperson of Portknockie Bowling and Tennis Club, [REDACTED]
[REDACTED]

SITE LOCATION PLAN
AREA 5 HA
SCALE: 1:2500 on A4
CENTRE COORDINATES: 349195 , 868307



PAGE 1

**THIS VERSION
SHOWS PRESENT
PAVILION SITE.**



Supplied by Streetwise Maps Ltd
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12:14:21 30/05/2018

SITE LOCATION PLAN
AREA 5 HA
SCALE: 1:2500 on A4
CENTRE COORDINATES: 349195 , 868307



PAGE 2

**THIS VERSION
SHOWS PROPOSED
NEW PAVILION
& INDOOR BOWLING
FACILITY (IN RED).**

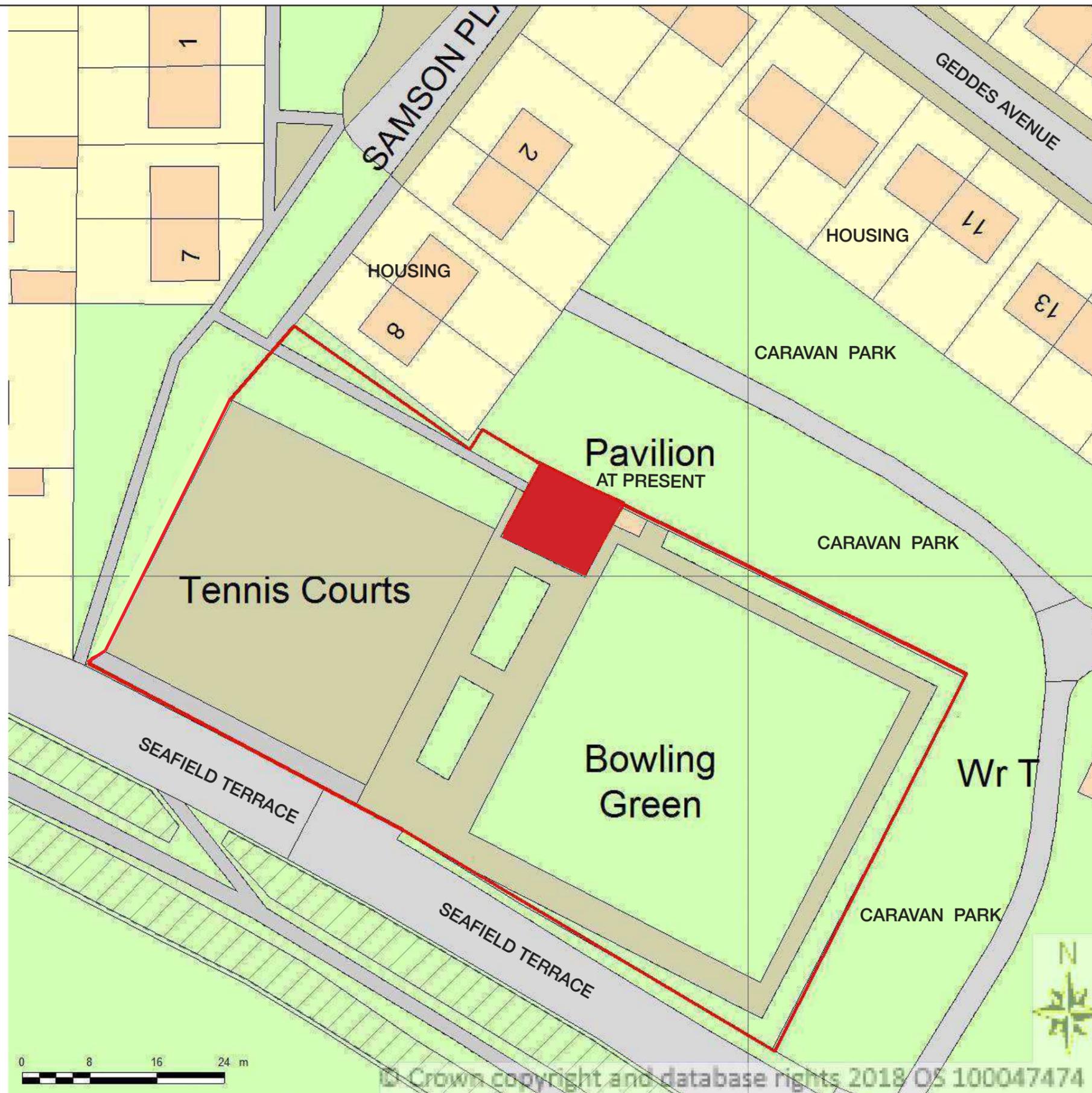


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12:14:21 30/05/2018

**SITE PLAN
(AT PRESENT)
SCALE 1:500**

SITE SITUATED IN
SEAFIELD TERRACE
PORTKNOCKIE
SITE DIMENSION
APPROX. 92mtrs X
47mtrs (irregular boundary)

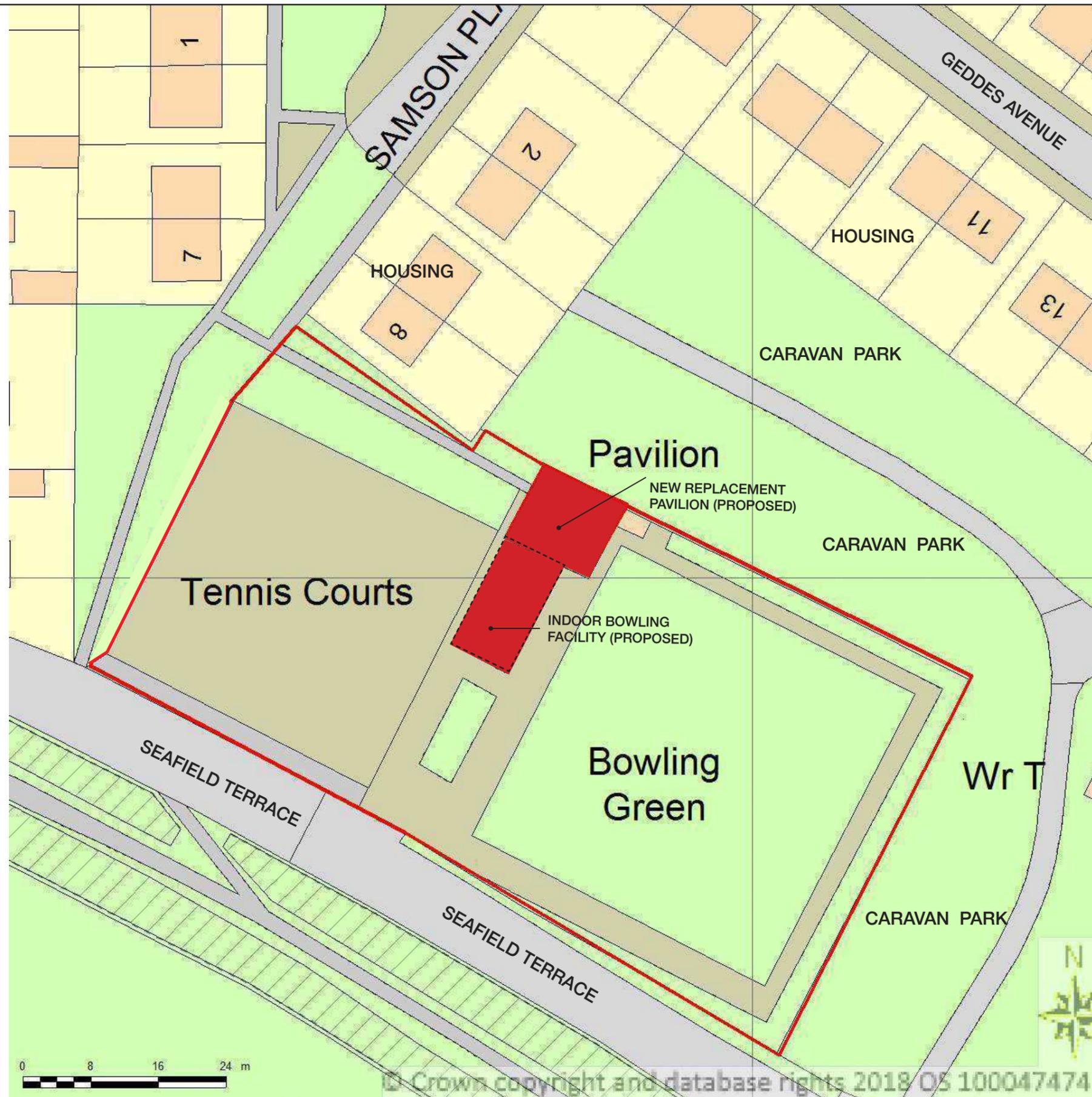
This version **A** shows
present Pavilion site
the following sheet
shows **B** proposed New
Pavilion site with indoor
facility.



**SITE PLAN
(PROPOSED)
SCALE 1:500**

SITE SITUATED IN
SEAFIELD TERRACE
PORTKNOCKIE
SITE DIMENSION
APPROX. 92mtrs X
47mtrs (irregular boundary)

This version **B** shows
proposed New Pavilion
site with indoor
facility.



**Portknockie
Bowling & Tennis
Club Asset
Transfer**

2017

**RESPONSES
TO LEAFLET
DISTRIBUTION**

Background:

As you enter Portknockie from the South, one of your first sights will be the Bowling Green and Tennis Courts in Seafield Terrace. Recently, the management committees of the bowling and tennis clubs approached Moray Council noting that they intended to apply to the council with the view of securing joint management of the facility under an Asset Transfer project whereby the facilities would belong to the Community of Portknockie. This would be managed by a charitable organisation appointed by members of a joint Bowling and Tennis Club.

Inclusion and Participation Opportunities:

The management committees of Portknockie Bowling & Tennis Club see this as an exciting future project whereby there would be freedom from Moray Council lease restraints and would enable them to map their future. This would allow development of the site with possibly new pavilion/changing rooms/toilet facilities and, enhanced participation opportunities for all ages from the young to the elderly. It would also increase inclusion and participation of disabled people/wheel-chair users, in a range of conditions, which may at the moment restrict them from taking part in the above sporting and social activities.

The Future:

The future possibilities for participation of both sexes and use by an increased base of bowlers and tennis players provide an exciting platform for development.

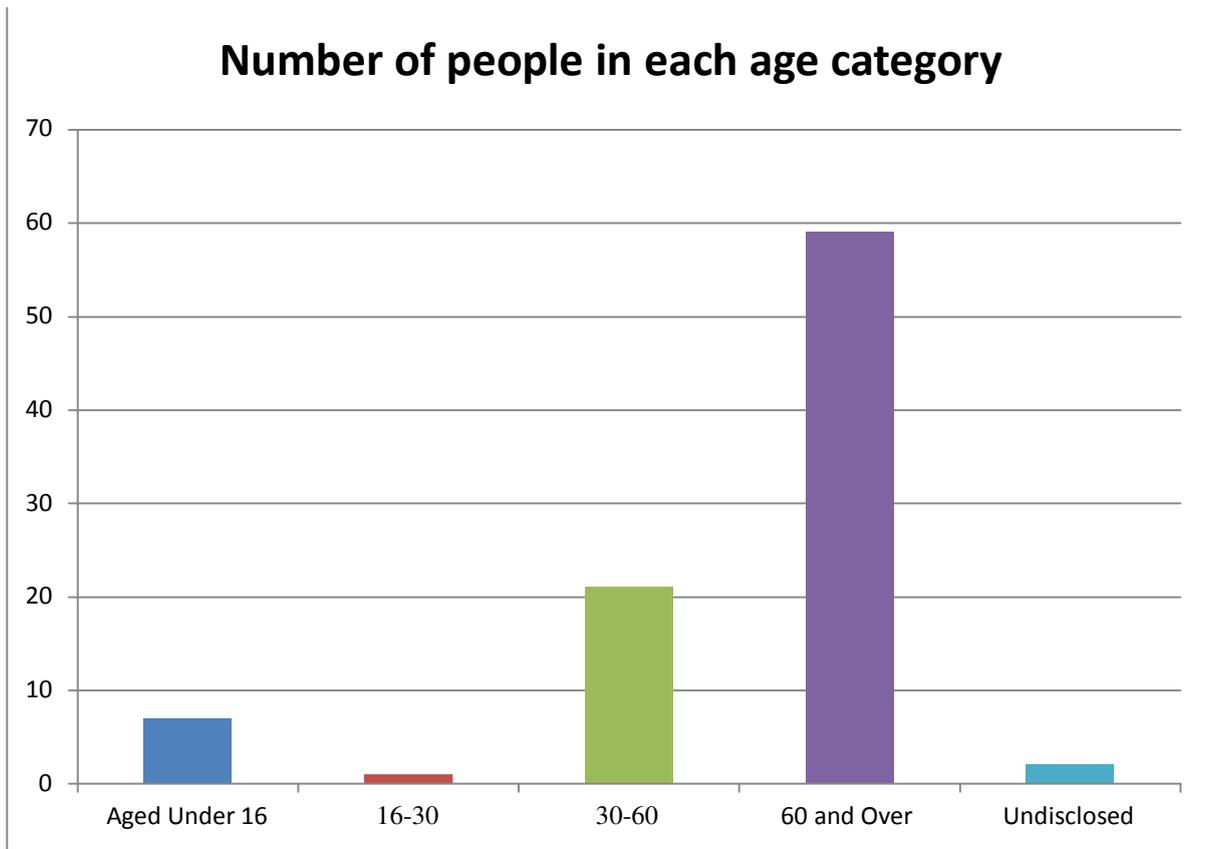
Consultation:

On the 14th February a meeting was held with the committee to discuss options. Following this, on the 22nd February a meeting was held and the community invited to be consulted on the process and what it entails.

After this meeting a leaflet drop was carried out to all households in Portknockie which explained the background and asked for opinions and feedback on the proposed Community Asset Transfer of the Tennis and Bowling club.

Forty Seven households kindly completed these and returned them, all of which were from the AB56 postcode.

Here is a breakdown of the ages of community members which live in the households who completed the forms:



Categories	Number of people in each age category
Aged Under 16	7
16-30	1
30-60	21
60 and Over	59
Undisclosed	2

Here are the comments which were made by each household:

- I welcome the proposed improved facilities along Seafield Terrace but I wonder whether the space is enough for expansion such as a new pavilion (changing room, toilets and presumably winter bowls provision). The present facilities are nearly to scale along Seafield Terrace.
- I would welcome the opportunity to see further development of the site whilst recognising the heritage significance of this facility in the village. The chance to include e.g. a squash court to extend racquet sports allowing indoor participation, or table tennis for the same reason could add to opportunities for exercise and community development. Basic changing and toilet facilities would also be beneficial. I therefore support community joint management.
- A) I believe recognition as a charity valuable, even essential.
B) The ideal proposal for acceptability by Moray Council of the project as a valid possibility for Asset Transfer
 - a) The importance of the present facilities is essential for our community, needing an obvious upgrade to meet necessary usage regulations. Probably more so for the retention of critical facilities for our community.
 - b) With the above comments in mind I whole heartedly support the effects of the Portknockie Bowling and Tennis Club Groups in the action taken with the best interests of the Community and the proposed consultation process
- Although we do not use the facilities, it would seem to be a positive move and more freedom for the committee; away from the restraints of Moray Council.
- Good idea
- We would support the bowling and tennis group and think that developing and improving the facilities would be beneficial to the village.
- Good idea for the village and wish you all the best for the venture.
- As grandparents we are delighted to see a lot of youngsters learning tennis and bowls. As both the tennis and Bowling Green are well attended.
- Will be good for the community and will keep both clubs going.
- We would love to use more of the Portknockie Bowling and Tennis club. In particular, my son prefers to play tennis than football and there are not enough useful facilities to do that. Buckie tennis court is in awful condition.
- We fully support the committee's application to take over the facilities from Moray Council.
- The time has come for a new club as the Bowling and Tennis numbers are growing.
- It has been good to see the vast improvements made to the tennis courts by the bowling and tennis club and an asset transfer would definitely be of further benefit to the local community.
- We think this is a brilliant idea
- The tennis and bowling facilities are well used by the community. The current building is functional but limited; no disabled access and without WC's. A new

building with more storage, changing facilities, inside WC's (and more of them) and a larger kitchen; would benefit the tennis and bowling clubs by enabling them to host tournaments with more people present. The new building could also be hired for functions by other people in the community.

- I fully support this venture, it will future proof the sporting and social aspects of the village, and help in keeping the health and wellbeing of the people from this village and beyond at the forefront of people's minds.
- An important asset to the community under our old town council the bowling and tennis grounds were well looked after. Work being done by Portknockie residents.
- Good idea for a long term project, a pavilion might be just the right size to fit the small local groups. As a venue, for which the McBoyle Hall is too big – Chess club, Bridge club etc.
 - Queries:
 - § Where does the funding come from for the original development?
 - § How to fund the original long-term maintenance and repair?
 - § Where do the petanque-pistes go?
- Good idea, good luck
- Good idea
- Portknockie does need these facilities in the town
- No objections – Great idea!
- I think this would be an excellent idea. The courts and bowling green is one of the first places visitors see when approaching the village from the high road and it looks very inviting.
- This is a worthwhile project and we support it
- Excellent idea so long that enthusiasm doesn't wain after a few years as it did with the floral displays and the 'knocker'
- I fully support this initiative as it will give the village the opportunity to fully control a valuable resource that will benefit the whole village!
- We think that the bowling and tennis facilities are an enormous asset to the village and people of Portknockie. It is an attractive site with beautiful views to the south. New facilities will need careful planning to ensure that these are not spoiled by an insensitive concrete block. Sensitive design of new facilities and the position is very important.
- This joint management for both clubs would be very important to Portknockie. It would be very good for all the kids and adults which are badly needed in the village. I would recommend it as soon as possible, get it up and running, it's a great idea. I would recommend it 100%
- The bowling and tennis club is a vital part of the community and I would fully support the proposed asset transfer so that the facility can be managed by the community.

- I fully support the proposed development outlined in the article. The bowling and tennis club provide a wonderful asset to our village.
- Importance of the present facilities:
The tennis courts and bowling green are a focus for the village activity. They contribute enormously to a sense of place and belonging. Villagers of all ages benefit by their presence, through passive or active enjoyment.
Developing an established, improving facility:
The intended end-results must be stated in terms of tangible deliverables, i.e. what will exist on the ground. Once identified and quantified, the process to realise the deliverables must address cost, quality and timescale. To assure success, plans must identify constraints, assumptions, dependencies and risks. Finally, there must be an agreed and funded process for long term operation and maintenance. I'm sure we're up to it.
- I am pleased to say that I have personally used the tennis courts already this year. It is a great facility and sadly appears seriously underused. I am not a bowler (yet) but this too looks to be an excellent 'green'. I feel both are very important for the village and they should be better promoted and used by all residents and visitors – young and old. Children and younger adults in particular should be encouraged to become involved.
- Although I myself do not use these facilities, I know how important they are to the Portknockie community. And are well used and need to continue for the benefit of all. It is important that in this day and age there are members of this village who give up their valuable time to ensure upkeep in the future and would totally support their endeavour in obtaining this asset transfer of bowling and tennis facility.
- Think it's a good idea so long as foot fall increases but wish you well
- The pavilion needs replaced, to help attract young people into both clubs.
- Can only be good for the community. An upgrade is essential for the future of the clubs and attracting new members.
- Much needed replacement for a very outdated building to benefit both bowlers and tennis clubs.
- This will be an advantage to the village, help Bowling and Tennis clubs to get more members.
- As a family we support any future development of these facilities. They are great assets to our community.
- Go for it – there are many sources that you can get grants from, that the council cannot get. The Cullen Sea School was an old fisherman's store. Now we have first class facilities, ladies, gents and a disabled toilet and showers. A lift as toilets are on the top floor, a workshop, store, office and kitchen. I fully support you so go for it.
- Good for the young ones and who knows we might have a champion one day.
- We support your application under A & B. We shall support you in this venture.

- We will support you
- It would be very good for the community
- We think Portknockie needs the bowling and tennis club for the young ones and the facilities need to be improved on and renewed
- Good idea, benefit for all ages, an asset for Portknockie

Here are letters of support from organisations and charities around Portknockie:

Portknockie Community Association



16 June 2017

To whom it may concern

I believe that a transfer of ownership of the bowling green, tennis courts, and Clubhouse, from The Moray Council to Portknockie Bowling and Tennis Club would be of benefit to both the village and its community.

The two individual sections of the Club diligently maintain the standards of both the green and the tennis courts: while the Clubhouse is similarly looked after, its design is dated and some aspects of its facilities are clearly lacking.

I understand at present the Club's use of the complex is tied to a lease of limited duration: outright ownership however would allow different avenues of funding to be explored and in the longer term an upgrading of both the facilities and Clubhouse.

At the moment the complex provides an opportunity for healthy exercise and social inclusion: ownership of that by the Club itself could permit it to advance from maintenance to advancement and provide Portknockie – and surroundings – with an asset of which they could be proud.

Portknockie Bowling and Tennis Club,
Seafield Terrace,
PORTKNOCKIE,
Buckie,
Moray.



Dear Sirs,

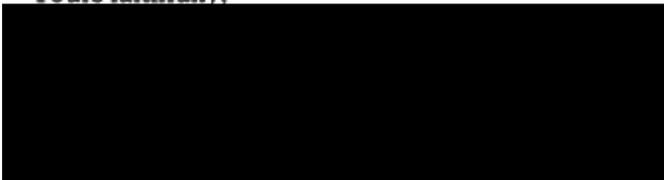
Asset Transfer of Portknockie Bowling and Tennis Club

The members of the Portknockie Community Council have been made aware that the Committee are looking into acquiring the Bowling and Tennis Club by way of an asset transfer from The Moray Council.

The Bowling Green is a visible presence in the village due to its location and it is great to see how well supported both the Bowling Club and the Tennis Courts are during the summer season. The re-development of the Tennis Courts has had a very beneficial impact on both the young and older people of the village as is evidenced by the attendance at the Monday night coaching classes and the members of the Community Council are sure an acquisition of the Bowling and Tennis Club will only go to strengthen your Club.

May I on behalf of the Community Council offer you our full support in this venture and advise that if we can be of any assistance to you with this venture please do not hesitate to contact any of our members.

Yours faithfully,



To Whom it May Concern,

The members of the Session of Portknockie Church of Scotland, have been made aware that the Portknockie Bowling and Tennis Club is intending to apply to The Moray Council with the view of securing management of the facility under an Asset Transfer arrangement. This would result in the facilities belonging to the community of Portknockie and the club would be managed by a charitable organisation appointed by members of the Bowling and Tennis Club.

The Session is fully supportive of such a move. The bowling arm of the club is a very well established feature in the life of the village and the refurbished tennis facilities have great potential for future growth. We would see a successful asset transfer as allowing the club to operate under local leadership and autonomy, thus enhancing its ability to respond flexibly and timeously to local demand and patterns of usage. It would also facilitate longer term planning and development.

As a village we have a limited range of facilities and see this proposed move as enhancing the future viability of one of our key assets.

We would be happy to provide further support for this initiative if requested to do so.

Kind regards,



On Behalf of the Session of Portknockie Church of Scotland.

[REDACTED]
[REDACTED]

FAO Jim Cowie (President Portknockie Bowling Club)

Dear Jim,

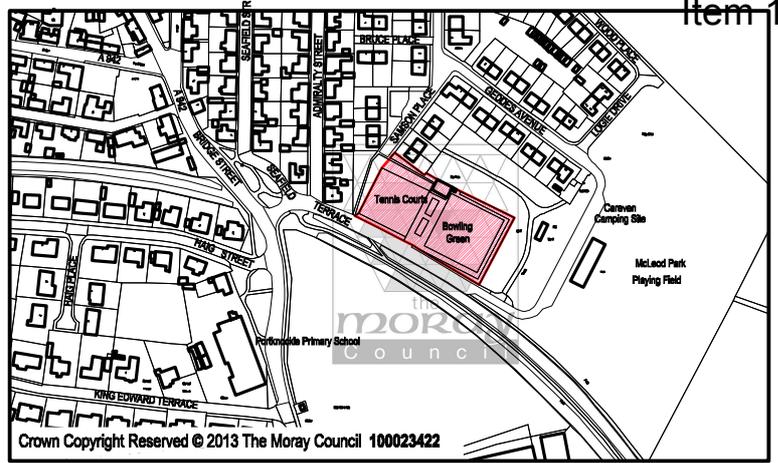
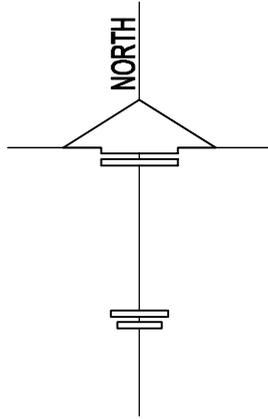
For some years now we have run the Portknockie Youth Club based at McBoyle Hall, just a 100yds or so from the Bowling and Tennis facilities.

We have been informed of the recent activity by the Bowling and Tennis Clubs to become involved in the process of gaining Asset Transfer of the facility at Seafeld Terrace from Moray Council. We would welcome progression of this project and wish you all the best in establishing the facility for Bowling and Tennis permanently in Portknockie, with perhaps, improved facilities for meeting/changing/toilets/social & playing space.

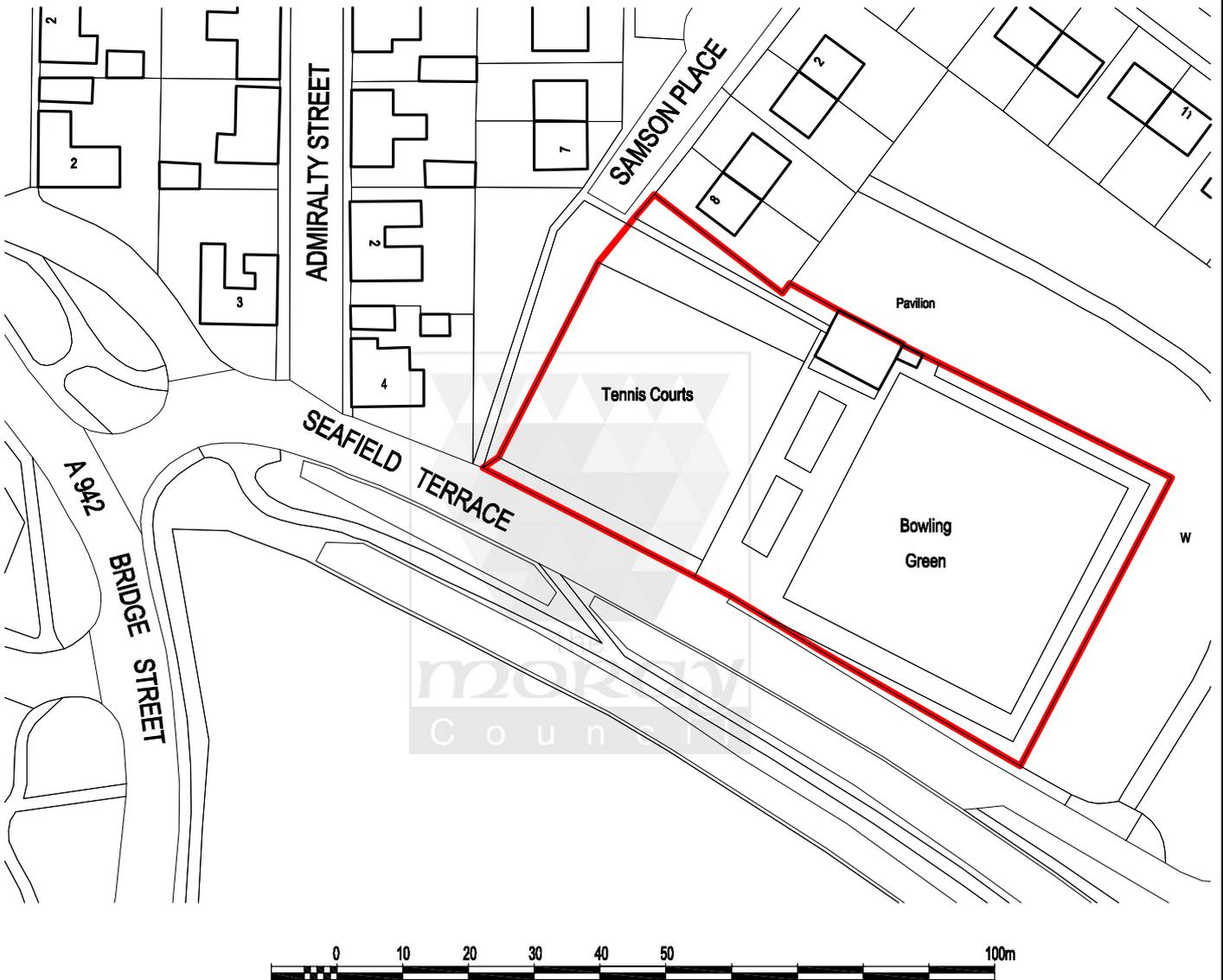
We believe that the venture would provide established facilities for those who are at present growing up in our village with access for all ages - opportunities for young and old and those with disabilities to participate in sport and social activities.

Good wishes for the future development of Portknockie Bowling and Tennis Club.

[REDACTED], Youth Club Organisers

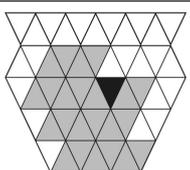


LOCATION PLAN
SCALE 1:5000



Drawing title

Tennis & Bowling Club, Seafeld Terrace, Portknockie



the
moray
Council

Scale
1:1000

Date
Feb 2013

Drawn By
JG

Deed Pack
PK 1

Drawing Number
DP \ MC \ PK \ 37 (lease)

Housing & Property Services
Estates

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The Moray Council
Council Office, High Street, Elgin IV30 1BX
Telephone: 01343 563281 Fax: 01343 563091



REPORT TO: POLICY AND RESOURCES COMMITTEE 27 NOVEMBER 2018

SUBJECT: CAPITAL PLAN 2018/19

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To advise Committee of the expenditure to 30 September 2018 under the capital plan for financial year 2018/19 and of the estimates of projected expenditure profiled into quarters.
- 1.2 This report is submitted to committee in terms of Section III (B)5 of the Council's Administrative Scheme relating to monitoring progress of projects in the approved capital plan including any revisions to the price or phasing on a quarterly basis.

2. RECOMMENDATION

2.1 It is recommended that the committee notes:

- (i) expenditure to 30 September 2018 of £8,230,000;**
- (ii) the current projected expenditure of £36,561,000 for 2018/19 profiled into quarters; and**
- (iii) the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2.**

2.2 It is recommended that the committee approves:

- (i) proposed budget deferrals of £8,685,000 arising from slippage and expenditure reprofiling from 2018/19 to 2019/20 and future years as detailed in paragraph 5.9 of the report;**
- (ii) reduction of the programme by £110,000 for the budget saving detailed in paragraph 5.6.2; and**
- (iii) that unscheduled work is undertaken in early course to repair storm damage at harbours.**

3. BACKGROUND

- 3.1 The capital plan for 2018/19 of £54,096,000 was approved by a meeting of Moray Council on 14 February 2018 (paragraph 9 of the Minute refers). Amendments approved by Council and by Policy and Resources Committee since this date have been incorporated to give a current approved capital plan for 2018/19 of £45,072,000. The current projected expenditure is £36,561,000, giving a projected underspend of £8,511,000.
- 3.2 Regular monitoring reports are provided to Policy and Resources Committee or to Council showing expenditure to date for each project and details of capital receipts received. Policy and Resources Committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report "Major Capital Investment in Councils" (paragraph 7 of the Minute refers). Accordingly this report includes a separate **APPENDIX 2**, giving details of expenditure on projects which span more than one financial year.

4. CAPITAL PLAN 2018/19

- 4.1 A copy of the capital plan is attached as **APPENDIX 1**, showing actual expenditure to 30 September 2018 of £8,230,000. Capital receipts of £121,000 from sale of assets are identified along with General Capital Grant of £9,672,000 from the Scottish Government. The Council has utilised developer contributions of £148,000 for the purchase of car parking machines and £16,000 for Elgin Transport Strategy. Developer contributions of £223,000 have also been received in this financial year while repayments of contributions to developers of £299,000 have been made.
- 4.2 Expenditure on land and buildings to 30 September totals £3,744,000. The major items of expenditure are £1,838,000 for schools make-do-and-mend projects, £758,000 for the works to provide early learning and childcare facilities at Milnes Primary School, £424,000 for the new Lossiemouth High School and £627,000 for early learning and childcare expansion, mainly at Lady Cathcart centre in Buckie. The early learning and childcare expansion projects are funded by capital grant received from the Scottish Government. Works on the refurbishment of the 4 primary schools at Applegrove, Millbank, St Gerardines and Seafield is complete and shows an underspend of £250,000 due to final actual costs being lower than earlier estimates.
- 4.3 Expenditure on infrastructure assets to 30 September totals £2,890,000. The major items of expenditure are £918,000 on carriageway resurfacing/reconstruction, £285,000 on timber traffic routes, £266,000 on bridges infrastructure, £200,000 on Elgin Transport Strategy and £829,000 for street lighting (including £457,000 on new LED lighting).
- 4.4 Expenditure on vehicles, plant and equipment to 30 September totals £1,596,000. The major items of expenditure are £522,000 on the vehicle replacement programme; £283,000 on the purchase of an electric bus, funded through G-PaTRA and the Green Bus Fund; £148,000 on car parking machines, and £496,000 on the ICT Core Programme.

5. PROJECTED OUTTURN

- 5.1 Budget managers have been requested to update projected estimates of expenditure on capital projects in 2018/19. Projects are graded for confidence of achieving projected expenditure with high confidence rated as green, medium confidence as amber and low confidence as red. A summary of the ratings is given in the table below.

Risk status	RAG	No. of projects	Projected expenditure 2018/19 £000s
High confidence of spend to estimate	G	73	16,934
Medium confidence spend to estimate	A	14	16,977
Low confidence of spend to estimate	R	5	2,650
		92	36,561

- 5.1.1 The following projects are rated as Amber:

Project	Reason for rating	Para ref	£000s
4 Schools Refurb.	Final costs to be agreed	5.3.3	(250)
Lossie High School	Timing of complex project	5.3.5	11,589
EarlyLearning/C'care	Timing of various projects	5.3.6	1,900
Industrial Portfolio	Timing of various projects	5.5.1	274
Moycroft Waste Fac.	Timing of project	5.5.2	674
Recycling Facilities	Timing of project	5.5.4	91
Cloddach Bridge	Timing of project	5.7.5	10
LossieSeatown FRM	Timing of expenditure	5.7.7	190
Flood Allev.Schemes	Potential compensation	5.7.7	228
Portknockie Landslip	Timing and cost of project	5.7.8	1,745
Buckie Harbour Imp.	Funding confirmation	5.7.10	526

- 5.1.2 The following projects are rated as Red:

Project	Reason for rating	Para ref	£000s
Linkwood Primary	Timing of complex project	5.3.4	1,200
Road Safety Barriers	Budget review	5.7.2	158
Drainage Works	Tender pricing & winter weather	5.7.4	760
Elgin Trnsprt Stratgy	Timing of schemes	5.7.6	477
P'gordon FRM	Project feasibility	5.7.7	55

5.2.1 A summary of the projected variances at September 2018 from the current approved capital programme, as detailed in **APPENDIX 1**, is set out below:

Description	Para ref	Underspend (Overspend) £000
Land & Buildings		
Schools Estate	5.3.1	(4)
Schools Fire Safety & Works from Audits	5.3.2	127
Schools for the Future – 4 schools refurbishment	5.3.3	250
Linkwood Primary School	5.3.4	2,658
Lossiemouth High School	5.3.5	(1,014)
Childcare Expansion	5.3.6	1,025
All Public Facilities	5.3.7	4
Complex Housing Needs Residential Facility	5.4.1	(27)
Industrial Portfolio	5.5.1	1,060
Recycling Centres Upgrades	5.5.4	270
Depot Maintenance Upgrades	5.6.2	544
Infrastructure		
Roads resurfacing	5.7.3	(32)
Footways	5.7.3	32
Glenlivet Bridge	5.7.5	145
Elgin Transport Strategy	5.7.6	2,023
Portgordon Flood Risk Mgt	5.7.7	100
Lossie Seatown Flood Risk Mgt	5.7.7	34
Dallas Flood Alleviation Scheme	5.7.7	(24)
Buckie Harbour replace life expired items	5.7.9	201
Burghhead Harbour replace life expired items	5.7.9	5
Plant & Equipment		
Swimming Pool Equipment	5.8.1	38
Vehicle Replacement Programme	5.8.2	1,100
Electric Bus	5.8.2	7
ICT Core Programme	5.8.3	56
MIJB OT stores stock system	5.8.3	(32)
CCTV Replacement	5.8.4	(35)
Total		8,511

5.2.2 A number of the variances identified above and detailed in the following paragraphs are as a result of expenditure being delayed deliberately from 2018/19 to 2019/20 in response to the council's financial position, as requested by the Chief Executive. The effect of this is to reduce the projected cost of loan charges for 2018/19 by £135,000.

5.3 Land and Buildings – Children & Young Peoples Services Committee

5.3.1 **Schools Make Do and Mend Programme** – A budget of £3,312,000 for Make Do and Mend projects is allocated across 5 schools in 2018/19: East End Primary, Cluny Primary, Forres Academy, New Elgin Primary and Andersons Primary, with minor expenditure for Keith Grammar, Speyside

High and Hopeman Primary relating to final costs for prior year projects. Apart from expenditure of £4,000 for final costs relating to building works at Keith Grammar, all Make Do and Mend projects are currently projected to spend to budget.

- 5.3.2 **School fire safety works** – The anticipated expenditure for fire safety and works from fire audits is now lower than budgeted and is estimated to cost £225,000 from the budget of £352,000, which represents a budget saving of £127,000.
- 5.3.3 **Schools for the Future – 4 schools refurbishment** – Works are complete at all 4 primary schools included within this project, namely Applegrove, Millbank, Seafield and St Gerardines. The total budget for this project is £21.36m. The final account has recently been agreed with the contractor for all schools except Millbank. Final costs were estimated at the end of the last financial year, however current projections indicate that actual final costs will be lower than earlier estimates, with an expected underspend in this financial year of £250,000. This will be part of a saving of £1.41 million over the whole life of the project, as summarised in **APPENDIX 2**.
- 5.3.4 **New Linkwood Primary School in South Elgin** – The project to construct a new primary school in South Elgin has an approved budget of £11.5 million, including budget of £3,858,000 in this financial year. A significant risk for this project is that delivery of the school is reliant upon progress of the wider Elgin South Development. The Section 75 (planning agreement) has been signed and has now been registered. Planning consent was granted for Linkwood Primary School but conditions are yet to be discharged. Discussions took place with Springfield Properties around the construction detail for the temporary access road, this has been updated and the road has been constructed. Maintenance of this road will fall to the Council during construction of the school. An indicative cost for construction of the school should be available shortly. It is likely that due to the 9 month delay the cost will be affected by construction inflation which may increase the figure above the current estimated cost of £12,333,000. The programme will be 75 weeks including mobilisation with an anticipated commencement date of 14 January 2019 and completion date of 19 June 2020. Officers are developing contingency plans should a delay push the completion date beyond the start of the 2020 academic year. Should modular accommodation be required this will increase costs significantly. Currently, the projected spend in 2018/19 is £1,200,000 and is rated as red for confidence of achieving this amount due to the complex nature of this major project. Therefore it is requested that committee approve the deferment of budget of £2,658,000 from 2018/19 into 2019/20.
- 5.3.5 **Lossiemouth High School** – The project to construct a new secondary school in Lossiemouth has an approved budget of £42.3 million, to be funded by Government grant of £26.39 million with Moray Council funding the balance of £15.9 million. The final design has been agreed and the planning application approved on 24 April 2018. The main school building and community facilities are currently programmed to be completed by August 2020, an extended deadline agreed with Scottish Government. The early works package was signed on 27 September 2018 which authorises the first 8 weeks of the build to commence. It is anticipated that the main contract will be ready to sign on 7 December 2018 at which point the early works contract

will be subsumed into the main works contract. Currently the projected spend in 2018/19 is £11,589,000 and is rated as amber for confidence of achieving this amount due to the complex nature of this major project.

5.3.6 Childcare Expansion projects – Grant funding of £2,400,000 was received in August 2018 from the Scottish Government to support the expansion of entitlement of funded early learning and childcare to 1,140 hours from August 2020. When combined with prior year grant funding of £525,000, the 2018/19 budget allocation totals £2,925,000. The Scottish Government has confirmed that, although the grant funding is ring fenced, there is flexibility as to the financial year in which it may be used to fund the approved early years projects. Currently it is anticipated that expenditure of £1,900,000 will be incurred in this financial year although this is rated as amber, as there are a number of separate projects within the budget heading. New provision at Lady Cathcart in Buckie has been completed, while layout proposals have been developed and planning applications made for new nurseries at Cullen and Pilmuir Primary Schools with a programmed start on site by the approved contractor in January 2019. It is requested that Committee approve the deferment of budget of £1,025,000 from 2018/19 to 2019/20.

5.3.7 All Public Facilities – It is planned to expand the fitness room provision at Keith Sports & Community Centre by purchasing additional fitness equipment and reconfiguring a little used viewing area to the swimming pool. The estimated cost of £16,000 will be funded by existing developer contributions of £12,000 with the balance of £4,000 funded from the public facilities budget. It is anticipated that there will be an increase in income of around £7,500 per year as a result of this change.

Overall, within this budget heading, a small underspend of £4,000 is anticipated.

5.4 Land and Buildings – Social Care services

5.4.1 Complex housing needs – The facility in Lhanbryde, which is operational, has incurred expenditure of £27,000 in 2018/19. There is no budget for this expenditure, which has not been approved by Committee. This represents an overspend of £24,000 from the approved budget of £2,558,000, as detailed in **Appendix 2**.

5.5 Land & Buildings – Economic Development & Infrastructure Services

5.5.1 Industrial Estates – Industrial Estates projects include purchase of new sites, provision of serviced sites, new units and refurbishment of existing units. The budget of £15,000 for preliminary investigation works will not now proceed because of the current financial position of the Council. It is requested that committee approve the deferment of budget of £15,000 from 2018/19 to 2019/20. The acquisition and servicing of land in Forres budgeted at £1,110,000 is now likely to proceed in 2019/20, with only design works scheduled for 2018/19, estimated to cost in the region of £100,000. Therefore it is requested that Committee approve the deferment of budget of £1,010,000 from 2018/19 to 2019/20. Works to complete serviced sites at March Road Buckie, budgeted at £150,000, are expected to cost £120,000, which represents a budget saving of £30,000. The budget of £5,000 for sites in Speyside will not proceed due the current financial position of the Council,

therefore it is requested that Committee approve the deferment of budget of £5,000 from 2018/19 to 2019/20. The budget of £150,000 for refurbishment of units at various locations in Moray is rated as amber for confidence of achieving this spend due to the uncertainty of the exact timing of the works.

5.5.2 Integrated Waste Facility Moycroft– This project is to redevelop and consolidate waste facilities at Moycroft in Elgin and has an approved budget of £3,532,000 over a number of years. Contract works are currently out to tender and it is anticipated that works on-site will now start in January 2019 with anticipated expenditure of £674,000 in this financial year, as budgeted.

5.5.3 NESS Energy – The interauthority agreement with Aberdeen City Council and Aberdeenshire Council relating to the NESS energy from waste project is projected to spend to the budget of £514,000. This expenditure includes the Council's share of the cost of acquisition of the site of the proposed facility.

5.5.4 Upgrade Facilities at Recycling Centres – This project to upgrade facilities at Gollachy Buckie and Waterford Forres has been partly deferred as a result of the current financial position of the Council and is anticipated to incur expenditure of £91,000 from the current budget of £361,000. It is requested that committee approve the deferment of budget of £270,000 from 2018/19 to 2019/20.

5.6 Land & Buildings – Policy & Resources Committee

5.6.1 Legionella and Fire Risk Assessment – Assessments have taken place, and works resulting from these assessments are planned to be on budget.

5.6.2 Depot Upgrades – Works on Depot Maintenance projects arising from condition surveys, which includes works at Ashgrove Depot Elgin, Dufftown Richmond Depot and Waterford Road Forres Depot have been partly deferred to assist with the financial position of the Council. Expenditure of £66,000 is anticipated in this financial year from the budget of £610,000, relating mainly to the re-roofing and reconfiguration of Ashgrove portacabins and also preliminary fees for the works at other depots. Full refurbishment of the Ashgrove portacabins is not now viable due to the confirmation of asbestos in the cladding, resulting in a budget saving of £110,000. Therefore it is requested that committee approve the reduction of the budget by £110,000 and the deferment of the remaining budget of £434,000 from 2018/19 to 2019/20 to progress the projects at Richmond Depot and Waterford Depot.

5.6.3 Energy Efficiency projects – This budget is planned to be fully utilised in 2018/19. Projects identified are installation of urinal controls throughout the school estate and the installation of utility sub-meters at 5 locations which are predicted to generate recurring savings of £9,000 per year.

5.7 Infrastructure

5.7.1 The majority of infrastructure projects are estimated to be on time and on budget during 2018/19.

- 5.7.2 **Road Safety Barrier Provision** – This project is on hold pending a review by the Traffic section and budget arrangements for 2019/20, therefore the budget of £158,000 is rated as red to indicate a low confidence of achieving the projected spend in this financial year.
- 5.7.3 **Carriageway resurfacing/surface dressing and Footways** – Carriageway resurfacing is projected to spend £32,000 above the budget allocation of £2,042,000 but this is offset by footways projecting to spend £32,000 below the budget allocation of £300,000.
- 5.7.4 **Drainage & Other Works** – This budget includes an allocation of £300,000 for landslip remedial works at South Lodge on the A940. Final design costs of the proposed works are awaited, however it is the intention to carry out the works during 2018/19. Planned works within this budget heading can also be affected by winter weather, therefore this budget is rated as red in terms of achieving the projected expenditure of £760,000.
- 5.7.5 **Bridges – strengthening and replacement** – Due to the onset of winter weather conditions, the project on the B9136 Glenlivet Bridge budgeted at £150,000 has now been deferred to 2019/20 with only preliminary expenditure of £5,000 anticipated in 2018/19. Therefore it is requested that Committee approve the deferment of budget of £145,000 from 2018/19 to 2019/20. The project at Cloddach Bridge, budgeted at £10,000, is rated as amber as progress is on hold pending a review of the bridges 10-year plan.
- 5.7.6 **Elgin Transport Strategy** – The Elgin Transport Strategy report was approved by Council on 9 August 2017. Expenditure of £200,000 has been incurred to date. £62,000 relates to refreshing the traffic model data for Elgin (Moray Council on 14 February 2018 refers). £138,000 relates to works carried out at South Street/Hay Street Junction part-funded by the use of developer contributions of £16,000, with the balance funded by the Council. At this stage of the year the timings of schemes are uncertain because of scheme interdependencies and scheme funding, therefore this project is marked as red for certainty of achieving projected spend. It is requested that committee approve the deferment of budget of £2,023,000 and also of related funding of £2,023,000 from 2018/19 to future years.
- 5.7.7 **Flood Alleviation Schemes** – The initial study works for the Flood Risk Management project for Portgordon is near completion with the solution likely to be a drainage-only solution that will reduce the frequency of flooding at Portgordon. Full details of this proposal will be reported to a future meeting of Economic Development and Infrastructure Committee. The project is estimated to incur expenditure of £55,000 in 2018/19 but is rated as red for confidence of achieving this projected figure.

The initial study works for the Flood Risk Management project at Lossiemouth Seatown is near completion and the findings support a flood protection scheme for this area. Full details of the proposals for this area will be reported to a future meeting of Economic Development and Infrastructure Services Committee. The project is anticipated to spend £190,000 but this estimate is currently rated as amber.

Final costs for Dallas flood alleviation scheme of £24,000 have been incurred, When added to the overspend of £39,000 reported to this committee on 28

June 2018, this results in a total overspend of £63,000 from the original budget of £300,000. The overspend is due to additional material processing required on site because of the quantity of large stones found during embankment works and land compensation costs higher than anticipated.

Potential land compensation payments remain as the principal outstanding issue for the flood alleviation schemes in Newmill, Elgin, and Forres (River Findhorn & Pilmuir). Approved capital budget is held in current and future years for potential payments and the total projected expenditure for each scheme remains within the original budget allocations.

5.7.8 Portknockie Landslip – This project will shortly go out to tender, with the possibility of works starting on site early in 2019, however the timing and final costs of this project are not yet fixed, therefore this project is rated as amber in terms of the certainty of achieving the projected spend of £1,745,000 in this financial year.

5.7.9 Harbours – Life expired items and upgrades – There is a rolling programme of works to replace life expired items and upgrade facilities at harbours in Moray. Following completion of the tendering process, the current estimated cost for works at Buckie Harbour is £500,000. There is potential for costs to rise due to the nature of work and environment. A small underspend of £5,000 is currently estimated for works at Burghead Harbour.

On 27 October a number of the harbours in Moray sustained storm damage due to wave action. Due to the conditions in a marine environment, damage to structures can increase in severity very quickly, increasing the scope of work and associated cost required to repair them. To reduce the risk of escalating repair costs it is proposed that work is undertaken to repair this damage as early as possible. The funding required to pay for this work will be taken from the existing allocation for harbours works in the capital plan. The cost of this work is not yet known but will be reported to a future meeting of this committee.

5.7.10 Buckie Harbour Improvements – The project to provide ice plant facilities and fuel tank facilities at Buckie is rated as amber, with spend being dependent on the successful application for external funding, which is currently in progress. If successful the expenditure must be incurred within the current financial year. At this stage it is unknown when any award will be confirmed and if there is potential for the deadline to be extended beyond March 2019.

5.8 Vehicles, Plant & Equipment

5.8.1 Swimming pool equipment – expenditure on replacement equipment, budgeted at £50,000, has been halted for the rest of this financial year as a result of the current financial position of the Council, with the projected expenditure now anticipated at £12,000.

5.8.2 Vehicle & Plant Replacement Programme - Due to the timing of orders from departments across the Council, it is possible to reduce the expenditure in this financial year to £1,939,000, which represents an underspend of £1,100,000 from the budget of £3,039,000. Therefore it is requested that committee approve the deferment of budget of £1,100,000 from 2018/19 to

2019/20. The purchase of the electric bus incurred expenditure of £283,000, resulting in a small budget underspend of £7,000. It is expected that the Council will receive grant funding from the Hi-Trans Green Bus Fund for the full cost of the vehicle.

5.8.3 **ICT Programme** – ICT projects, budgeted at a total of £1,210,000, are projected to spend £1,154,000. Currently, the Digital Public Services budget is projected to spend £61,000 from the budget allocation of £86,000. Plans to spend the remaining £25,000 may be deferred to 2018/19, this will be confirmed in the next monitoring report. The Schools ICT strategy is anticipated to spend £258,000, this represents a saving of £31,000 due to a reduction in the number of interactive teaching boards required.

There is unbudgeted expenditure of £32,000 for final implementation costs of the Moray Integration Joint Board Occupational Therapy stock system.

5.8.4 **CCTV System** – This project shows an overspend in 2018/19 of £35,000, giving total expenditure over a number of years of £91,000. The total budget for this project, across several years, was £60,000, resulting in a final overall overspend of £31,000, due to a requirement for the purchase of additional equipment to operate the entire system wirelessly across all CCTV locations in Moray. Annual revenue budget savings of £30,000 are now being achieved.

5.9 **Proposed budget deferrals to 2019/20** – This report includes details of projects which have slipped or been deferred and therefore it is proposed to defer budget from 2018/19 to 2019/20 to reflect this fact.

A summary of the proposed budget deferrals from 2018/19 to 2019/20 is listed below:

	Para ref	£000s
New Linkwood Primary School	5.3.4	2,658
Early Learning & Childcare Expansion	5.3.6	1,025
Industrial Estates Portfolio	5.5.1	1,030
Recycling Facilities	5.5.4	270
Depot Upgrades	5.6.2	434
Bridges – Glenlivet	5.7.5	145
Elgin Transport Strategy	5.7.6	2,023
Vehicle Replacement Programme	5.8.2	1,100
Total		8,685

6. **RISK AND EMERGING ISSUES**

6.1 Budget managers have been requested to identify any specific areas of risk for the projects in the Capital Plan for which they are responsible.

6.2 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales. This can impact on revenue by increasing repairs costs for vehicles due to be replaced.

- 6.3 Land compensation claims remain a risk for the major flood alleviation scheme at Forres.
- 6.4 Projects such as the new build Linkwood Primary School can be subject to risks which are outwith the direct control of the Council.
- 6.5 Poor weather conditions can impact project timescales, as identified for Roads Drainage works and harbours renovation works. Unplanned costs can be occasioned by bad weather events. The overall risk of expenditure to the council has been minimised by planned prompt response in the case of recent weather damage at the harbours.
- 6.6 Lack of staff resources and staff turnover can impact on project timescales.
- 6.7 Other emerging work priorities can impact on scheduled works.
- 6.8 No other project risks have been specifically identified by budget managers.
- 6.9 There is a potential risk to grant funding of the new Lossiemouth High School should the project not complete on time.
- 6.10 Some projects have been deferred in response to the council's financial situation. There is a risk that contract inflation might increase the eventual cost of these projects and a risk that any deferment of projects relating to asset condition might result in element failure.

7. SUMMARY OF IMPLICATIONS

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

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

The capital plan is one of the vehicles through which the council's priorities can be delivered. The approved capital plan for 2018/19 and the outline ten year plan incorporates measures designed to address the Moray 2026 priorities of achievement and attainment by children and young people, adults leading safer lives and sustainable economic development.

(b) Policy and Legal

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

(c) Financial Implications

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

(d) Risk Implications

Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from committee in line with the financial regulations. Risks specific to items within the capital plan are highlighted in paragraph 6 of the report.

(e) Staffing Implications

There are no staffing implications arising directly from this report.

(f) Property Implications

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report.

(h) Consultations

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

8. CONCLUSION

8.1 Capital expenditure in the first half of the year amounts to £8,230,000 to the end of September 2018.

8.2 Capital expenditure is currently projected to be £8,511,000 lower than the approved capital plan for 2018/19 of £45,072,000.

8.3 Part of the decrease in projected expenditure is due to deliberate deferral of expenditure which is projected to achieve budget savings in 2018/19 of £135,000.

Author of Report: Douglas McLaren, Accountant
Ref:

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19
AS AT 30TH SEPTEMBER 2018**

Summary Capital Programme

	Current Budget 2018-19 £000	Projected Expenditure					Total Projected Expenditure £000
		Actual Expenditure £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000	
Land and Buildings							
Children and Young People's Services Committee	22,191	3,574	843	6,464	5,067	6,771	19,145
Health and Social Care Committee	0	27	27	0	0	0	27
Economic Development and Infrastructure Committee	3,534	124	34	355	294	1,521	2,204
Policy and Resources Committee	665	19	4	15	64	38	121
Infrastructure							
Economic Development and Infrastructure Committee	13,289	2,890	1,721	2,062	3,126	3,896	10,805
Vehicles, Plant and Equipment							
Children and Young People's Services Committee	550	9	5	4	253	250	512
Economic Development and Infrastructure Committee	3,618	1,021	420	856	388	847	2,511
Policy and Resources Committee	1,225	566	387	338	208	303	1,236
	45,072	8,230	3,441	10,094	9,400	13,626	36,561
FUNDING							
Prudential Borrowing	13,308	-1,727					4,796
General Capital Grant (exc PSHG and CYPA)	10,400	5,268					10,400
General Capital Grant - Children and Young Persons Act	2,400	2,400					2,400
Specific Capital Grants - Elgin Transport Strategy 60%	1,500	0					1,500
Specific Capital Grants - CWSS, EMFF	526	0					526
STTS grant funding	470	0					470
Developer Contributions - (incl Elgin Transport Strategy 40%)	1,148	164					1,148
G-PaTRA / Green Bus Fund	290	0					290
Capital grant funding for new Lossie High School SFT	14,031	2,004					14,031
Other Capital receipts to be generated in year	1,000	121					1,000
	45,072	8,230	0	0	0	0	36,561

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19
AS AT 30TH SEPTEMBER 2018**

	Capital Plan 2018-19 £000	Actual £000
Sale of assets	1,000	
Receipts received		121
Total sale receipts received	1,000	121
Other grants / receipts		
Grants		
General Capital Grant (exc PSHG and CYPA)	10,400	5,268
General Capital Grant - Children and Young Persons Act	2,400	2,400
General Capital Grant new Lossie High School	14,031	2,004
Specific Capital Grants CWSS	131	0
Specific Capital Grants Elgin Transport Strategy	1,500	0
Green Bus Fund	290	0
Harbour Infrastructure Upgrades EMFF grant	395	
STTS grant funding	470	
Developer Contributions		
Developer Contribution - Elgin Transport Strategy	1,000	16
Elgin Car Parking	148	148
Buckie High Area		29
Elgin Academy Area		1
Elgin High Area		85
Forres Academy Area		95
Keith Grammar Area		3
Lossiemouth High Area		3
Milnes High Area		2
Speyside High Area		5
Developer Contribution Repaid		-299
Total other grants / receipts	30,765	9,760
Total receipts	31,765	9,881

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19
AS AT 30TH SEPTEMBER 2018**

Land and Buildings	Projected Expenditure						Total Projected Expenditure £000	R/A/G
	Current Budget 2018-19 £000	Actual Expenditure £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000		
Children and Young People's Services Committee								
Schools Estate								
East End Primary M&E Works 619115B	593	236	12	510	0	71	593	G
Cluny Primary M&E Works 619086B	668	421	15	536	36	81	668	G
Forres Academy M&E Works 619429B	676	547	15	580	0	81	676	G
New Elgin Primary M&E Works, Building Works 619274	922	301	11	704	179	28	922	G
Keith Grammar Building Works 619481	0	4	4	0	0	0	4	G
Andersons Primary M&E Works 619025	434	328	23	335	24	52	434	G
Speyside High School Building Fabric Works 619382	14	1	1	0	0	13	14	G
Hopeman PS 619151 Roof & Stonework	5		5	0	0	0	5	G
Other Schools								
Legionella works	35	4	4	10	10	11	35	G
Fire safety	130	31	6	23	13	13	55	G
School fire audits	222	131	1	119	50	0	170	G
Linkwood Primary School at East End Primary bus drop-off point	50	4	0	0	50	0	50	G
Schools for the Future - 4 schools refurbishment	0	-250	0	-250	0	0	-250	A
Milnes Primary School - replace hutted accommodation and pre-school provision	1,032	758	351	335	230	116	1,032	G
New Primary School in South Elgin (Linkwood)	3,858	3	0	0	600	600	1,200	R
New Lossiemouth High School and Pool	10,575	424	70	2858	3771	4890	11,589	A
Forres Academy replacement of hutted accommodation	37		0	0	0	37	37	G
Childcare expansion	2,925	627	325	700	100	775	1,900	A

All public facilities	15	4	0	4	4	3	11	G
Total Children and Young People's Services Committee	22,191	3,574	843	6,464	5,067	6,771	19,145	
Moray Integrated Joint Board								
Complex Housing Needs Residential Facility	0	27	27	0	0	0	27	G
Total Health and Social Care Committee	0	27	27	0	0	0	27	
Economic Development and Infrastructure Committee								
Industrial Portfolio								
Preliminary Investigations	15		0	0	0	0	0	G
Land Acquisition - Forres	1,110		0	0	0	100	100	A
Serviced Sites - Chanonry Road, Elgin	24		0	0	0	24	24	A
Serviced Sites - March Road, Buckie	150	50	21	37	0	62	120	G
Serviced Sites - Speyside	5		0	0	0	0	0	G
Refurbishment Industrial Units	150	14	13	0	92	45	150	A
Refurbishment Estate Roads	28		0	0	28	0	28	G
Waste Management								
New landfill cells, capping & reinstatement	378	9	0	50	50	278	378	G
Integrated Waste Facility Moycroft	674	12	0	18	10	646	674	A
NESS Energy	514	39	0	250	0	264	514	G
Upgrade Recycling Centre facilities	361		0	0	0	91	91	A
Materials Recovery Facility Upgrade	0		0	0	0	0	0	G
Grounds Maintenance / Public Areas								
Replacement burial grounds - ground investigation Elgin Site	11		0	0	0	11	11	G
Replace waterproofing and expansion joints at multi-storey car parks	114		0	0	114	0	114	G
Total Economic Development and Infrastructure Committee	3,534	124	34	355	294	1,521	2,204	

Policy and Resources Committee**Offices, Depots etc**

Upgrades arising from Legionella and Fire Risk Assessments	40	13	0	10	20	10	40	G
Depot maintenance from condition surveys	610	1	0	1	40	25	66	G
Energy efficiency projects	15	5	4	4	4	3	15	G
Total Policy and Resources Committee	665	19	4	15	64	38	121	
Total Land and Buildings	26,390	3,744	881	6,834	5,425	8,330	21,470	

**THE MORAY COUNCIL CAPITAL PROGRAMME 2018/19
AS AT 30TH SEPTEMBER 2018**

Infrastructure	Current Budget 2018-19 £000	Actual Expenditure £000	Projected Expenditure				Total Projected Expenditure £000	R/A/G
			Q1 £000	Q2 £000	Q3 £000	Q4 £000		
Economic Development and Infrastructure Committee								
Road safety								
Road safety provision	90		0	0	40	50	90	G
Disability adaptations	70	31	14	20	28	8	70	G
Road safety barrier provision	158		0	0	50	108	158	R
New road signs and markings	30	4	2	5	10	13	30	G
CWSS	131	6	4	0	20	107	131	G
Roads Improvements								
Carriageway resurfacing / reconstruction / surface dressing	2,042	918	747	600	595	132	2,074	G
Footways	300	62	15	95	95	63	268	G
Drainage and other works	760	122	39	50	271	400	760	R
Timber Traffic structural works	720	285	17	347	347	9	720	G
Bridges - strengthening and replacement								
U97H Tomliath Bridge	10		0	0	5	5	10	G
B9136 Glenlivet Bridge	150		0	0	0	5	5	G
A941 New Craigellachie Bridge	25		3	3	10	9	25	G
A940 Glenernie Bridge	150	140	150	0	0	0	150	G
B9007 Logie Bridge	150	126	150	0	0	0	150	G
C2E Cloddach Bridge	10		0	0	0	10	10	A
Arthurs Bridge	114		0	4	110	0	114	G
Remote footbridges	55		0	0	40	15	55	G
Elgin Transport Strategy	2,500	200	127	73	77	200	477	R
Street Lighting								
Replace SOX and SON street lights with LED Lights	1,034	457	270	270	247	247	1,034	G
Replacement columns and lights	725	372	165	200	180	180	725	G
Flood Alleviation & Flood Risk Management								
Portgordon	155	4	0	15	40	0	55	R
Lossiemouth Seatown	72	22	0	30	80	80	190	A
Dallas	0	24	13	11	0	0	24	G

Newmill	78		0	0	0	78	78	A
Elgin FAS	100	11	0	11	0	89	100	G
Forres (River Findhorn & Pilmuir) FAS	150	16	0	16	0	134	150	A
Harbours - replacement of life expired elements and upgrade								
Buckie	701	55	0	312	156	32	500	G
Burghead	258	8	5	0	248	0	253	G
Findochty	61		0	0	61	0	61	G
Portknockie Landslip	1,745	27	0	0	349	1396	1,745	A
Harbour Economic Development								
Economic Development	67		0	0	67	0	67	G
Buckie Harbour Infrastructure Improvements - Ice Plant & Fuel Tank	526		0	0	0	526	526	A
Total Economic Development and Infrastructure Committee	13,289	2,890	1,721	2,062	3,126	3,896	10,805	

Projected Expenditure

	Current Budget 2018-19 £000	Actual Expenditure £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000	Total Projected Expenditure £000	R/A/G
Vehicles Plant and Equipment								
Children and Young People's Services Committee								
Replacement of swimming pool equipment	50	9	5	4	3	0	12	G
Moray Leisure Centre	500		0	0	250	250	500	G
Total Children and Young People's Services Committee	550	9	5	4	253	250	512	
Economic Development and Infrastructure Committee								
Vehicle & plant replacement programme	3,039	522	317	487	319	816	1,939	G
G-PaTRA / Green Bus Fund - purchase of electric bus	290	283	0	283	0	0	283	G
Children's Play Areas (Parkland)	35	12	1	10	10	14	35	G
Facilities Management Equipment	13		0	0	6	7	13	G
Domestic & Trade Waste Bins	35	35	0	0	35	0	35	G
Upgrade of containers at recycling centres	10	4	0	0	5	5	10	G
New Car Parking Machines	160	148	98	62	0	0	160	G
Traffic Data Collection Equipment	11	7	4	4	3	0	11	G
Traffic signal replacement Forres	5		0	0	0	5	5	G
Pool Car Booking System	20	10	0	10	10	0	20	G
Total Economic Development and Infrastructure Committee	3,618	1,021	420	856	388	847	2,511	
Policy and Resources Committee								
ICT Core Programme								
Servers Infrastructure	285	94	62	88	63	72	285	G
Unix server replacement deferred	50		0	0	0	50	50	G
Network infrastructure	116	27	21	45	15	35	116	G

Desktop and Mobile Devices	233	129	113	60	33	27	233	G
Software	151	22	15	33	44	59	151	G
Digital Public Services	86	28	16	24	7	14	61	G
Schools ICT strategy	289	196	127	52	37	42	258	G
IJB OT stores stock system	0	32	17	15	0	0	32	G
Corporate committee management information system	5	5	5	0	0	0	5	G
Replacement of office furniture	10	5	2	2	2	4	10	G
Replacement of CCTV system	0	28	9	19	7	0	35	G
Total Policy and Resources Committee	1,225	566	387	338	208	303	1,236	
Total Vehicles Plant and Equipment	5,393	1,596	812	1,198	849	1,400	4,259	

0

0

Major Capital Projects spanning more than 1 financial year (as at 30 September 2018)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2018-19	Actual spend 2018-19	Remaining Budget 2018-19	Project Life Spend to 30/09/18	Projecte dFuture Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
SFT - 4 schools refurbishment	21,360	20,200	0	-250	250	19,950	0	19,950	1,410
Milnes PS 61582 early learning & childcare	2,500	1,468	1,032	758	274	2,226	0	2,500	0
New Linkwood Primary School	11,500	537	3,858	3	3,855	540	7,938	12,333	-833
New Lossiemouth High School	42,300	1,039	10,575	424	10,151	1,463	30,686	42,300	0
Complex Housing Needs Residential Facility	2,558	2,555	0	27	-27	2,582	0	2,582	-24
LED Street lighting replacement programme	5,000	2,195	1,034	457	577	2,652	1,100	4,329	671
Moycroft Integrated Waste Facility	3,532	58	674	12	662	70	2,800	3,532	0
Total	67,390	7,852	17,173	1,681	15,492	9,533	42,524	67,576	-186



REPORT TO: POLICY & RESOURCES COMMITTEE ON 27 NOVEMBER 2018

SUBJECT: REVENUE BUDGET MONITORING TO 30 SEPTEMBER 2018

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To advise Committee of the revenue budget monitoring position to 30 September 2018 and of the current estimated out-turn for 2018/19.
- 1.2 This report is submitted to Committee in terms of Section III A(8) of the Council's Administrative Scheme relating to monitoring current revenue expenditure against approved budget.

2. RECOMMENDATION

2.1 It is recommended that Committee considers and notes:

- (i) the budget monitoring position of £410,000 over budget for 2018/19 as at 30 September 2018;
- (ii) that this position consists of an underspend on Devolved School budgets of £552,000, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £1,125,000 and an underspend on other services of £163,000;
- (iii) movement of £102,000 in the General Revenue Grant, as detailed in paragraph 3.4;
- (iv) the current estimated out-turn for 2018/19 of an overspend of £2,024,000, resulting in an increase of £2,024,000 in use of Council reserves.
- (v) emerging budget pressures as summarised in paragraph 6.2;
- (vi) the position regarding Moray Integration Joint Board (MIJB) as described in paragraph 6.11, with cost implications of £532,000 for the Council, and
- (vii) further commitments of £5,678,000 against reserves as summarised in section 8.

2.2 It is recommended that Committee approves the release from provisions to meet budget pressures of:

- (i) £123,000 as identified in the report at paragraph 5.6;
- (ii) £78,000 as identified in the report at paragraph 6.2;
- (iii) £30,000 as identified in the report at paragraph 6.7.

3. BACKGROUND

- 3.1 When the revenue budget for 2018/19 was approved by Moray Council on 14 February 2018 (paragraph 10 of the minute refers), General Revenue Grant of £154,879,000 was estimated for the year, based on the latest amount notified to the Council and including estimates for further distributions of grant during the year. Council Tax receipts of £39,500,000 were anticipated. Budgeted expenditure of £199,105,000 was agreed, and this required projected use of £4,726,000 of the Council's General Reserves to balance the budget.
- 3.2 On 28 June 2018 Council approved adjustments to the base budget to reflect variances during 2017/18 which were projected to continue into 2018/19 (paragraph 8 of the minute refers). The net effect of these adjustments was to reduce budgeted expenditure by £137,000. At the same meeting additional expenditure of £521,000 to be funded from General Reserves was also approved. All of these adjustments have been posted to departments as at 30 September 2018.
- 3.3 In addition to the Council's core budget, monies allocated to schools through the Devolved School Management (DSM) scheme and not spent are brought forward from previous years. The balance brought forward in 2018/19 is £448,000 (2017/18 £804,000). In addition to this, unused funding of £196,000 received in 2017/18 for the expansion of Early Learning and Childcare and £568,000 relating to the Pupil Equity Fund (PEF) have been carried forward into 2018/19 in accordance with the grant conditions.
- 3.4 A variation to General Revenue Grant (GRG) of £102,000 has been notified. This relates to increased level of school clothing grants (£70,000) and access to free sanitary products in schools (£32,000). Additional budget has been allocated.
- 3.5 The Council's overall General Services revenue budget currently stands at £201,672,000.
- 3.6 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 14 February 2018 is shown in **APPENDIX 3** and allocations to departments from the provisions for Inflation and Contingencies, Additional Costs and Savings are listed in **APPENDIX 4**.
- 3.7 In response to the Council's financial position the Chief Executive emailed all the Heads of Service on 5 September 2018, requesting that where possible expenditure is curtailed. Estimated expenditure takes this into account.

4. BUDGET POSITION

- 4.1 **APPENDIX 1** summarises the current position for each service area, comparing the actual expenditure for the year to 30 September 2018 with the budget to 30 September 2018.
- 4.2 Overall the budget position at 30 September 2018 is expenditure over budget to date of £410,000 or 0.4% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 4.3 The principal areas of overspend and underspend across the Council are summarised below:
- 4.3.1 In Integrated Children's Services, Out of Area placements are £397,000 over budget to date. An increase in the number of children cared for and of expenditure since 2016/17 was recognised when the budget for 2018/19 was set and provision of £1,200,000 made to accommodate this. The overspend in quarter 2 of this year reflects further continued increase which is expected to continue throughout 2018/19. A report was made to Children and Young Peoples Services Committee on 27 June 2018 (paragraph 17 of the minute refers).
- 4.3.2 Devolved School budgets are underspent by £552,000 at the end of quarter 2, £193,000 in primary schools and £359,000 secondary schools.
- 4.3.3 Central Repairs and Maintenance budget is £111,000 under spent to date, primarily relating to planned repairs, in response to the directions of the Chief Executive, as detailed in paragraph 3.7.
- 4.3.4 The recycling budget is overspent by £82,000 due to market fluctuations in the cost of recycling mixed paper. The income budget for this is not being met since the Council are now incurring costs to have the paper taken away due to continuing market fluctuations in price.
- 4.3.5 As previously reported, there is an insurance recovery of £80,000 relating to a fire damaged property in Buckie. No expenditure against this is anticipated.

5. **BUDGET PRESSURES**

- 5.1 Budget pressures recognised when the budget was approved on 14 February 2018 are released when the pressure crystallises to the extent that it can be accurately quantified. Provisions to meet budget pressures and new duties totalling £1,011,000 have been released in quarter 2 and are detailed in **APPENDIX 4**.
- 5.2 Provisions still held centrally at the end of quarter 2 total £2,616,000 and are detailed in **APPENDIX 5** and given a RAG assessment for likelihood of requirement.
- 5.3 Three provisions are assessed as red or unlikely to be needed: £15,000 for Elgin High School facilities management; £50,000 for deferred income for permanent care and £57,000 for the full year effect of the teachers' pay award for 2017/18. The amount of deferred income received is still expected to decrease, but no budget is retained for this income and so no budget pressure remains to be mitigated. The teachers' pay award and Elgin High School facilities management are already budgeted for in full.
- 5.4 Three provisions are assessed as amber, for uncertainty of requirement: energy performance certificates (£80,000); change in school roll numbers (£542,000); and implementation of the Gaelic plan (£40,000). Following calculations by the Service only £28,000 will be required for the first provision for 2018/19, following the school pupil census return only £35,000 will be required for 2018/19, and there is high uncertainty about the level of need for expenditure on the Gaelic plan.
- 5.5 Two provisions fell short of requirements by £21,000 in total. The provision for insurance premium tax of £40,000 has been allocated however, the actual increase in the cost of insurance was £48,000 due an increase in employers liability (as reported to Council on 5 September 2018 in the budget monitoring report for quarter 1 (paragraph 6 of the minute refers)) , which has resulted in an overspend of £8,000. Provision of £143,000 was made for transport following the restructure of the school week. Following the re-tendering of the school transport contract it is now anticipated that no additional costs will arise for the change in hours within budget. However, due to changes in school roll numbers, transport costs have risen by £156,000, resulting in an overspend of £13,000.
- 5.6 There is a provision for increased funding of £200,000 to the MIJB for children transitioning into adult social care. The service has produced information relating to one client who transitioned from 1 April 2018. The care package will cost £123,000 for the year. The release of £123,000 is recommended.
- 5.7 All other provisions are expected to be required in full at this juncture.

6. **EMERGING BUDGET PRESSURES**

- 6.1 During the second quarter a number of budget pressures have emerged. Those which can be quantified at present are listed in the table below:

	Para Ref	Estimated full year effect £000s
Previously reported		
Water charges increase		30
Waste paper charge increase		134
Child Protection		86
Meals on Wheels	6.2	78
Increased		
Out of area placements	6.3	1,000
New		
Water rates exemption removal	6.4	17
Wildfowling Findhorn Bay	6.5	15
CSU post	6.6	38
Green waste recycling	6.7	30
		1,428
		=====

- 6.2 Following WRVS withdrawal from the contract to deliver meals on wheels, that service is being delivered in different ways eg individual purchases a frozen meal and home carers support thereafter. Consequently meals are no longer being purchased from the Council's catering service. This represents a loss of £84,000 budgeted income. There is a corresponding reduction of £6,000 in food purchased but no impact on staff time. It is recommended that this budget pressure is now released to reflect the actual net loss of income to the service.
- 6.3 Expenditure on out of area placements in Integrated Children's Services continues to exceed budget, as reported to Children and Young People's Services Committee on 27 June 2018, despite the 2018/19 budget increase of £1,200,000,(paragraph 17 of the minute refers). The estimated overspend for the year based on the current placements is £1,000,000.
- 6.4 The exemption from water charges on vacant properties has been removed. Based on occupancy of council properties and water charges for 2017, there is a potential increased expenditure of £17,000.
- 6.5 A one-off budget pressure of £15,000 is included for the cost of full mediation over the issue of wildfowling in Findhorn Bay, as agreed at Moray Council on 6 June 2018 (paragraph 6 of the minute refers) .

- 6.6 A budget pressure has been included for a CSU post to support CAT transfers. Annual expenditure of £48,000 for a two year period was approved by Council on 11 April 2018 (paragraph 6 of the minutes refers). As the post was filled part way through the year the funding profile has been amended to be £38,000 being required in 2018/19.
- 6.7 As part of the savings considered by Council on 26 September 2018 (paragraph 6 of the minute refers) the introduction of a charge for recycling garden waste from 2019/20 was approved. There will be on-going annual expenditure of £20,000 for producing and distributing waterproof stickers for garden waste bins and one-off start-up costs for publicity. In order to introduce this charge from 1 April 2019, start-up and recurring costs estimated to total £30,000 require to be incurred in 2018/19. It is recommended that budget for this is now released to allow the service to proceed with implementation of the new charge.
- 6.8 All these emerging pressures will continue to be reviewed and further recommendations made to Policy and Resources Committee in February 2019 as appropriate.
- 6.9 When MIJB set its budget for 2018/19 it noted a shortfall estimated to amount to £4,596,000, after identified savings of £1,060,000. Following further consideration by the Board additional savings of £456,000 have been identified, and the Board has agreed to use £847,000 reserves to part-fund the shortfall. It would appear to be unlikely that the Board will be able to implement savings to balance the budget within the next four months, particularly given the overspend across both Council and NHS services during quarter 2. The Council at its special meeting on 28 June 2018 considered a report on Corporate and Financial Planning (paragraph 12 of the minute refers) which included consideration that MIJB was likely to require further funding of £1.3m to meet its budget shortfall (based on 40% of £3.2m deficit).
- 6.10 On the basis of the current position to be reported to MIJB on 29 November 2018 and the provisional forecast position to the financial year end the MIJB remain in a deficit position, but the projected deficit has reduced to £1,438,000. Based on agreed funding levels, Moray Council's share would be 37% of the deficit: £532,000. This is one of the most volatile budget pressure faced by the Council. It is important that in recognising this pressure the Council does not lose sight of the need for Social Care services to keep tight control over its own finances. As reported in **APPENDICES 1 and 2** there is a significant projected overspend on social care services for the year.
- 6.11 The figures included for MIJB in **APPENDIX 1** for the actual variance to date relates solely to the services provided by the Council. **APPENDIX 2** shows the overspend on the Council's services, with an adjustment to reflect the overall estimated liability for the Council at the year end, as included in paragraph 6.10 above.

7. **SAVINGS**

- 7.1 Savings of £6,253,000 were approved when the budget was set on 14 February 2018. These savings comprised increased income of £62,000 from charges for services; one-off savings of £638,000 and other permanent savings of £5,553,000.
- 7.2 To date budgets for charges have been adjusted by £59,000. The remaining balance of £3,000 will be drawn down in quarter 3 and budgets adjusted accordingly. Temporary savings of £643,000 have been posted to departmental budgets, £5,000 more than the target.
- 7.3 Of the originally approved permanent savings, a balance of £388,000 remains in central provisions as at the end of September. These are detailed in **APPENDIX 6** and given a RAG assessment for anticipated achievement. However, additional savings totalling £460,000 have been achieved to date and the original target has already been exceeded.
- 7.3.1 Thirteen savings totalling £294,000 are assessed as amber. Rental income for new industrial estates units is now not expected to come on stream until 2019/20. The provision for increased income from estates rental reviews has not been posted as rental for industrial estates is below budget at 30 September 2018, due to voids. The situation will be kept under review. Another two relate to savings from restructure of Fleet Services and from Roads restructure. Jobs are currently being evaluated, and so full year savings will not be achieved during this financial year. Nine of the approved savings, totalling £133,000, relate to the CAT of town halls, for which some savings have been achieved. The full saving will not be achieved due to deficit funding approved to be given to the Community Groups taking over the services. The level of deficit funding required is not currently known with certainty, although a cap has been approved.
- 7.3.1 There are 2 other unposted savings assessed as green - these are expected to be achieved or substantially achieved during this financial year. The projects comprise the move to 3 weekly waste collections (£11,000) and management restructure (£50,000); the proposed restructure is out for consultation.
- 7.4 On 28 June 2018 Council agreed to reverse £33,000 savings from reduction in school crossing patrollers. This sum is consequently recorded as red.
- 7.5 Additional savings have been achieved totalling £471,000. This predominantly relates to the review of the DSM scheme, where £218,000 savings identified for 2019/20 have been able to be realised during 2018/19. Further savings approved by Council on 26 September which were available to be taken in 2018/19 have been posted. Energy savings from efficiency measures reported to this committee on 2 October 2018 have generated savings of £28,000. Interim transport contracts for the period from August 2018 to February 2019 have delivered a saving of £90,000.

8. **ESTIMATED OUT-TURN**

- 8.1 **APPENDIX 2** summarises the first estimated out-turn position for each service area, comparing the estimated expenditure to the financial year-end with the budget to 30 September 2018.
- 8.2 Overall the estimated out-turn position for 2018/19 is expenditure over budget to date of £1,492,000 or 1% of budget to date (excluding services delivered on behalf of the Moray Integrated Joint Board).
- 8.3 The estimated out-turn position for 2018/19 for Health & Social Care is an over spend of £1,526,000 on services purely provided by the Council. As the MIJB has a cost sharing agreement between the Council and NHS Grampian, an adjustment to reflect the agreement is shown. This reduces the budget shortfall for which the Council is liable to £532,000. This brings the total anticipated variance for 2018/19 to an overspend of £2,024,000.
- 8.3 The principal areas of overspend and underspend across the Council reflect the major variances mentioned in paragraph 4 above. Details of out-turn variances are summarised below:
- 8.3.1 In Integrated Children's Services, Out of Area placements are estimated to be £1,000,000 over budget at the end of the financial year. This overspend should be offset in part by an underspend of £170,000 for a children's services at Waulkmill, where an adult who has transitioned from children's services continues to reside. This reduces the in area provision for children and is contributing to the out of area overspend. There has been an increase in the number of children cared for and of expenditure since 2016/17 which is expected to continue throughout 2018/19 and beyond. A one-off refund of £184,000 has been received in respect of underspends on a contract for residential services in prior years. A report will be going to the Children & Young People's Committee in February 2019.
- 8.3.2 The central Repairs and Maintenance budget is expected to be £138,000 underspent due to a reduction in planned repairs as detailed in paragraph 3.7. Property Service fee income is expected to be £257,000 short of the target due to slippage in capital and HRA spend.
- 8.3.3 The recycling budget is expected to overspend by £130,000 by the end of the financial year due to the continuing market fluctuations in the cost of recycling mixed paper. Trade waste income is expected to have a shortfall of £40,000, partly due to the change in frequency of collections as a consequence of implementation of a three weekly cycle to achieve savings on cost. There has also been a reduction in use of this service following the price increase in April 2018.
- 8.3.4 Waste Management continue to have overspends on leachate, which is expected to be £154,000 by the year end. The landfill cell will be capped in 2019/20 which should see a reduction in the overspend.

- 8.3.5 Staff savings from vacancies and appointment below top of scale are anticipated to exceed the budget provision by £98,000. Major variances are anticipated in Corporate Services (£159,000 above target) and Chief Executive's services (£194,000 above target), reduced by an anticipated shortfall of £255,000 in Direct Services.
- 8.3.6 There is an expected shortfall in income of £103,000 for the corporate advertising income due to a delay in securing income from trunk roads and there being no uptake of advertising on vehicles.
- 8.3.7 There is an expected underspend on loans charges of £143,000. This is based on a re-profiling of the capital plan to reflect slippage; acceleration; savings on some projects; additional costs on others, and deferred expenditure to reduce in-year costs. As an element of slippage occurs each year, a saving on loans charges of £200,000 for slippage was included in the budget. Further reduction in in-year costs has reduced the anticipated borrowing requirement. Income from Interest on Revenue Balances is anticipated to be higher than budget by £95,000 due mainly to an increase in interest rates during 2018/19. This is mirrored by a corresponding increase in the level of interest paid on outstanding loans.
- 8.3.8 As indicated in section 5 of this report not all provisions held centrally will be required to be released. It is estimated that a balance of £314,000 for additional costs will be retained centrally at the year end, along with a balance of £72,000 additional savings made. However, it is currently estimated that and additional £1,563,000 will be needed for inflationary rises. Pay awards for 2018/19 are not yet agreed. The provision of £2,500,000 made when the budget was set was based on the Scottish Government pay sector. The current pay offer of 3% up to £80,000 and a flat rate of £1,600 above that is now estimated to cost £3,972,000. This has been used when developing the estimated actuals. The overall budget position reported to Council on 26 June 2018 reflected an anticipated increase in the cost of the pay award from when the budget was set.

9. GENERAL RESERVES

- 9.1 The balance on general reserves (excluding DSM and ear-marked reserves) as at 1 April 2018 was £17,095,000. Use of reserves totalling £4,726,000 was approved to balance the 2018/19 budget.
- 9.2 The Moray Council on 28 June 2018 approved a net budget reduction of £137,000, reducing the underlying need to use reserves, and also additional funding from reserves for specific items, totalling £521,000. Budget has been fully released in quarter 2. PEF funding of £568,000 carried forward from 2017/18 has now been allocated. Commitments of £5,678,000 against general reserves are detailed in **APPENDIX 7**.

- 9.3 The impact of the estimated out-turn is a further reduction in reserves of £2,024,000, leaving an estimated free balance of £9,393,000 at 31 March 2019.

10. SUMMARY OF IMPLICATIONS

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**
Effective budget management is an essential component of delivery of council priorities on a sustainable basis.
- (b) **Policy and Legal**
No policy or legal implications arise directly from the contents of this report.
- (c) **Financial implications**
The financial implications are addressed throughout the report.
- (d) **Risk Implications**
There are no risk implications arising directly from this report. Budget managers are aware of their responsibilities for managing their budgets in accordance with the Council's Financial Regulations. There is a risk to the council arising from the agreement that if the Moray Integrated Joint Board overspends the council will meet around 40% of the additional costs incurred.
- (e) **Staffing Implications**
No staffing implications arise directly from this report.
- (f) **Property**
No property implications arise directly from this report.

(g) Equalities/Socio Economic Impact

No equalities implications arise directly from this report.

(h) Consultations

Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

11. CONCLUSION

11.1 The financial position of the Council at the end of September 2018 is an overspend against General Services Revenue Budget of £410,000 (including services delivered on behalf of the Moray Integration Joint Board).

11.2 Variations in General Revenue Grant totalling £102,000 have been notified to the council.

11.3 Additional budget pressures of £1,428,000 for Council services are noted. The estimated out-turn position consists of an overspend of £1,492,000 plus an overspend of £532,000 relating to MIJB, a total of £2,024,000. This will result in a call on general reserves.

11.4 Release of £231,000 from provisions is recommended to meet previously identified budget pressures which can now be quantified sufficiently to warrant budget adjustment.

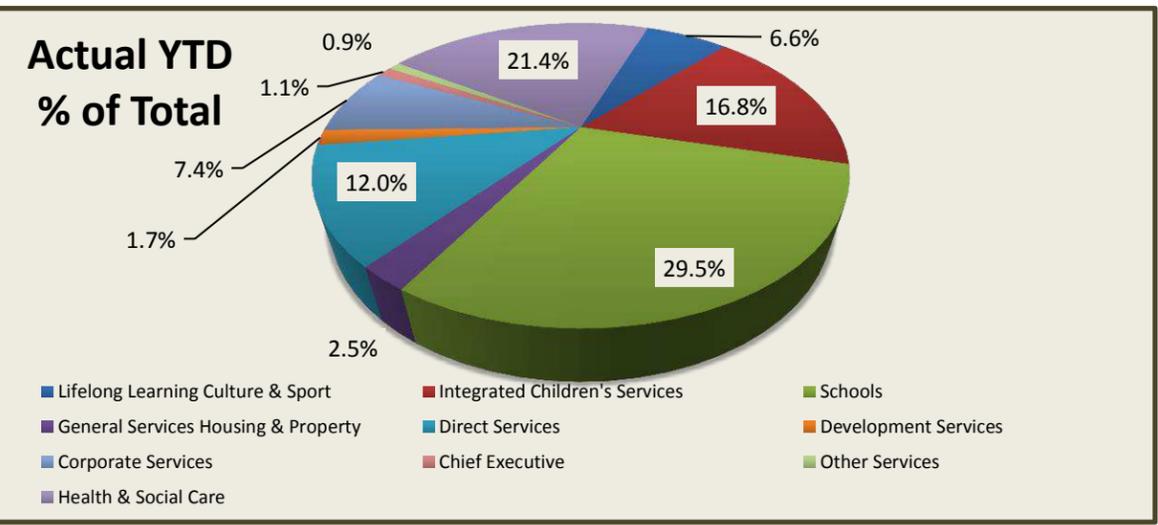
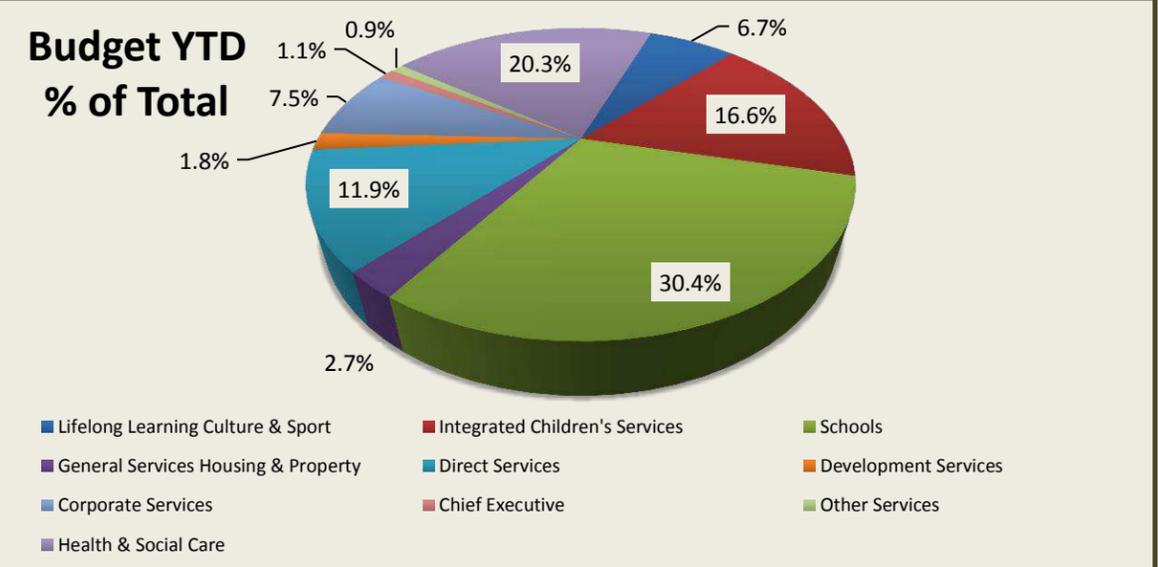
Author of Report: Deborah O'Shea, Principal Accountant

Background Papers: Held by author

Ref:

MORAY COUNCIL - APPENDIX 1.1
BUDGET MONITORING REPORT
QUARTER 2 to 30th SEPTEMBER 2018

Service	Revised Budget 2018/19 £000s	Budget to 30 Sept 2018 £000s	Actual & Committed to 30 Sept 2018 £000s	Year to date variance £000s
Lifelong Learning Culture & Sport	10,606	6,538	6,501	37
Integrated Children's Services	30,208	16,180	16,427	(247)
Schools	58,472	29,617	28,916	701
General Services Housing & Property	3,130	2,584	2,408	176
Direct Services	23,363	11,587	11,752	(165)
Development Services	3,512	1,766	1,632	134
Corporate Services	10,941	7,351	7,263	88
Chief Executive	2,091	1,115	1,124	(9)
Other Services	1,994	887	887	0
SERVICES excl HEALTH & SOCIAL CARE	144,317	77,625	76,910	715
Health & Social Care	38,088	19,823	20,948	(1,125)
TOTAL SERVICES incl HEALTH & SOCIAL CARE	182,405	97,448	97,858	(410)
Loans Charges	14,525	0	0	0
Provision for Contingencies and Inflation	2,054	0	0	0
Additional Costs	2,616	0	0	0
Unallocated Savings	72	0	0	0
TOTAL PROVISIONS	4,742	0	0	0
TOTAL GENERAL SERVICES EXPENDITURE	201,672	97,448	97,858	(410)

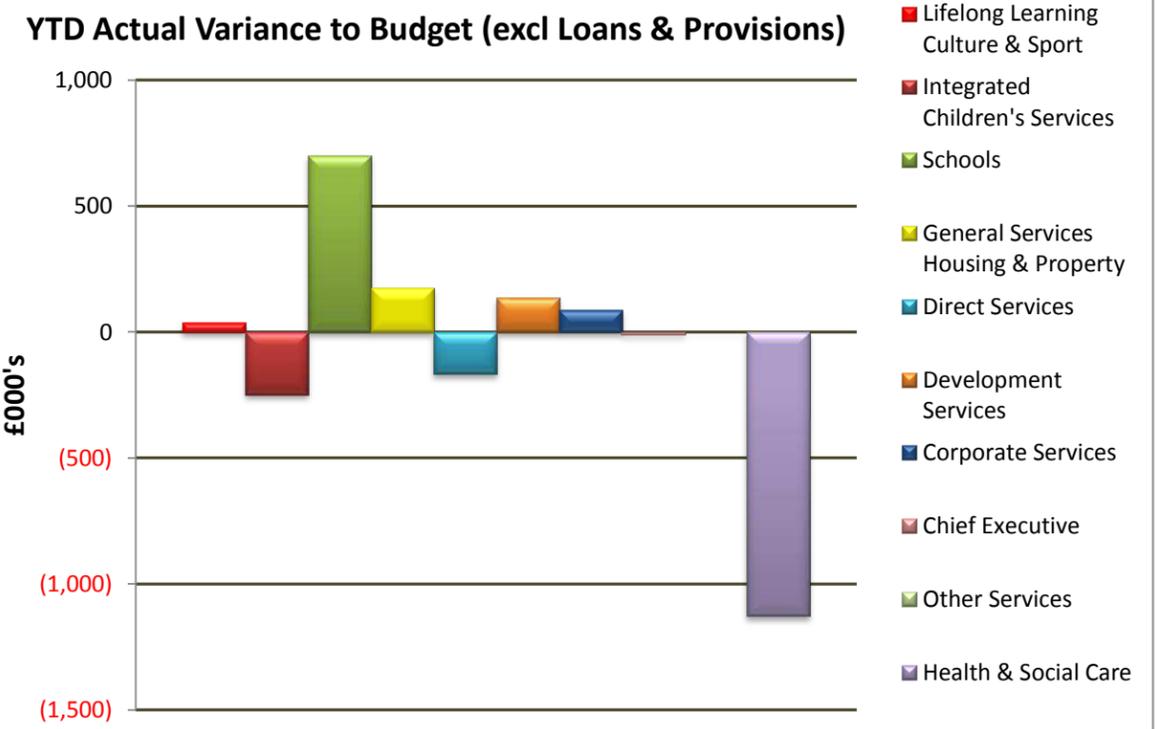


Commentary on Quarter 2 Performance

Out of Area placements for Integrated Childrens service are overspent

Devolved school budgets are underspent for both primary and secondary

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



**MORAY COUNCIL - APPENDIX 2
BUDGET MONITORING REPORT
QUARTER 2 to 30th SEPTEMBER 2018**

Service	Revised Budget 2018/19 £000s	Estimated Outturn 2018 £000s	Anticipated Variance £000s	Variance vs Base Budget %
Lifelong Learning Culture & Sport	10,606	10,528	78	0.7%
Integrated Children's Services	30,208	30,877	(669)	(2.2)%
Schools	58,472	58,494	(22)	(0.0)%
General Services Housing & Property	3,130	3,164	(34)	(1.1)%
Direct Services	23,363	23,863	(500)	(2.1)%
Development Services	3,512	3,378	134	3.8%
Corporate Services	10,941	10,510	431	3.9%
Chief Executive	2,091	1,992	99	4.7%
Other Services	1,994	1,969	25	1.3%
SERVICES excl HEALTH & SOCIAL CARE	144,317	144,775	(458)	(0.3)%
Health & Social Care	38,088	39,614	(1,526)	(4.0)%
Adjustment to reflect cost sharing agreement			994	
TOTAL SERVICES incl HEALTH & SOCIAL CARE	182,405	184,389	(990)	(0.5)%
Loans Charges	14,525	14,382	143	1.0%
Provision for Contingencies and Inflation	2,054	3,617	(1,563)	(76.1)%
Additional Costs	2,616	2,302	314	12.0%
Unallocated Savings	72	0	72	100.0%
TOTAL PROVISIONS	4,742	5,919	(1,177)	7,096
TOTAL GENERAL SERVICES EXPENDITURE	201,672	204,690	(2,024)	206,714
Funded By:				
Scottish Government Grant	155,659	155,659	0	0.0%
Council Tax	39,555	39,555	0	0.0%
Funded From Reserves:				
DSM	448	448	0	0.0%
DSM c/f	0	0	0	0.0%
General	6,010	9,028	(3,018)	(50.2)%
H&SC adjustment			994	0.0%
TOTAL FUNDING	201,672	204,690	(2,024)	(1.0)%
OVERALL VARIANCE	0	0	0	

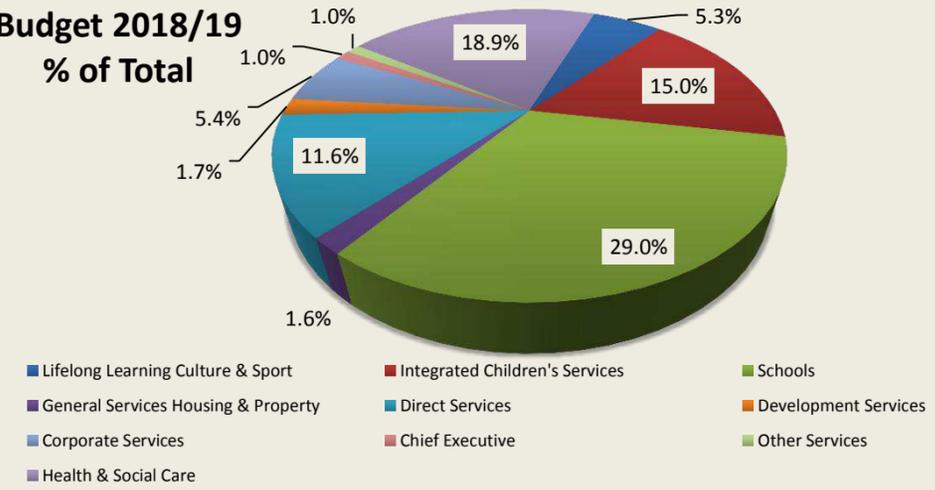
Commentary on Quarter 2 Performance

Out of Area placements forecasted to be £1m overspent by end of the year

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

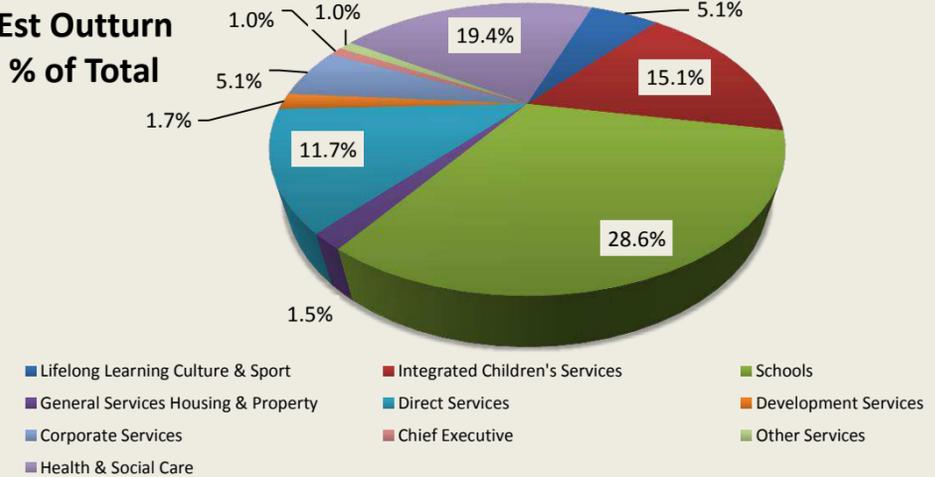
Budget 2018/19

% of Total

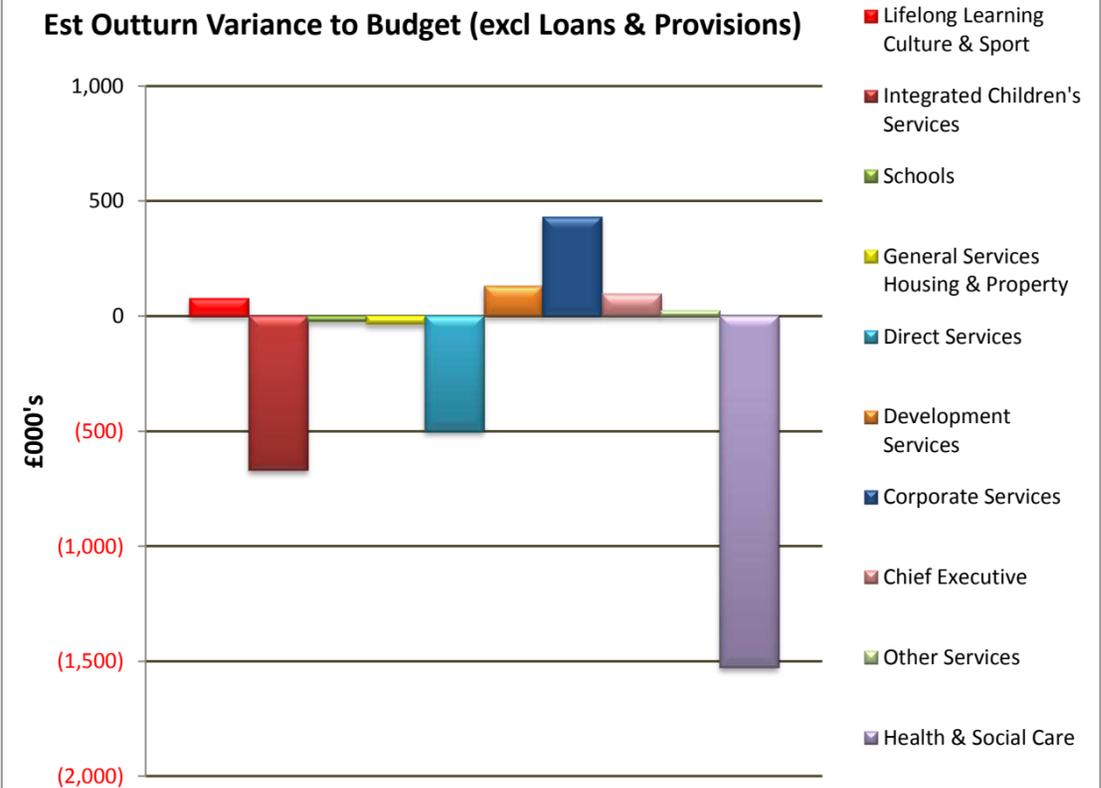


Est Outturn

% of Total



Est Outturn Variance to Budget (excl Loans & Provisions)



£000s	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
14 February 2018	182,089	3,000	6,264	(6,253)	185,100	14,005		199,105
School carry forwards	448				448			448
Additional GRG			678		678			678
Variance review			137					
Adjustment 1	(2,130)	(692)	(3,452)	5,609	(665)	720		55
Funded from reserves - approved MC 28/06/18	500				500			500
Funded from reserves ELC	196				196			196
Moray Council 5 September 2018	<u>181,103</u>	<u>2,308</u>	<u>3,627</u>	<u>(644)</u>	<u>186,257</u>	<u>14,725</u>	<u>0</u>	<u>200,982</u>
Adjustment 2	651	(254)	(1,113)	716	0	0		0
Funded from Reserves	20				20			20
Additional GRG			102		102			102
Adjustment for PEF funding	568		0		568			568
P&R Committee 27 November 2018	<u>182,342</u>	<u>2,054</u>	<u>2,616</u>	<u>72</u>	<u>186,947</u>	<u>14,725</u>	<u>0</u>	<u>201,672</u>

£000s	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
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ALLOCATIONS FROM PROVISIONS SINCE

Provision for Contingencies and Inflation	Committee reference	£000s	£000s
Balance at 30 June 2018			2,308
Temporary Community Support officer	MC 11/04/18	(38)	
Non Domestic Rate (NDR) adjustment	N/A	(116)	
Maximum Basic Scale (MBS) Primary & Secondary	N/A	94	
MLC deficit funding	MC 16/05/18	(120)	
School roll changes	N/A	(6)	
School transport temporary contract	N/A	(73)	
Other contract increases	N/A	(5)	
Other	N/A	10	
		<u>(254)</u>	
Balance at 30 September 2018			2,054
Additional Costs		£000s	£000s
Balance at 30 June 2018			3,627
Movements in General Revenue Grant			
Schools clothing grant redetermination		70	
Free sanitary products redetermination		32	
Schools clothing grant allocated to department		(70)	
Free sanitary products funding allocated to dept		(32)	
ELC expansion		(48)	(48)
Movements approved when budget set			
Implementing the Carers Act	MC 14/02/18	(32)	
Elgin High School NDR	MC 14/02/18	(105)	
NDR refurbished Primary schools	MC 14/02/18	(33)	
Increase in transport costs for schools	MC 14/02/18	(156)	
Tipping charges loss of income	MC 14/02/18	(100)	
Insurance premium tax	MC 14/02/18	(48)	
Other Movements			
Apprenticeship levy	MC 15/02/17	(413)	
ERDMS extension	MC 14/02/18	(76)	
		<u>(1,011)</u>	
Balance at 30 September 2018			2,616
Savings & Charges		£000s	£000s
Balance at 30 June 2018			(644)
Savings identified when budget set:			
Permanent savings taken	MC 14/02/18	245	
Savings exceeding target	MC 14/02/18	87	
Savings identified after budget set:			
Transport contracts		90	
Energy savings	P&R 2/10/18	28	
Mobile creche	MC 26/09/18	10	
DSM review 2019/20 savings achieved in 2018/19	MC 14/02/18	218	
Additional savings identified at Committee	MC 26/09/18	38	
		<u>716</u>	

Balance at 30 September 2018

72

Funded from Reserves

Syrian resettlement program

MC 28/06/18

20

BUDGET PRESSURES AND NEW DUTIES

Ref	Description	Amount £000s	Reasons
BUDGET PRESSURES RECOGNISED WHEN BUDGET SET			
	Energy		
1	Energy performance certificates	80	Only £28,000 required following calculations undertaken.
	Schools		
4	Elgin High School - facilities management	15	Not required
5	Elgin High School increase in NDR costs	15	NDR appealed £105,000 allocated and the balance required by the end of the year
6	Increase in NDR costs for refurbished primaries	44	NDR appealed £33,000 allocated and the balance required by the end of the year
7	Change in school roll numbers	542	Only £35,000 required following the school pupil census, for release in October
10	Restructuring school week - transport	(13)	£156,000 allocated against a £143,000 budget pressure
10	Restructuring school week catering	67	Required in full and will be allocated during Qtr 3
11	Teachers pay award	57	Provision not required in full.
	Social Work		
	Transition costs into adult social care services	200	Business case received from MIJB for decision and the provision will continue to be held centrally £123,512 recommended to be released
	Income		
17	Deferred income relating to permanent care pre inception of MIJB	50	Pressure no longer required as there is no income budget in Social Work
	Corporate Services		
20	Insurance premium tax	(8)	£48,000 allocated against a £40,000 budget pressure. Includes increase in employers' liability insurance.
21	Gaelic plan	40	Costs are as yet unknown and the provision will continue to be held centrally
	Additional pressures		
	Agreed at MC Special meeting 28.6.18	137	
	Op position adjustment Apprentice levy	(413)	
	ERDMS extension	(76)	
FUNDING FOR NEW DUTIES			
	Implementing Carers' Act	1,153	Split agreed and will be allocated in Qtr 3
	British Sign Language	11	Held developing approved BSL plan
	Temporary accommodation	102	Balance of funding held pending identification of need
	Sensory impairment	6	Continue to hold centrally pending identification of need.
	ELC expansion	606	Release as required to match Delivery Plan
	Total	2,615	

SAVINGS

Ref	Description	Amount £000s	Reason for balance
RECOGNISED WHEN BUDGET SET			
	Lifelong Learning, Culture and Sport		
	Closure/CAT Dufftown CC	4	Some CAT savings have been processed during Qtr 2.Full saving will not be achieved due to deficit funding approved to be given to Community groups taking over services. Savings will be posted during Q3.
	Closure/CAT Cullen CC	21	
	Closure/CAT Elgin Town Hall	64	
	Closure/CAT Forres Town Hall	24	
	Closure/CAT Findochty Town Hall	2	
	Closure/CAT Cullen Town Hall	(2)	
	Closure/CAT Fisherman's Hall	24	
	Closure/CAT Longmore Hall	11	
	Less allowance for future council lets of Elgin Town Hall	(15)	
	General Service Housing & Property Service		
	Rental income from new industrial sites / units	18	Now not expected to come on stream until 2019/20
	Estates rental review	50	Currently being offset by voids.
	Direct services		
	Three weekly waste collection	11	Implemented from July 18. Balance not expected or to be post during Q3
	Management Restructure	50	DAR agreed, proposed restructure out for consultation.
	Roads Restructure	43	???
	Fleet Restructure	50	Jobs being re-evaluated, the full amount of £50k will not be achieved in 2018/19.
	School Crossing Patrollers (balance of saving)	33	Reinstatement as per option agreed at MC 28/06/18
	Cross Departmental		
	Charges	3	
	Balances from rounding	8	
	Less additional savings as detailed in Appendix 3	(471)	
	Total	(72)	

APPENDIX 7

General Reserves	Committee reference	Approved £000s	Budget released £000s
General Reserves @ 1 April 2018		17,095	
Less commitments against reserves when budget was set:			
To balance the 2018/19 budget	MC 14/02/18	4,726	
Approved in prior years:			
PEF funding c/fwd	MC 03/02/16	568	568
Budget reduction from variance report		(137)	(137)
Funding from reserves approved in 2018/19:			
Benefits Welfare Reform	MC 28/06/18	8	8
Roads maintenance	MC 28/06/18	231	231
Community Planning	MC 28/06/18	48	48
Syrian resettlement programme	MC 28/06/18	20	20
Elgin High School replacement	MC 28/06/18	180	180
Building financial resilience	MC 28/06/18	5	5
Discretionary Housing payments	MC 28/06/18	29	29
		521	521
Approved use of reserves		5,678	
Estimated out-turn - variance to be met from reserves		2,024	
Free balance @ 30 September 2018		9,393	

