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## Moray Council

Wednesday, 28 June 2023

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Moray Council** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Wednesday, 28 June 2023 at 09:30**.

### **BUSINESS**

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests \***
3. **Resolution**  
Consider, and if so decide, adopt the following resolution:  
"That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 11 - 14 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."
4. **Minute of Meeting on 24 May 2023** **7 - 16**
5. **Notice of Motion - Save our Surgeries** **17 - 18**
6. **Notice of Motion - No Compulsory Redundancies** **19 - 20**
7. **Cloddach Bridge** **21 - 26**  
Report by the Depute Chief Executive (Economy, Environment and Finance)
8. **Capital Plan 2022-23** **27 - 50**  
Report by Depute Chief Executive (Economy, Environment and Finance)

**Allocation**

Report by Depute Chief Executive (Education, Communities and Organisational Development)

10. **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**

11. **Disposal of Surplus Asset [Para 9]**

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

12. **Additional Support Needs Funding [Para 3]**

- Information relating to any particular applicant for, or recipient or former recipient of, any service provided by the Authority;

13. **Elgin Community Centre [Paras 1 and 6]**

- Information relating to staffing matters;
- Information relating to the financial or business affairs of any particular person(s);

14. **Moray Leisure Centre Expansion Proposal [Para 6]**

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

**Watching the Meeting**

You can watch the webcast live by going to:

[http://www.moray.gov.uk/moray\\_standard/page\\_43661.html](http://www.moray.gov.uk/moray_standard/page_43661.html)

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

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



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

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

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

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

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

# MORAY COUNCIL

## Moray Council

### SEDERUNT

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

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

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



**Minute of Meeting of the Moray Council**

**Wednesday, 24 May 2023**

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

**PRESENT**

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

**IN ATTENDANCE**

Also in attendance at the above meeting were the Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Governance, Strategy and Performance, Head of Environmental and Commercial Services, Acting Transportation Manager, Interim Planning and Strategy Lead (Moray Integration Joint Board) and Tracey Sutherland, Committee Services Officer.

**1. Chair**

The meeting was chaired by Councillor Kathleen Robertson.

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

In terms of Standing Order 70 and the Councillors' Code of Conduct, there were the following declarations of interest:

Item 7 as full or substitute members of the Moray Integration Joint Board – Councillors Bloomfield, Colyer, Divers, Gatt, Keith, Lawrence, Morrison and Robertson

Item 14 as members of a Trade Union – Councillors Cameron, Divers, Harris, Leadbitter, Keith, McLennan, Ross, Stuart and Warren.

All Councillors stated that they would remain in the meeting during the discussion of the items.

There were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda.

### 3. Resolution

Councillor Fernandes sought clarification on the reason for Item 15 being held in confidence as although he was in agreement, he was aware of a protest being held in Elgin next month by a far right group and felt it would be useful for Members of the public to understand why the report was being held in confidence.

In response, the Chief Executive confirmed that the paper was deemed confidential on submission due to the information containing asylum arrivals. As this was only to be announced through a coordinated approach with the home office being the lead agency.

Confidentiality would protect privacy of the asylum individuals if further detailed discussions were to take place. Confidentiality negates the risk of sharing information which could identify individuals.

To mitigate this, there are a range of stakeholder events which have and will be taking place.

For the public specific, Elgin Community Council have kindly agreed to host an open meeting where members of the public are welcome to share their views and questions. The date of this meeting will be agreed soon.

Following the clarification the meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 14 and 15 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act.

Para number of the minute	Para Number of Schedule 7a
19	Para 11 Information relating to any consultations or negotiations in connection with any labour relations
20	Para 3 and 5 Information relating to any particular applicant for, or recipient or former recipient of, any service provided by the Authority; and Information relating to the adoption, care, fostering or education of any particular child or relating to the supervision or residence of any particular child in accordance with a supervision requirement.

### 4. Congratulations

The Council joined the Chair on congratulating Edward Clark who was selected as Moray Musician of the Year and represented Moray at the Scottish Young Musicians Solo Performance of the Year Final.



## **5. Point of Order**

Councillor Cameron in terms of Standing Order 58 raised a point of order stating that the Council Leader had been seen at the Save Our Surgeries rally which indicated support for the campaign but yet did not allow 2 notices of motion on the subject.

In response, the Council Leader stated that both notices of motion had been rejected based on advice from the Monitoring Officer, she further added that her attendance at the rally was purely in her role as a Councillor as it is important for all Councillors that the communities are listened too and was there in a listening capacity only.

Councillor Cameron sought further clarification on the rejection of another notice of motion in regards to Dr Gray's hospital.

In response, the Monitoring Officer stated that he was aware of tensions with the submission of notices of motion but assured Members that guidance on notices of motion have been agreed by the Administration Group and Political Group Leaders and would be discussed at a forthcoming training session.

Councillor McLennan asked whether notices of motions which did not get put forward to Committee and the reasons why, could be published for members and the public to view.

In response, the Monitoring Officer stated that rejected notices of motions are not kept and when this was raised at an earlier meeting, his view was that they should not be published and that his view remained.

## **6. Minute of Meeting of Moray Council on 2 February 2023**

The minute of the meeting of Moray Council on 2 February 2023 were submitted and approved.

## **7. Minute of Special Meeting of Moray Council on 1 March 2023**

The minute of the Special Meeting of Moray Council on 1 March 2023 was submitted and approved.

## **8. Minute of Special Meeting of Moray Council on 8 March 2023**

The minute of the Special Meeting of Moray Council on 8 March 2023 was submitted and approved.

## **9. Notice of Motion - ScotWind Auction**

In terms of Standing Order 35(a) there was submitted a Notice of Motion by Councillor Keith, seconded by Councillor Cowe in the following terms:

### **Notice of Motion: ScotWind auction**

The Council notes the findings of the report 'ScotWind - One Year On' by Dr Craig Dalzell of Common Weal, in particular the finding that the ScotWind auction appears to have undervalued Scottish offshore wind rights by placing a maximum ceiling on bids, possibly underselling rights by billions of pounds.

The Council notes that ScotWind leaseholders who fail to deliver local supply chain commitments (valued in billions of pounds) face a maximum fine of £250,000.

The Council recognises the vital role that offshore wind and its associated supply chain could have in the future economy of Moray.

The Council resolves that the Leader of the Council write to the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy calling for an urgent inquiry into the ScotWind leasing process, with particular focus on improvements that can be made for any future leasing rounds, and the means by which maximum public benefit can be obtained through the current round as the projects move beyond the options phase.

Following consideration the Council agreed the Notice of Motion as stated.

#### **10. Notice of Motion - Proposed Highly Protected Marine Areas in Scotland**

In terms of Standing Order 35(a) there was submitted a Notice of Motion by Councillor Macrae, seconded by Councillor Williams in the following terms:

##### **Proposed Highly Protected Marine Areas in Scotland**

To ask that Council recognises

- The importance of the fishing industry to many Scottish coastal communities
- That fishermen are already subject to terrible spatial squeeze pressures, further reductions of the area available to them for fishing could drive many out of business.
- If fishermen are driven out of business this would be a colossal blow to coastal communities that are already struggling with the present cost of living crisis.
- Coastal communities must be involved in any determination on what form HPMA's take and where they may be situated.
- Any proposal should follow an agreed process alongside the local community and fishing industry, involving an evidence gathering phase, an analysis phase and a piloting phase before any proposal should go ahead.

Council notes that with climate change we are already seeing fish stocks moving north. This means that any proposals should be flexible, either shadowing the fish as they move or subject to regular, yearly, updates so they do not end up closing parts of the sea for no purpose. (Science Daily, 18 January 2022, link below)

To request that the Council Leader write to the Scottish Government seeking a reconsideration on the proposals by the SNP and Green Party to impose 10% of Scotland's waters as Highly Protected Marine Areas without full and proper scientific backing for their proposals, or proper consultation with local communities and the fishing industry.

In introducing his notice of motion Councillor Macrae sought to change the last sentence to read:

To request that the Council Leader write to the Scottish Government seeking a reconsideration on the proposals by the SNP and Green Party to impose 10% of

Scotland's waters as Highly Protected Marine Areas without full and proper scientific backing for their proposals and proper consultation with local communities and the fishing industry.

During consideration Councillor McLennan asked whether Councillor Macrae and Councillor Williams would be happy to change to amend fishermen to fisher folk.

Councillors Macrae and Williams agreed to the change. Following further consideration the Council agreed:

To ask that Council recognises

- The importance of the fishing industry to many Scottish coastal communities
- That fisher folk are already subject to terrible spatial squeeze pressures, further reductions of the area available to them for fishing could drive many out of business.
- If fisher folk are driven out of business this would be a colossal blow to coastal communities that are already struggling with the present cost of living crisis.
- Coastal communities must be involved in any determination on what form HPMA's take and where they may be situated.
- Any proposal should follow an agreed process alongside the local community and fishing industry, involving an evidence gathering phase, an analysis phase and a piloting phase before any proposal should go ahead.

Council notes that with climate change we are already seeing fish stocks moving north. This means that any proposals should be flexible, either shadowing the fish as they move or subject to regular, yearly, updates so they do not end up closing parts of the sea for no purpose.

To request that the Council Leader write to the Scottish Government seeking a reconsideration on the proposals by the SNP and Green Party to impose 10% of Scotland's waters as Highly Protected Marine Areas without full and proper scientific backing for their proposals and proper consultation with local communities and the fishing industry.

## **11. Chief Social Work Officer Report 2021-22**

A report by the Chief Social Work Officer informed the Council of the annual report of the Chief Social Work Officer (CSWO) on the statutory work undertaken on the Council's behalf during the period 1 April 2021 to 31 March 2022 inclusive.

Following consideration the Council agreed to note the contents of the report.

Councillor Gatt left the meeting during the consideration of this item.

## **12. Closure of Inveravon Primary School Statutory Consultation Report**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) provided an update on the statutory consultation on the closure of Inveravon Primary School and sought approval from Council on the recommendation for closure.

Following consideration the Council agreed to:

- i) note the formal consultation report attached as Appendix 1 regarding the closure of Inveravon Primary School;
- ii) approve the recommendation to close Inveravon Primary School and re-assign its catchment area to Knockando, Aberlour and Glenlivet primary schools; and
- iii) authorise, in accordance with School (Consultation)(Scotland) Act 2010, Council Officers to inform Scottish Ministers of the decision to close Inveravon Primary School and re-assignment of its catchment area.

### **13. Committee Appointment Changes**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) informed the Council of some changes made by the Administration Group to their membership on Committees.

Following consideration the Council agreed to note the changes to Committees as intimated by the Administration Group.

### **I 14. Review of Scheme of Administration**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) sought approval to amend the Council's Scheme of Administration to reflect revised reporting arrangements for Children's services.

Following consideration the Council agreed to approve the amended Scheme of Administration detailed in Appendix 1 to reflect the statutory delegation of Children's Services to Moray Integration Joint Board.

### **15. Pittendreich Bridge Strike**

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Council of damage sustained at Pittendreich Bridge after a recent bridge strike.

Following consideration the Council agreed to use reserves to fund the repair works required at Pittendreich Bridge.

### **16. Review of Scheme of Delegation**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) invited the Council to approve changes to the Council's Scheme of Delegation as detailed in Section 4 of the report.

Councillor Mustard moved to add 'in consultation with the Council Leader' into para 2 (i) in regards to a Depute Chief Executive appointing an acting Head of Service or other manager.

In response the Depute Chief Executive confirmed she was happy to add that wording into the document.

Following a short adjournment and further consideration the Council agreed to approve the proposed changes to the Council's Scheme of Delegation, as set out in Appendix 1.

Councillor Cowe left the meeting during the consideration of this item.

## **17. Information Reports - if called in**

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

## **18. Question Time \*\*\***

Under reference to paragraph 26 of the minute of meeting of 2 February 2023, Councillor Bloomfield sought clarification that the communities who were involved in Operation Unicorn had received a letter of thanks.

In response, the Chief Executive confirmed that letters from the Lord Lieutenants had been sent to the various communities involved.

Under reference to paragraph 26 of the minute of meeting of 2 February 2023, Councillor Warren sought an update on the roll out of CCTV.

The Council Leader confirmed that a letter had been sent to BT as was agreed but as yet no response had been received.

The Depute Chief Executive (Economy, Environment and Finance) further added that the latest expected installation date is mid June. As of today's date the up to date situation is as follows:

All necessary broadband and infrastructure is in place for all towns. Elgin and Forres are online and operational. With regards to Lossiemouth, the camera installations are due to begin at the end of the current week, camera installations in Keith are due to begin at the start of June, Buckie cameras to be installed mid June. Once the cameras are in place there are software licences and encryptions to be turned on via a company in the United States which will cause a few days delay. She further added that the cameras are not installed until live stream is possible to ensure the camera warranties start when the live feeds start.

Under reference to paragraph 26 of the minute of meeting of 2 February 2023, Councillor Warren sought an update on the videos which are circulating on social media around fighting in local schools.

In response, the Depute Chief Executive (Education, Communities and Organisational Development) was unable to provide an update on actions underway in Buckie but confirmed that a number of issues have been reported to Police Scotland because they have happened outside of school or in school and police action was required. She further added that work is ongoing through the locality wellbeing group that is considering how to support children and young people within the area, however when the behaviour escalates to some of the levels currently being shown it does require the involvement of Police Scotland.

Under reference to paragraph 12 of the minute of meeting of 2 February 2023, Councillor Mustard sought an update on her request for a report on the Council assets and whether it would be coming to the next meeting of the Council.

In response, the Depute Chief Executive (Education, Communities and Organisational Development) confirmed that a report had gone to a meeting of Moray Council in September 2022 on the Learning Estate Strategy which set the standards the Council is currently working towards in schools. There was a further update report to Education, Children's and Leisure Services Committee in April 2023 under the Capital Strategy which set out how the Council is going to progress the school maintenance in terms of meeting the standard.

She further added that an additional report was presented to the Special Meeting of Education, Children's and Leisure Services Committee in December 2022 which related to the Leisure Estate standards. It had been proposed to take an update report to a meeting early in the new year, however this is tied up with decisions that are awaited around the Learning Estate Improvement Programme from the Scottish Government so therefore a report will be presented once a decision has been received on how the programme will progress.

Under reference to paragraph 11 of the minute of meeting of 2 February 2023 Councillor McLennan asked that the minute be amended to state that it is the Independent National Whistleblowing Office.

Under reference to paragraph 6 of the minute of the Special Meeting of 8 March 2023, Councillor McLennan queried the declarations with regards to Item 6 on the agenda. The Clerk agreed to review the webcast and amend where necessary.

Councillor Macrae sought an update on the funding for the repairs to the Cloddach Bridge.

In response, the Depute Chief Executive (Economy, Environment and Finance) confirmed that discussions are ongoing with representatives from the UK government but was not clear on how much could be shared in the public session. However stated that the Council continue to work with the government on the objectives set out in the budget statement.

Councillor Warren sought clarification on the situation with the Access Point in Buckie which closed during Covid.

She further asked for an update on the M-Connect Service.

In response, the Chair reminded Councillor Warren that she could only ask 1 question in Question Time and asked her to confirm which question she would like to be answered.

Councillor Warren confirmed she would like to get an answer to the Buckie Access Point question.

In response the Monitoring Officer confirmed that the Information Hub is open at Buckie Library after a successful roll out of Information Hubs throughout Moray.

Councillor Warren asked whether it could be advertised that the hub is open as she did not think many people were aware.

The Monitoring Officer agreed to look at ways of advertising the service.

Councillor Mustard sought an update on the Business Administration Support Consultation which is currently underway and asked whether a report will be presented to the next meeting of Moray Council on 28 June 2023 prior to implementation.

In response the Depute Chief Executive (Education, Communities and Organisational Development) confirmed that the consultation is currently underway and ends on 2 June 2023. At that point consideration would be given on any controversial issues which may have arisen and whether a decision at Committee is required to determine the way forward.

Councillor Leadbitter said that members will be aware of a proposed demonstration outside HQ regarding the Save our Surgeries Group prior to the Moray Integration Board and sought advice from the Monitoring Officer for Councillors who are members or substitute members of the MIJB.

In response, the Monitoring Officer confirmed that he would be happy to provide advice to any Councillors following this meeting.

Councillor Coull sought an update on the 20mph zones.

In response, the Depute Chief Executive confirmed that she would come back to Councillor Coull with an update as she did not have any information at hand.

Councillor Van Der Horn asked whether the Council could remind the public on the support available to help with the increased gas and electric costs for those living in residential caravan parks.

In response, the Chief Financial Officer confirmed that there are 2 schemes available however they come to an end at the end of May.

The Depute Chief Executive (Education, Communities and Organisational Development) further added that there is still a link on the Council Website for the Cost of Living Support Hub which provides lots of information for residents of Moray on the support available.

Councillor McBain sought an update on the roll out of the Bus Revolution project and have the issues with the app been resolved.

In response, the Depute Chief Executive (Economy, Environment and Finance) confirmed that the issues with the app were resolved by lunchtime of the first day. She further added that the uptake is at the levels as indicated in the Business Case and the next focus for the marketing is for scheduled routes.

## **19. Trade Union Facility Time**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) asked the Council to approve the recommendation from Corporate Committee held on 25 April 2023 (paragraph 18 of the draft minute refers) for allocation of budget to cover costs arising from a permanent extension of the current facility time.

Following consideration the Council agreed:

- i) the recommendation from Corporate Committee on 25 April 2023 to approve the recommendation in paragraph 3.1 of the report); and
- ii) to allocate budget from ear-marked reserves in 2023/24 and the creation of a budget pressure backfill costs arising from a permanent extension to Trade Union facility time.

## **20. Refugee, Resettlement and Asylum Partnership [Paras 3 and 5]**

A report by the Chief Executive informed the Council of the successes and challenges of which the Council and Partners have faced as Moray seeks to support UK and Scottish humanitarian protection programmes in the context of resource allocation, accommodation requests and funding received from Scottish Government to support the responses.

Following consideration the Council agreed to:

- i) considers and notes the updates on the immediate and ongoing short term responses to the approach required to deal with those seeking support on humanitarian grounds and agrees to recommendations ii) to vi) below as a continuation of the immediate and short term response;
- ii) agrees to expand the offer to support Afghan Citizen Scheme (ACS) alongside Afghan Relocation and Assistance Policy (ARAP) scheme, within the designated allocation of 10 properties;
- iii) agrees the use of dedicated refugee funds to expand the renamed Asylum, Refugee and Resettlement Team on a temporary basis,
- iv) agrees the recruitment of a 2 year temporary post for 1x FTE Grade 9 Project Officer and 2 x FTE Grade 5 Assistant Refugee Officers to assist with the Afghan arrivals;
- v) agrees the recruitment of a 2 year temporary post for 1 x FTE Grade 8 ESOL Officer to cover all Schemes;
- vi) agrees to delegate authority to the Chief Executive to allocate funding in accordance with demand;
- vii) notes there may be oral updates to the meeting given the pace of development to support those seeking asylum and or refugee in Moray; and
- viii) notes that the long term response will be addressed in a further report to Council on a Business Case mapping out the need including funding streams, organisational leadership and management options and the budget available to work out what is the predominant need for support and best solution.






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## NOTICE OF MOTION TO MORAY COUNCIL ON 28 JUNE 2023

### **Save Our Surgeries (SOS) Group – Hopeman and Burghead GP Surgeries**

Hopeman and Burghead communities established the Save Our Surgeries (SOS) Group following the decision on 26 January 2023 by MIJB to “work with partners to establish a sustainable transport solution, such as a Coastal dial a bus and/or alternative that will meet the needs of residents attending medical appointments”.

Council acknowledges that members of our community believe the current proposals by the MIJB do not meet the community’s aspirations for Primary Care in Burghead, Hopeman and surrounding areas.

While the council has no remit over decisions taken by MIJB, the decision around dial a bus impacts on council services. MConnect service, as a generic service, is not designed for transporting residents for specific purposes. Further these communities have stressed that MConnect is not the solution due to its limited operating hours. The decision identifying the use of dial a bus service may be creating a precedent for this service; creates increased costs in providing the service; and potentially limits the council’s flexibility to alter the service.

Additionally, the SOS group have continued to request a meeting with the Moray Coast Medical Practice and for consideration of their request for a locally delivered GP service in Hopeman and Burghead under a separate GP contract. Councillors have a remit within their Code of Conduct to be lobbied by constituents within their communities. It seems reasonable in this situation for Councillors to ask the council to pass on community concerns to other bodies, in this case MIJB and NHS Grampian. This supports the Council’s Corporate Plan Vision, in particular: ‘Our People: Provide opportunities for people to be the best they can be throughout their lives with a strong and sustained focus on those individuals and groups in our society who experience the most disadvantage and discrimination.’ and ‘Our Place: Empower and support communities to build capacity.’

Council agrees to:

1. Reiterate the purpose of MConnect in line with existing reports to Full Council and Economic Development and Infrastructure Services Committee which set out the remit of the Growth Deal project and the operational priorities.
2. Seek clarification from officers about any identified transport needs and public transport use to date to coastal health care settings.

3. Set out that any dedicated transport resource should be submitted to the Council as a request from the MIJB for officers to assess and present to committee for decision-making.
4. Instructs the Council Leader to write to the Chair, Vice Chair and Chief Officer of MIJB seeking their support to hold a meeting between the SOS Group and the Moray Coast Medical Practice.
5. Instructs the Council Leader to write to NHS Grampian to seek clarification on whether any action has been taken to attract a GP to deliver a local service in Hopeman and Burghead.

**Proposer: Councillor Bridget Mustard**

**Seconder: Councillor Neil Cameron**



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## **NOTICE OF MOTION TO MORAY COUNCIL ON WEDNESDAY 28 JUNE 2024**

### **Preliminary issues**

- No preliminary issues to consider

### **Background**

- At a national level in Scotland, no compulsory redundancy has created the right environment to provide staff with job security while enabling employers and their staff representatives to take a range of steps to manage their headcount and budgets.
- A no compulsory redundancy policy would help to reduce anxiety amongst staff groups as the Council works to address challenging pressures and a tight fiscal environment.

### **Action**

Council agrees to adopt a policy of no compulsory redundancies and instructs officers to bring a report to the next meeting of Moray Council with an amended redundancy policy for Council's consideration.

### **Financial implications**

- There are no direct costs related to the policy redrafting, however it is recognised that this policy change would have implications for the Council's approach to budget setting.
- Officer time to incorporate draft amendments to the existing redundancy policy will be required. It has been confirmed with officers that this re-drafting can be achieved within existing resource.

**PROPOSED BY COUNCILLOR LEADBITTER**

**SECONDED BY COUNCILLOR FERNANDES**





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**REPORT TO: MORAY COUNCIL ON 28 JUNE 2023**

**SUBJECT: CLODDACH BRIDGE**

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

**1. REASON FOR REPORT**

- 1.1 To inform Council of the conditions associated with the grant funding of £1,500,000 from UK Government to repair Cloddach Bridge.
- 1.2 This report is submitted to Council in terms of Section III (F) (15) of the Council's Scheme of Administration relating to management and implementation of the requirements of the Roads (Scotland) Act 1984.

**2. RECOMMENDATION**

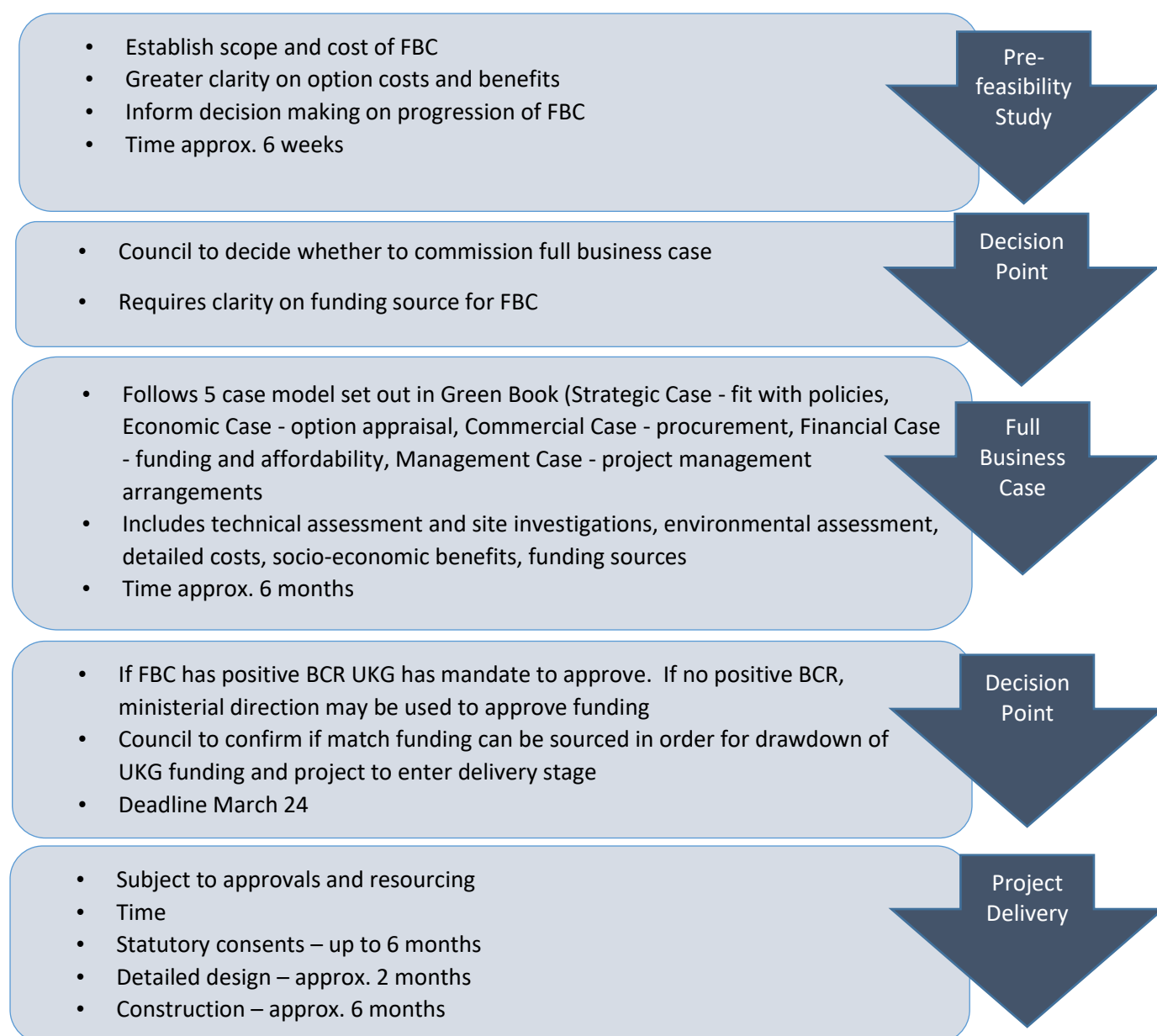
**2.1 It is recommended that Council:**

- i) **Determine whether to suspend standing orders to allow substantive consideration of the matters set out in the following recommendations on the view that there has been a material change in circumstances since considering funding for Cloddach Bridge at the meeting of Economic Development and Infrastructure Services Committee on 7 February 2023 (para 11 of the minute refers;**
- ii) **Subject to such a suspension:**
  - a) **agree on whether to (a) commission and (b) fund a pre-feasibility study, at an estimated cost of approximately £30,000, to ascertain if investment in a full business case as required to secure UK government grant funding to repair the bridge would be of value; and**
  - b) **agree a mandate for Officers to engage with the community to explore capacity for sourcing funding to inform next steps alongside findings of pre-feasibility study.**

### **3. BACKGROUND**

- 3.1 Cloddach Bridge was built in 1905 with an estimated design-life of between 100 and 120 years, after which it would require significant refurbishment or replacement. This bridge is located on the C2E road and a traffic survey undertaken in 2020 showed the average number of vehicles crossing the bridge each day was less than 800.
- 3.2 Based on the findings of a Special Inspection undertaken in February 2022, Cloddach Bridge was closed to vehicular traffic in the interest of public safety. The condition of the bridge was confirmed in the findings of a Principal Inspection and Structural Assessment undertaken by an independent structural engineer in March 2022.
- 3.3 At a meeting of Economic Development and Infrastructure Services Committee on 7 February 2023 (paragraph 11 of the minute refers), Members agreed:
- (i) to keep Cloddach Bridge closed to vehicular traffic but open to pedestrians and cyclists with regular inspections to monitor the condition of the bridge;
  - (ii) when bridge condition deteriorates further and it is not safe for any user, this route is closed permanently and the bridge is removed; and
  - (iii) to note the Chair's commitment, in conjunction with his Group, to pursue alternative funding sources with a view to keeping Cloddach Bridge open.
- 3.4 On 21 March 2023, the UK Government announced £1,500,000 grant funding for the repair of Cloddach Bridge, which is available subject to a business case.
- 3.5 Officers have been in consultation with officials from the Department for Transport, regarding the terms and conditions of the grant funding. These conditions are listed below.
- 1. The grant funding available has a strong expectation to provide vehicular access.
  - 2. This funding is up to a maximum of £1,500,000 and is subject to 50% match funding being provided.
  - 3. A full business case (FBC) must be submitted to secure the grant funding.
  - 4. No funding is available from the UK treasury to develop the business case.
  - 5. The grant will be limited to the amount stated in the business case, i.e. the UK Government will not underwrite any risk that costs associated with the bridge works exceed £3m.
  - 6. The grant funding is available for this financial year, however, if information detailing how the match funding will be sourced and when the works can be implemented is provided, a mechanism may be possible to allow transfer of funding to the Council with ongoing monitoring of delivery.

3.6 The table below sets out the steps and decisions to be taken, with indicative timescales.



3.7 Preparing a FBC is likely to cost in the region of £150,000. This would include site investigation work, which would be necessary to reduce potential financial risk to the Council. Site investigation works required will be identified with estimated costs through the pre-feasibility study.

3.8 Work undertaken to date by the Council previously indicated the economic benefits of re-opening Cloddach Bridge to all traffic would be £74,000 per year and the estimated cost of the work required to re-open the bridge would be in the region of £3,000,000.

3.9 Cloddach Bridge has been assessed for Network Criticality, using the method set out in the Council's Bridge Maintenance Prioritisation Policy agreed at Economic Development and Infrastructure Services Committee on 2 May 2023 (paragraph 12 of the minute refers). Using this method, Cloddach Bridge is categorised as Standard-low.

- 3.10 Based on the information provided in paragraphs 3.7 to 3.9 above, in the view of Council Officers it is unlikely that a positive business case (BCR) could be made to undertake works to re-open Cloddach Bridge to vehicular traffic. This is because the strategic significance of the bridge relative to others in Moray is considered to be low and the economic benefits are likely to be considerably below the cost of works. The UK Government's Managing Public Money guidance sets out the standards expected for projects and proposals, which includes the need to deliver value for money. The guidance allows for ministers to direct officials to proceed even if the scheme does not meet these standards. In practice, it is unlikely a minister would consider issuing a direction without a FBC.
- 3.11 In light of this, before committing approximately £150,000 to develop a FBC and to minimise potentially abortive spend, it would be advisable to commission a high level pre-feasibility study (PFS), to obtain an opinion on options and costs for a FBC. This study would involve undertaking a high level assessment of the benefits and costs, including quantified risks, associated with options available to re-open Cloddach Bridge. This PFS would differ from the assessment previously undertaken by officers and independent Principal Inspection and Structural Assessment by providing more detail, including risk, on options to re-open the bridge to vehicular traffic. It will also inform the costs for developing the FBC. A pre-feasibility study is estimated to cost approximately £30,000.
- 3.12 Council is therefore asked to decide whether the approach set out is supported, and if so, to agree whether to (a) commission the PFS and (b) determine who should fund this. Time for the community to raise funding for this is very limited without placing the opportunity of the UK Government funding at risk. However, in assessing funding, it should be borne in mind that in officers' view it is highly unlikely the PFS will establish a positive BCR, and options by which the community might reasonably be expected to raise funding to cover the costs of preparing the FBC and also deliver match funding currently appear to be limited which may mean that even the more limited expenditure on a PFS is ultimately abortive.
- 3.13 In light of the timescales, and a wider remit to keep communities engaged and informed, it is asked that Council gives officers a mandate to discuss the project with the local community, and particularly to explore what capacity there may be to identify third party funding sources for both/either the FBC and the match funding, in order to enable informed debate at future council meetings.

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

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

"Building a better future for our children and young people in Moray"

**(b) Policy and Legal**

To consider the substance of the offer of funding by the UK Government, members must first decide whether suspend standing orders.



In policy terms Cloddach Bridge is classed as Standard: Low in terms of its priority level.

**(c) Financial implications**

There is no allowance in the bridges revenue budget or the capital plan to undertake a pre-feasibility study for Cloddach Bridge.

When the Council approved the budget for 2022/23 on 22 February 2022 (paragraph 3 of the Minute refers) it balanced only by using reserves and one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make savings in the order of £20 million in the next two years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the committee should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section.

**(d) Risk Implications**

The grant funding available to undertake works to Cloddach Bridge apply only to the construction work on the bridge, which would include project team costs. The funding is capped at £1,500,000 and is subject to 50% match funding. Funding will be allocated once the business case has been submitted and reviewed. Staff costs associated with delivering the business case would not be covered by grant funding and would need to come from the Council's revenue budget if these cannot be funded via community fund raising. After the funding has been allocated no funding to cover additional costs that may arise during construction works on the bridge will be made available by UK Government which creates a risk for the Council.

There is a risk that should it make funding available to support this project notwithstanding the earlier decision in February this year, the Council is seen as departing from its established Bridge Maintenance Prioritisation Policy. While it could be suggested that the offer of government funding makes this project exceptional, any funding contributed by the Council would still be applied to a bridge which would not otherwise be accorded priority status, and given the current funding gap of £20m, this may ultimately be to the potential detriment of other bridges and communities across Moray.

There is a risk that a compliant route to funding drawdown from UKG this financial year in absence of construction may not be possible, although the scale of the project in terms of construction is acknowledged.

**(e) Staffing Implications**

There are no staff resources available within the Consultancy Section to undertake the pre-feasibility study. As such this work will need to be outsourced at a cost of approximately £30,000. Some staff time would be required to manage the contract for the pre-feasibility study and this may impact on the Consultancy Team's delivery of its revenue programme for 2023/24.

**(f) Property**

Cloddach Bridge currently rests with Moray Council in its role as Road Authority. If the bridge is closed and the road is Stopped Up, the land on which it has been constructed must be reinstated and returned to the landowner.

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

If the bridge remains closed to vehicular traffic, a maximum diversion of 6 miles may affect some car users.

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

Where possible we would seek to recycle and / or reuse the waste material generated through demolition of the existing bridge.

**(i) Consultations**

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

**5. CONCLUSION**

**5.1 The UK Government has announced grant funding of £1,500,000 for the repair of Cloddach Bridge.**

**5.2 Grant funding is subject to a full business case and 50% match funding along with other material conditions.**

**5.3 A full business case is estimated to cost in the region of £150,000 to prepare and this would not be eligible for grant funding. Decisions of the Council are needed to enable officers to navigate discussions with the UK Government, local community and other stakeholders relative to the future of the bridge.**

Author of Report: Debbie Halliday Consultancy Manager  
Background Papers:  
Ref: SPMAN-524642768-923



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**REPORT TO: MORAY COUNCIL ON 28 JUNE 2023**

**SUBJECT: CAPITAL PLAN 2022/23**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the expenditure to 31 March 2023 under the capital plan for financial year 2022/23 and to recommend budget adjustments for inclusion in the Capital Plan for 2023/24 and future years.
- 1.2 This report is submitted to Committee in terms of Section III (B) 9 of the Council's Scheme of Administration 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 Council:**

- (i) **considers and notes expenditure to 31 March 2023 of £28,356,000 as set out in APPENDIX 1;**
- (ii) **considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2; and**
- (iii) **approves carry forwards and amendments to 2023/24 and future years totalling an increase of £9,157,000 in 2023/24, a decrease of £1,079,000 in 2024/25 and a decrease of £1,180,000 in 2025/26 as detailed in sections 4 and 5.**

**3. BACKGROUND**

- 3.1 The capital plan for 2022/23 totalling £51,426,000 was approved by Moray Council on 22 February 2022 (paragraph 4 of the Minute refers). Amendments (largely carry forwards from 2021/22) approved by the Council at its meeting on 23 February 2022 (paragraph 7 of the Minute refers) and 29 June 2022 (paragraph 17 of the minute refers), by the meeting of Corporate Committee on 30 August 2022 (paragraph 9 of the minute refers) and by the Council at its meeting in 7 December (paragraph 11 of the minute refers).

refers) and 8 March (paragraph 7 of the minute refers) have been incorporated to give a current approved capital plan for 2022/23 totalling £43,417,000. Previous capital monitoring reports in 2022/23 have highlighted a low level of confidence that capital budgets would be spent, due to significantly extended delivery times for ICT equipment and vehicles, wider issues in the construction industry, and specific issues for the NESS Energy from Waste project. Council on 8 March 2023 (paragraph 7 of the Minute refers) noted that the total plan should be viewed as maximum spend rather than an accurate estimate, given these problems. At that date projected capital expenditure for the year was reported as £36.236 million. The actual out-turn is £7.88 million less than that forecast, with the major contributing factor being NESS (£5.3 million). The vehicle replacement programme was highlighted as amber ie uncertainty as to spend but projected to spend in full as the budget had been fully committed. In the event it underspent by £0.8 million. An underspend of £2.2 million was forecast on bridges but the actual out-turn was an underspend of £2.9 million. .

- 3.2 Quarterly monitoring reports are made to the Corporate Committee or to Council, depending on the timing of meeting, showing expenditure to date for each programme or project included in the capital plan and details of capital receipts received. Monitoring reports include a separate **APPENDIX 2**, giving details of expenditure on projects which span more than one financial year.

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

- 4.1 A copy of the capital plan for 2022/23 is included as **APPENDIX 1**. Expenditure to 31 March 2023 of £28,356,000 has been funded by General Capital Grant of £9,083,000 from the Scottish Government and other grants and contributions of £5,486,000, as listed below, with the balance of £13,787,000 funded by borrowing.

<b>Grant/Contribution</b>	<b>Amount £000s</b>	<b>Source</b>
Cycling, Walking, Safer Streets (CWSS)	655	Scottish Government
Moray Growth Deal – Digital Health	1,444	Scottish Government
Moray Growth Deal – Cultural Quarter	88	Highland & Islands Enterprise (HIE)
Moray Growth Deal – Bus Revolution	476	Scottish Government
Place Based Investment	668	Scottish Government
Lossiemouth Bridge Replacement	134	Scottish Government
Low Carbon Travel & Transport (LCTT) Claims	742	Scottish Government
Car Charge Point Upgrades	146	Scottish Government
Rural Tourism Infrastructure Fund	63	Visit Scotland
CO <sup>2</sup> Monitors	81	Scottish Government
AstroTurf Pitch Refurbishment	75	Scottish Football Association
Shared Prosperity Fund	45	Scottish Government
Coastal Change Adaptation	117	Scottish Government
Just Transition Funding	251	Scottish Government
Timber Traffic Route Improvement	272	Scottish Government

Grant/Contribution	Amount £000s	Source
Buckie Harbour Weighbridge	229	Ocean Wind
<b>TOTAL</b>	<b>5,486</b>	

- 4.2 A summary of the variances of expenditure from approved budget at the year end is set out in the table below and discussed in more detail in the noted paragraphs.

Description	Paragraph	Underspend (Overspend) £000s
<b>Land and Buildings</b>		
Schools BB Works	4.4	358
Resurface & Rejuvenate Astro turf Pitches	4.5	56
Schools Accessibility	4.6	(10)
Findrassie Primary School	4.7	83
Lossiemouth High School	4.8	(11)
Elgin High School Modular Units	4.9	18
Elgin High School Extension	4.10	46
Linkwood Primary School	4.11	(2)
Early Learning & Childcare	4.12	(440)
Universal Free School Meals	4.13	598
Allotments	4.14	220
Moray Growth Deal	4.15	870
Town Centre Initiative Fund	4.16	100
Nature Restoration Fund	4.17	17
Dallachy Landfill Site	4.18	118
NESS Energy from Waste Plant	4.19	5,304
Industrial Portfolio – Various Projects	4.20	36
Place Based Investment	4.21	268
Car Parks	4.22	(33)
Just Transition Fund	4.23	342
Other Land and Buildings	4.24 – 4.32	37
<b>Infrastructure</b>		
Bridges	4.34 – 4.45	2,869
Flood Risk Management and Coastal Protection	4.46 - 4.47	217
Power Upgrade – Buckie harbour	4.48	427
Harbours – Replacement of Life Expired Elements	4.49	165
Harbours – Capital Dredging	4.50	(45)
Harbours – Burghead Groyne/Findochty Sink Hole	4.51	445
Harbours – Other Projects	4.52	68
A95 River Isla Landslip	4.53	400
Carriageway Resurfacing	4.54	312
Other Road Improvements	4.55	190
Timber Traffic	4.56	(278)
Street Lighting	4.57	(66)

Description	Paragraph	Underspend (Overspend) £000s
Road Safety Projects	4.58	30
Road Safety Barrier Provision	4.59	57
Road Safety Provision	4.60	83
Wards Road Junction Improvements	4.61	(125)
<b>Vehicles, Plant and Equipment</b>		
Swimming Pool and Leisure Equipment	4.63	39
Moray Leisure Centre	4.64	103
Vehicle & Plant Replacement Programme	4.65	823
Children's Play Areas	4.66	99
Replacement Household Waste Recycling Centre (HWRC)	4.67	800
Orchard Road Signals	4.68	(12)
Replacement CCTV System	4.69	110
ICT Capital Programme	4.70	298
Corporate Office Furniture	4.72	10
Other Plant & Equipment	4.71	77
<b>Total</b>		<b>15,061</b>

### Land and Buildings

- 4.3 The capital plan included budget provision of £21,342,000 for expenditure on land and buildings. Actual expenditure totalled £13,366,000, a shortfall of £7,976,000 (37%), of which £5,304,000 is attributable to one project (NESS energy from waste) which has consistently been reported as very uncertain in terms of spend in the year. The detail of this is set out below.
- 4.4 **Schools BB Works** – This work programme currently addresses elements of schools in Condition D which if they failed would result in a school closure. Works are generated on a reactive basis. The outturn for the year was £2,850,000 against a budget of £3,208,000, an underspend of £358,000 (11%). The main reason for the underspend was due to external insulated render works at Hythehill Primary School coming in under budget as the contingency allowance was not required and to a delay in the planned Milnes High School roofing upgrade, following a detailed inspection which revealed a greater extent of replacement than originally anticipated – detailed costed plans have been prepared and the project has been prioritised as part of the 2023/24 programme of works. Design work on other projects identified by the maintenance team was undertaken to minimise the overall underspend. No carry forward is recommended.
- 4.5 **Resurface and Rejuvenate AstroTurf Pitches** – Works on the AstroTurf facility in Buckie cost £244,000 against a budget of £300,000, an underspend of £56,000. The Council also benefited from external funding of £150,000 for this project. No other works could be implemented within the financial year and the remaining budget. The next planned project is the resurfacing of the pitch at Speyside and is estimated to cost in the region of £275,000. No carry forward is recommended.

- 4.6 **Schools Accessibility** – This heading outturned £56,000 against a budget of £46,000, an over spend of £10,000. The works under this heading are needs led, resulting in a small overspend. During the year Property fees hadn't been taken into account when instructing works, resulting in a further overspend. During 2023/24 an improved system of monitoring for capital budget managers will be introduced which should resolve similar issues in the future.
- 4.7 **Findrassie Primary School** – Following a review of design options and affordability against the continued requirement for future additional primary school capacity within the Elgin Academy Associated Support Group catchment, a meeting of Education, Children's and Leisure Services Committee on 25 January (paragraph 14 of the minute refers) approved a deferment in the project for up to five years. This resulted in an underspend in year of £83,000. There will be an annual review of the project, including an update to the cost model. No carry forward is recommended.
- 4.8 **Lossiemouth High School** – The overspend of £11,000 against this project is due to re-profiling of the budget - project costs to date remain within the overall budget. The contractor is currently making good the Phase 1 contractual defects after the one year defects period. This is currently behind schedule and work is still ongoing. The Phase 3 defects period ended in April 2023 and an inspection of the works area was undertaken. A report of outstanding defects has been issued to Hub North Scotland and the Council await an update. The Phase 3 retention and landscaping (phase 3 balance) will not be released until these issues are resolved.
- 4.9 **Elgin High School Modular Units** – This project saw an outturn of £308,000 against a budget of £326,000, an underspend of £18,000 (6%). The project is mainly complete, however there are some works associated with the internal room configuration outstanding and work is currently underway to ascertain if this should be carried out as part of this project, or if it should be managed as part of the larger Elgin High School Extension project. It is recommended that the underspend of £18,000 is carried forward to 2023/24 until a decision has been made.
- 4.10 **Elgin High School Extension** – An agreement was reached with Hub North to undertake a feasibility study for the planned Elgin High School extension. This has not been undertaken as planned in 2023/24 so it is recommended that the budget of £46,000 be carried forward to 2023/24 to allow for payment when the work is complete.
- 4.11 **Linkwood Primary School** – A small amount of unbudgeted expenditure was incurred on Linkwood Primary School, representing work undertaken by the Council's internal Property Service in concluding the construction phase of the project.
- 4.12 **Expansion of Early Learning and Childcare (ELC) Provision** – The overspends for the Pilmuir and Keith nurseries of £296,000 are shown as a result of expenditure not having been accrued in financial year 2021/22. There have been protracted negotiations with the contractors to agree these final amounts. The remaining minor nursery upgrade projects were reprogrammed

from the 2022/23 financial year to 2023/24 to allow for redesign work to be carried out to bring the overall projects within budget and allow work to be carried out with minimum disruption to individual settings. The individual overspends on these projects are the staff design costs undertaken to allow the projects to be reprogrammed.

- 4.13 **Universal Free School Meals** – Additional general capital grant of £598,000 was allocated to the Council in order to facilitate delivery of the Scottish Government policy of extension of Universal Free School Meals. Budgeted expenditure of £598,000 was included in the capital plan for the reinstatement of two servery kitchens back to full production kitchens to meet the increased demand due to the extension of free school meals to Primary 6 and primary 7. The grant allocation was not made until September 2022 and the timing of the extension was still uncertain. Consequently design and implementation was delayed. Implementation work is required to be completed during school holidays. It is recommended that the full underspend of £598,000 be carried forward to 2023/24 to allow this work to progress.
- 4.14 **Allotments** – The Council has a statutory duty under the Community Empowerment (Scotland) Act 2015 to take reasonable steps to provide allotments once the waiting list for allotments within any one community reaches 15 applicants. This trigger point has been reached in Elgin, and land has been identified for lease to an established Community Management Group, who will be responsible for developing and managing the allotments, in line with the Council's Allotments Strategy. At a meeting of Moray Council on 29 June 2022 (paragraph 17 of the minute refers) it was approved to add £220,000 to the capital plan to fund the purchase of this land. During 2022/23 the Council Received funding through the Place Based Investment Fund and this funding was used to fund this project. No carry forward is therefore recommended.
- 4.15 **Moray Growth Deal** – Overall the projects under this heading outturned £2,042,000 against a budget of £2,912,000, an underspend of £870,000. The detail of this is discussed below.

Digital Health – The Digital Health project outturned an underspend of £826,000 in 2022/23, primarily due to co-design with health & Social Care partners being delayed due to system pressures. Scottish Government has approved a change request to reprofile this into 2023/24 and it is therefore recommended that this amendment is reflected in the capital plan along with the associated grant funding.

Bus Revolution – The underspend on this project is due to delays in the purchasing of Electronic Ticket Machines (ETMs) and installation costs commitment slipping into 2023/24. A change request will be submitted to the Growth Deal Programme Board in June 2023 and will then be submitted to the Scottish Government for approval.



Cultural Quarter – This project outturned an underspend of £67,000. Procurement of consultancy to support development of the full business case is underway and it is recommended that the full underspend of £67,000 is carried forward to 2023/24 to allow the work to progress.

Housing Mix Delivery – Consultants have been engaged to assist in the preparation of the full business base, earlier than originally scheduled. Consequently this project outturned an overspend of £37,000 in 2023/24 and it is recommended that the provisional budget for 2023/24 is reduced by that amount.

- 4.16 **Town Centre Initiative Fund** – This project, the aim of which is to encourage town centres to diversify to increase footfall through local improvements and partnerships, is 100% funded by Scottish Government funding. £1,233,000 was received in 2019/20 and a further £443,000 in 2020/21. This funding was underspent by £100,000. The reasons for this underspend are delays to projects as a result of the pandemic, and supply chain issues. The Scottish Government has confirmed that the grant funding can be retained to meet the delayed expenditure so it is recommended that the full underspend of £100,000 is carried forward to 2023/24 to be met by the balance of specific grant funding carried forward.
- 4.17 **Nature Restoration Fund** – The General Capital Grant includes an element of £124,000 for environmental projects, described as the Nature Restoration Fund. Expenditure during the year totalled £107,000, an underspend of £17,000. Tenders for some of the planned works came in lower than expected and some works were postponed. Further funding for this has been confirmed for 2023/24 so no carry forward is recommended.
- 4.18 **Dallachy Landfill Site** - This project outturned £788,000 against a budget of £906,000, an underspend of £118,000 (13%). The capping of phase 7b is complete and the Council was able to source a large quantity of cover material from nearby site works which would otherwise have been purchased, lessening the cost. It is recommended that the underspend of £118,000 is carried forward to 2023/24 as cover materials may need to be procured if the Council is unable to source them free of charge. There is also the possibility that work may be able to commence on Phase 8 but the timing of that will be dependent on infill volumes and the subsequent timeframe for reaching optimum height.
- 4.19 **NESS Energy from Waste Plant** – This project outturned £4,210,000 against a budget of £9,514,000, an underspend of £5,304,000 (56%). The budget profile and payments for the NESS Energy from Waste capital project are aligned to specific project milestones. The timing for the budget was based on the original project plan. Slippage in the delivery and final sign off of specific milestones has slowed the outgoing payments. The financial requirements remain the same, and therefore it is requested to carry forward the underspend into 2023/24 to cover these contractual milestone payments.

#### 4.20 **Industrial Portfolio – Various Projects**

Land Acquisition Speyside – A small overspend of £6,000 against this project was due to fees for design work undertaken before it was concluded that the proposed site was not viable. The search for suitable sites continues with the budget for acquisition deferred until future years in the capital plan.

Refurbishment of Industrial Units – This heading outturned £42,000 against a budget of £59,000, an underspend of £17,000 due to difficulties in securing contractors to undertake work. It is recommended that this is carried forward to 2023/24 in full to facilitate upgrades of existing properties to allow the Council to safeguard existing rents and generate additional income. There is a risk that when added to the 2023/24 budget the level of works will be difficult to manage and the planned projects will be reviewed in early course and progress reported as part of the capital monitoring process during 2023/24.

Serviced Sites Elgin – No expenditure was incurred against this project due to the prospective tenant for one site altering proposals. It is therefore recommended that the unspent budget of £24,000 is carried forward in full to allow the site to be upfilled and facilitate new rental income.

4.21 **Place Based Investment Programme** – The Scottish Government has established a Place Based Investment Programme, with the stated aim of ensuring that local investment is relevant to local communities for the benefit of local people. The Council received £668,000 which has been allocated to the purchase of land for allotments in Elgin and ancillary work to secure the site; a window replacement scheme to help homeowners install and repair traditional windows if their property is located within a conservations area, and to purchase further properties at Buckie Harbour to facilitate harbour development. At 31 March 2023 property acquisition negotiations were underway but had not completed. The full amount of the grant has been committed to the planned projects and per the conditions of the grant the Council is allowed to carry forward any committed amount to 2023/24 to allow the work to complete, with a deadline of September 2023. It is therefore recommended that the underspend of £268,000 is carried forward to allow works to be completed, matched with the carried forward grant.

4.22 **Replace Waterproofing at Car Parks** – This budget heading incurred expenditure of £38,000 against an amended budget of £5,000, resulting in an overspend of £33,000. Improvement works to resurface and widen the access to Gregory Place Car Park in Lossiemouth was identified and carried out in year and had been coded to this heading. A survey was instructed for Batchen Lane Car Park to assess the level of work required in 2023/24. Remedial works were also required to prevent leaking into properties below that car park. It is recommended that the budget of £425,000 in 2023/24 be reduced by the amount of the overspend.

4.23 **Just Transition Fund** – The Just Transition Fund is a 10 year commitment by the Scottish Government that will support projects in the North East and Moray which contribute towards the region's transition to new zero. The Council received funding of £593,000 in 2022/23 and £288,000 in 2023/24 and this was used to conduct feasibility studies on various areas that could contribute to the Council's net zero targets including hydrogen, brownfield sites, offsetting and masterplanning around Buckie Harbour and Blackhillock,

Keith. Delays were experienced on the Buckie Harbour Masterplan and completing other feasibility works and permission was sought to carry the underspend forward and this was granted by the Scottish Government. It is therefore recommended that the underspend of £342,000 is carried forward to allow this work on Buckie Harbour and other feasibility work to be completed matched by the grant carry forward. At present the consultancy work for Blackhillock and brownfield sites are almost completed and some additional works are required for surveys around offsetting/biodiversity improvement. The Buckie Harbour Masterplanning is progressing and funds carried forward for this will be available in addition to those funds already allocated for this work in 2023/24.

### **Other Land and Buildings**

- 4.24 **Corporate Legionella/Fire Safety Works** – Expenditure of £14,000 was incurred against this budget of £40,000, resulting in an underspend of £26,000. Initially due to Covid restrictions Fire Risk Assessments had not been conducted in recent years. The Council's Health and Safety team have commenced these again and once the results are received a programme of works will be developed. No carry forward is recommended.
- 4.25 **Moycroft Recycling Centre** - Unbudgeted costs of £8,000 in relation to a late invoice were incurred on the new Moycroft Recycling Centre.. There have also been delays in processing the final bill from the contractor, which is currently undergoing verification by the Council's Quantity Surveyors. Current estimates are that this will be in the region of £196,000 and this sum has been accrued.
- 4.26 **Forres House Community Centre Roof** – Unbudgeted expenditure of £11,000 against this project is due to the final retention payment for the project which was carried out in 2020/21.
- 4.27 **Depots** –. No work was undertaken on depots due to the ongoing depot and stores review and the budget of £25,000 remains unspent. Investment in depots will be required following the review. An update on the review is due to Economic Development & Infrastructure Committee by the end of quarter 3 of 2023/24. It is recommended to carry forward the unspent budget of £25,000 to 2023/24 as investment will be required in future years.
- 4.28 **Salt Shed Keith** – An overspend of £3,000 on this project arose from additional fees incurred due to the requirement to undertake a full options appraisal to find a solution to permit the salt store to be located within the restricted footprint of the Keith Roads Depot.
- 4.29 **Cemetery Infrastructure** – Works under this heading outturned £64,000 against a budget of £70,000. Planned works at Rafford Cemetery were delayed due to the need to carry out structural assessment and obtain planning permission for works at this listed site. Spend is committed and it is therefore recommended that the underspend of £6,000 be carried forward to allow the work to progress without impacting on the planned programme of works for 2023/24.

- 4.30 **Cemetery Provision** – Work to progress the project for a new cemetery in Elgin outturned £39,000 against a budget of £31,000. The overspend of £8,000 is due to the progressing of detailed design work for future planned work and to land acquisition fees. It is recommended that the budget for 2023/24 is reduced by £8,000.
- 4.31 **Open Spaces Infrastructure** – Spend in 2022/23 was £83,000 against a budget of £86,000 an underspend of £3,000 against this heading due to staff and supplier issues affecting planned spend. No carry forward is recommended.
- 4.32 **Energy Efficiency Projects** – The Council budgets £15,000 annually for minor Energy Efficiency projects. In 2022/23 there was spend of £8,000 against this budget, an underspend of £7,000 due to supply chain issues. It is recommended that this underspend is carried forward to 2023/24 to allow for the preparation of larger spend to save proposals.

#### **Infrastructure**

- 4.33 The capital plan included budget provision of £15,332,000 for expenditure on infrastructure. Actual expenditure totalled £10,585,000, an underspend of £4,747,000 (31%). The detail of this is discussed below.

#### **Bridges**

- 4.34 **A941 New Craigellachie Bridge** – This project outturned £1,417,000 against a budget of £3,786,000, an underspend of £2,369,000. Specialist systems utilised by the contractor allowed for a lower than anticipated tender cost. It is recommended that £400,000 of the underspend is carried forward to 2023/24 when the project is due to be completed.
- 4.35 **A941/100 Blackwater Bridge** – This project saw an outturn of £295,000 against a budget of £485,000, an underspend of £190,000 due to the risk allowance not being required and construction work coming in under budget. No carry forward is recommended. Given the significant amount of unknowns at the commencement of a bridge refurbishment a high level of risk allowance is factored in and in this case did not crystallise.
- 4.36 **A941/340 Bishopmill Bridge** – Some initial work was undertaken on this project with the main design and construction due to take place in 2023/24. There is budget allowance in the capital plan in 2023/24 so no carry forward is recommended.
- 4.37 **B9103/100 Boat O Brig Bridge, Orton** – No expenditure was incurred against a budget of £4,000 for this project resulting in an underspend. Investigation showed that no capital works were required and the work required will be done using revenue budgets in 2023/24, therefore no carry forward is recommended.
- 4.38 **U117H Bridge of Slateford/U170 Kirkhill Drive** – Design works on these projects were less than anticipated resulting in an underspend of £23,000. No carry forward is recommended.

- 4.39 **U173E/10 Lea Bridge** – No expenditure was incurred against a budget of £10,000 for this project resulting in an underspend. The Council is awaiting a report to ascertain the work required. There is budget allowance in the capital plan in 2023/24 so no carry forward is recommended.
- 4.40 **U82H Aldunie and Dykeside Bridge/U118E Shougle Bridge** – Works on both these projects is complete and outturned £907,000 against a budget of £1,074,000, an underspend of £167,000 (16%). As both projects are complete no carry forward is recommended.
- 4.41 **Knockando Bridges** – This project is now complete and with a slight overspend of £14,000 due to remedial works required to address a safety issue with the new parapet alignment.
- 4.42 **MacDowall Bridge** – There is a slight underspend of £2,000 against this project as remedial works cost less than anticipated.
- 4.43 **Arthur's Bridge** – Some initial investigation works were undertaken to ascertain the work required at this bridge resulting in a small overspend of £3,000. The budget for this project is in future years so it is recommended that it is reduced by the amount of this overspend.
- 4.44 **Remote Footbridges** – The Council budgets £50,000 annually for works required on remote footbridges. In 2022/23 there was an underspend of £17,000 against this amount as additional works identified would have cost more than the remaining budget. It is recommended that the underspend of £17,000 be carried forward to 2023/24 to allow works at Marywell and design works at Sanquhar to be progressed without impacting on the planned programme of works for 2023/24.
- 4.45 **Principal Bridge Inspections** – This heading outturned £79,000 against a budget of £175,000, an underspend of £96,000. This is due to insufficient resources to progress the inspection programme and it is therefore recommended that the underspend of £96,000 is carried forward to allow for the inspections to be completed.

### **Flood Risk Management and Coastal Protection**

- 4.46 **Flood Alleviation** – This heading had an actual of £17,000 against a budget of £156,000, resulting in an underspend of £139,000. The main reason for this is due to delays in agreeing compensation with landowners. It is therefore recommended that the underspend of £139,000 is carried forward to 2023/24 to allow for payment when agreement is reached.
- 4.47 **Coastal Protection** - This budget, which is fully funded by Scottish Government specific grant was underspent by £79,000 at the end of the financial year. Until the first adaptation plan is complete and the outcomes understood the rest of the expenditure cannot be committed. It is therefore requested that the underspend be carried forward to 2023/24 to allow works to progress, funded by the balance of the specific grant.

- 4.48 **Power Upgrade Buckie Harbour** – The project to upgrade the substation at Buckie to cater for emerging and future power needs is funded in part through capital and also through grant funding. The grant funding is being applied to costs first, with remaining costs from capital. The project is a multi-year project and the timing is largely determined by SSE as the district network operator, therefore the underspend of £427,000 is recommended for carry forward to enable completion of the project in 2023/24.
- 4.49 **Harbours Replacement of Life Expired Elements** – This heading outturned £209,000 against a budget of £374,000, an underspend of £165,000 (44%). Projects were delayed due to poor weather conditions but one project is near completion and it is therefore recommended that the full underspend of £165,000 is carried forward to 2023/24 to allow the projects to complete without impacting on the planned programme of works for 2023/24, which is based on conditions surveys.
- 4.50 **Harbours Capital Dredging** – Unbudgeted spend of £45,000 was incurred on some preparatory work for capital dredging at Buckie and Burghead Harbours, which is due to be carried out in 2023/24. It is recommended that the budget for 2023/24 is reduced by the amount of this unbudgeted spend.
- 4.51 **Harbours Burghead Groyne/Findochty Sink Hole** – Commencement of these projects were delayed due to issues with obtaining the relevant licences. It is therefore recommended that the budgets of £250,000 and £195,000 respectively are carried forward to 2023/24 in full to allow the projects to be carried out.
- 4.52 **Harbours Other Projects** – The installation of a cradle at Findochy Pontoons abandoned due to cost. It is not recommended that the £50,000 budget is carried forward. Work on the Ice Plant and Buckie Harbour is complete and no remedial work is required so it is not recommended that the underspend of £18,000 be carried forward.
- 4.53 **A95 River Isla Landslip** – Only £3,000 expenditure was incurred against this project against a budget of £403,000. Contract award issues contributed to delays in commencing this project and it is therefore recommended that the full underspend of £400,000 is carried forward to 2023/24.
- 4.54 **Road Improvements Resurfacing** – Actual expenditure to 31 March 2023 was £3,305,000 versus a budget of £3,617,000, an underspend of £312,000 (9%). During the year a reduced surface dressing programme was delivered due to a delayed start. Staffing vacancies also impacted on the service's ability to deliver all identified works. It is recommended that the underspend of £312,000 is carried forward to 2023/24 in order for future resurfacing projects to be developed. The Service is actively recruiting to fill vacancies, and will be reviewing workloads within the Service with a view to prioritising projects within the Roads capital programme, rather than undertaking work on Traffic projects. In addition, the Council was unsuccessful with its bid to the Straregic Timber Transport Scheme (STTS) and STTS schemes were resource intensive during 2022/23. With these actions in place the service is confident of being able to spend an increased allowance in 2023/24.

- 4.55 **Other Road Improvements** – This heading includes Drainage and Other Works, Footways and Kerb Edge Replacements and outturned £510,000 against a budget of £700,000, an underspend of £190,000 (27%). A number of operational staff vacancies meant that work was not able to be completed due to insufficient resources. It is recommended that the underspend of £190,000 is carried forward in order for a programme of works to be developed.
- 4.56 **Timber Traffic** – The budget of £180,000 against this heading is the Council share of the budget for the works required on Timber Traffic Routes. The actual expenditure of £458,000 represents the total cost of the required works, with the net overspend funded £2,000 from STTS and an overspend on the Council funding by £6,000 due to an increase in the cost of materials.
- 4.57 **Street Lighting** – Projects under this heading, Replacement Columns and LED Lighting outturned £679,000 against an amended budget of £613,000, an overspend of £66,000 (11%). The main reason for this is an increase in the cost of materials.
- 4.58 **Road safety Projects** – Projects under this heading include disability adaptations and new road signs and markings and outturned £104,000 against a budget of £134,000, an underspend of £30,000 (22%). Works were due to be carried out by Roads Maintenance however a lack of resources meant that not all works were able to be delivered. It is therefore requested that the underspend of £30,000 be carried forward to 2023/24 to allow the works to be tendered and carried out without reducing the planned programme of works.
- 4.59 **Road Safety Barrier Provision** – This heading outturned actual of £43,000 against a budget of £100,000, an underspend of £57,000 due to material shortages leading to extended delivery times. Orders have been placed committing the budget for 2022/23 in full so it is requested that the underspend of £57,000 is carried forward to 2023/24 to allow for payment when the goods are received, without impacting on plans for 2023/24.
- 4.60 **Road Safety Provision** – Works under this heading outturned £52,000 against a budget of £135,000, an underspend of £83,000 (61%). Works on crossings on Thornhill Road have continued and will complete in 2023/24 and it is therefore requested that the underspend be carried forward to allow the committed project to complete.
- 4.61 **Wards Road Junction Improvements** – Work to improve the junction at the Wards/Edgar Road were predominantly funded by £372,176 of developer obligations. This work was completed in August 2022 at a total cost of £382,982 due to a number of compensation events agreed throughout the contract. All of the developer obligation funding has been used and so none will be returned to the developer. The Council has contributed £11,000 unbudgeted funding to this project.

## **Vehicles, Plant and Equipment**

- 4.62 The capital plan included budget provision of £6,743,000 for expenditure on vehicles, plant and equipment. Actual expenditure totalled £4,406,000, and underspend of £2,337,000 (35%), primarily on the vehicle and plant replacement programme. The detail of this is discussed below.
- 4.63 **Swimming Pool and Leisure Equipment** – This heading outturned £21,000 against a budget of £60,000, an underspend of £39,000 (65%). The focus of the service this year was on identifying service transformation therefore spend on equipment was delayed until a plan had been created for the current and future needs of the service. It is recommended that the underspend of £39,000 is carried forward to 2023/24 as the transformation needs for libraries are extensive due to minimal investment over recent year and the service has changed significantly since the pandemic. Thereafter a plan for routine equipment replacement on a lifecycle basis will be developed for libraries. Such a plan has been in place for swimming pools for many years.
- 4.64 **Moray Leisure Centre** – This heading outturned £297,000 against a budget of £400,000, an underspend of £103,000 due to the fact that there were no significant asset failures that required additional funding in the year. It is recommended that the underspend of £103,000 is carried forward to 2023/24 to contribute to the cost should there be a significant major element failure as the capital budget was developed based on a conditions survey and there is a high risk that unplanned work will be required to avert closure of the facility.
- 4.65 **Vehicle and Plant Replacement Programme** - This programme outturned £2,473,000 against an amended budget of £3,296,000, an underspend of £832,000 (25%). Vehicle and plant manufacture and delivery have been severely affected by global factors such as the pandemic and the war in Ukraine. Vehicles to the full value of the budget were ordered during the year by 31 March 2023 and delivery is awaited but it is not recommended that the underspend be carried forward to cover this committed spend as similar delays are likely to impact on the planned vehicle replacement programme in 2023/24.
- 4.66 **Children's Play Areas** – There is an underspend of £99,000 against a budget of £253,000. The underspend is due to delays in the planned project at Cullen due to ground conditions and supplier issues. The project is committed and pending completion and it is therefore recommended that the underspend of £99,000 is carried forward to 2023/24 to allow for completion without impacting on the future planned programme of works.



- 4.67 **Replacement Household Waste Recycling Centre (HWRC)** – No expenditure was incurred against this budget of £800,000 resulting in an underspend. This was due to a delay in receiving notification of the outcome of a funding application to Zero Waste Scotland. The application for funding was not successful based on the proposal put forward. However, a further bid may be submitted and, depending on the result of that, the Council will be required to provide capital in support of the funding. It is therefore recommended that the underspend is carried forward to 2023/24 to allow future bids to be developed.
- 4.68 **Orchard Road Signals** – This project, which was undertaken by the Council's Roads Maintenance team, outturned £204,000 against a budget of £192,000, an overspend of £12,000. There were issues with the planned location of the control box for the traffic lights and with underground utilities meaning that works took longer than originally anticipated, all of which had an impact on the costs.
- 4.69 **Replacement CCTV** – This project outturned £40,000 against a budget of £150,000, an underspend of £110,000. Issues with the contractor resulted in delays so it is therefore recommended that the underspend of £110,000 is carried forward to £110,000 to allow completion of the project.
- 4.70 **ICT Programme** – Actual expenditure on the ICT Core Programme is £908,000 against a budget of £1,206,000, an underspend of £298,000 (25%). This has been due to a lack of resources with the ICT department to undertake some of the server and network infrastructure work, as well as the corporate telephony project. It is recommended that £144,000 is carried forward to 2023/24 as there are commitments for the following areas: network upgrades, school interactive panels, costs associated with the new antivirus solution, costs for the Unix replacement project, corporate telephony solution and the upgrade of the Financial Management System (FMS). The carry forward will allow for these commitments to progress without impacting on other planned works for 2023/24.

#### **Other Plant and Equipment**

- 4.71 **Chip and Pin Machines/New Cheque Printer** - These projects were underspent by £25,000. The project to replace chip and pin machines was delayed due to a global shortage of the components required to build the machines. The cheque printer is dependent on the FMS upgrade currently underway but delayed in starting due to issues with the server. Both projects are committed and orders placed so it is recommended that the total underspend of £25,000 is carried forward to 2023/24 to allow payment when goods are delivered.

- 4.72 **Corporate Office Furniture** - No spend was incurred from this budget of £10,000. This is due to the fact that, during the pandemic, staff have been working from home and there has been less need to purchase equipment due to offices being largely unoccupied. No carry forward is recommended at this point as future requirements will be dependent on workforce planning and the number of staff in offices going forward as the Smarter Working project is implemented.
- 4.73 **Traffic Data Collection Equipment** – This heading had minimal spend of £1,000 against a budget of £7,000. Work is currently underway to review the current equipment with a view to a more extensive upgrade and a business case for this will be prepared to inform future revisions of the capital plan. No carry forward is recommended.
- Traffic Signal Replacement – This heading had no spend against a budget of £16,000 due to lack of resources and competing priorities with other projects. No carry forward is recommended.
- 4.74 **Upgrade of Recycling Containers** – The underspend of £8,000 against the budget of £20,000 is due to the delayed delivery of replacement skips. It is therefore recommended that the underspend of £8,000 be carried forward to 2023/24 to allow for payment for the delayed skips without impacting on planned replacements for the year.
- 4.75 **Chemical Waste Disposal Points** – This project is now funded from the Rural Tourism Infrastructure Fund (RTIF) so it is not recommended that the unspent budget of £15,000 is carried forward.
- 4.76 **Domestic and Trade Waste Bins** – This heading outturned £103,000 against a budget of £100,000 generating a small overspend of £3,000. This heading is demand led and dependent on the requests for bins received. It is also subject to price fluctuations which can vary dependent on the plastics market. It is recommended that the overspend is offset against the budget for 2023/24.

## 5. **CAPITAL PLAN AMENDMENTS**

- 5.1 The following amendments to the capital plan are proposed:

Project	Paragraph	2023/24 £000s	2024/25 £000s	2025/26 £000s
Elgin High School Modular Units	4.9	18	-	-
Elgin High School Extension	4.10	46	-	-
Universal Free School Meals	4.13	598	-	-
Moray Growth Deal	4.15	869	-	-
Town Centre Initiative Fund	4.16	100	-	-
Dallachy Landfill Site	4.18	118	-	-
NESS Energy from Waste	4.19	5,304	-	-

Project	Paragraph	2023/24 £000s	2024/25 £000s	2025/26 £000s
Industrial Portfolio	4.20	41	-	-
Place Based Investment	4.21	268	-	-
Car Parks	4.22	(33)	-	-
Just Transition Fund	4.23	342	-	-
Other Land and Buildings	4.24 – 4.33	30	-	-
Bridges	4.34 - 4.45	513	(3)	-
Flood Risk Management and Coastal Protection	4.46 – 4.47	218	-	-
Power Upgrade Buckie Harbour	4.48	427	-	-
Harbours Replacement of Life Expired Elements	4.49	165	-	-
Capital Dredging	4.50	(45)	-	-
Burghead Groyne/Findochty Sink Hole	4.51	445	-	-
A95 River Isla Landslip	4.53	400	-	-
Roads Resurfacing	4.54	312	-	-
Other Roads	4.55	190	-	-
Road Safety Provision	4.58	30	-	-
Road Safety Barrier Provision	4.59	57	-	-
Road Safety Projects	4.60	83	-	-
Swimming Pool Equipment	4.63	39	-	-
Moray Leisure Centre	4.64	103	-	-
Vehicle Replacement Programme	4.48	832	-	-
Children's Play Areas	4.66	99	-	-
Replacement HWRC	4.67	800		
Replacement CCTV System	4.69	110	-	-
ICT Capital Programme	4.70	144	-	-
Other Plant & Equipment	4.71 – 4.76	30	-	-
Industrial Portfolio	5.2	(3,670)	(945)	(1,180)
Learning Estate	5.3	131	(131)	-
Rafford cemetery	5.4	43		
		<b>9,157</b>	<b>(1,079)</b>	<b>(1,180)</b>

- 5.2 **Industrial Portfolio** – As part of the budget setting process for 2023/24 several of the budgets under the Industrial Portfolio heading were re-profiled. Since then a further review has been undertaken of the provision on the capital plan for the Council's Industrial Portfolio. There have been difficulties identifying suitable sites in a number of locations so it is proposed to reprofile the amounts in the capital plan to allow the work to be progressed following the preparation of the next Local Development Plan. The impact is to reduce the plan as follows: 2023/24 £3,670,000; 2023/24 £945,000 and 2024/25 £1,180,000.

- 5.3 **Learning Estate Elgin High School** – It is recommended that budget of £131,000 is brought forward to 2023/24 from future years of the plan to fund feasibility works required to ascertain the scope of the Elgin High School Extension project, currently planned for delivery in 2024/25 and 2025/26.
- 5.4 Remediation works to the wall at Rafford cemetery are required on the grounds of safety. The wall is a listed structure of substantial construction which requires specialise stonemasons to carry out work on it. Work is required to stabilise the wall and prevent it falling into adjacent work, which is a material risk if remedial works are not carried out. Phase 1 works were completed last year and further required works have been costs at £43,000. Without these works deterioration will quickly recur. The current budget for 2023/24 allows for safety related works identified as being required in other cemeteries across Moray and it is recommended that the budget is increased by £43,000 to allow completion of the work at Rafford and also planned work at Rothes, Mortlach, Buckie and Aberlour.

## **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 A risk to the capital plan in recent years has been an increase in the cost of materials and scarcity of many materials which are key for the construction industry. This is partly a world-wide reaction to the pandemic, and partly due to Brexit, but the war in Ukraine is also having an impact. This is still seen as a risk but the impact and likelihood is reducing.
- 6.3 There is a risk that contract inflation might increase the eventual cost of projects in future years of the capital plan and a risk that any deferment of projects relating to asset condition might result in element failure, potentially incurring unbudgeted costs. The figures in the 10 year plan are based on current costs and are likely to increase by the time the project is undertaken.
- 6.4 The main risk for the vehicle replacement programme is extended lead in times of up to 24 months due to the Ukraine war, pandemic and brexit, and also manufacturers starting to implement new technologies such as hydrogen and electric.
- 6.5 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact in scheduled works and this is reflected in delays where work planned to be out-sourced is being brought in-house as a result of poor response to tender requests.
- 6.6 There is a risk that time-limited funding is not spent within time-frame and that the Council therefore loses the opportunity to improve or create assets at no or reduced cost to the Council.
- 6.7 Projects can be subject to risks which are outwith the direct control of the Council, such as poor weather conditions and some assets such as harbours are particularly vulnerable to bad weather events.

6.8 The cost to the Council of borrowing is calculated based on interest rates at that time. The current pattern of interest rate rises is considered likely to continue in the short term and this will have an impact on the cost to the Council and will be taken into account when looking at future capital proposals.

6.9 No other project risks have been specifically identified by budget managers.

## **7. SUMMARY OF IMPLICATIONS**

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

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

The capital plan is one of the vehicles through which the Council's priorities can be delivered. The approved capital plan for 2022/23 and the outline ten year plan incorporates measures designed to address the Moray 2026 priorities of achievement and attainment by children and young people 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 Council in line with the financial regulations. Risks specific to items within the capital plan are highlighted in paragraph 7 of the report

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

There are no staffing implications arising directly from this report. Staffing shortages have reduced the Council's ability to deliver its capital programme during 2022/23.

### **(f) Property**

There are no property implications arising directly from this report.

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

There are no equalities issues arising from this report

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

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

**(i) Consultations**

All capital budget managers have been consulted as part of the preparation of this report. All Heads of Service and the Corporate Management Team have been consulted and any comments incorporated in the report.

**8. CONCLUSION**

**8.1 Capital expenditure of £28,356,000 was incurred during the year ending 31 March 2023.**

**8.2 Amendments to the Capital Plan of an increase of £9,157,000 in 2023/24 based on departmental requests for carry forwards and other amendments and a decrease of £1,079,000 in 2024/25 and a decrease of £1,180,000 in 2025/26 are recommended.**

Author of Report: Laurie Milne, Senior Accountant

Background Papers:

Ref: LM/LJC/SPMAN-1293228629-877

## APPENDIX 1

**Moray Council Capital Programme 2022/23**  
**As at 31 March 2023**

	<b>Capital Plan 2022/23 £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
<b>Land and Buildings</b>			
Education, Children's and Leisure Services Committee	5,443	4,526	917
Economic Development and Infrastructure Committee	15,811	8,795	7,017
Corporate Committee	88	45	43
<b>Infrastructure</b>			
Economic Development and Infrastructure Committee	15,332	10,584	4,747
<b>Vehicles Plant and Equipment</b>			
Education, Children's and Leisure Services Committee	481	339	142
Economic Development and Infrastructure Committee	4,870	3,118	1,752
Corporate Committee	1,392	949	443
	<b>43,417</b>	<b>28,356</b>	<b>15,061</b>
			15,061
<b>Funding</b>			
Prudential Borrowing	27,873	13,787	
General Capital Grant (exc PSHG and CYP A)	9,551	9,083	
Other Grants & Contributions	3,008	3,478	
Moray Growth Deal	2,985	2,008	
	<b>43,417</b>	<b>28,356</b>	





Major Capital Projects spanning more than 1 financial year (as at 30 September 2022)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2022-23	Actual spend 2022-23	Remaining Budget 2022-23	Project Life Spend to 31/03/23	Projected Future Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
LED Street lighting replacement programme	5,000	3,904	113	121	-8	4,025		4,017	983
Lossiemouth High School	43,000	43,142	232	243	-11	43,385	0	43,374	-374
NESS Energy from Waste	27,224	19,447	7,777	2,483	5,294	21,930	5,294	27,224	0
<b>Total</b>	<b>75,224</b>	<b>66,493</b>	<b>8,122</b>	<b>2,847</b>	<b>5,275</b>	<b>69,340</b>	<b>5,294</b>	<b>74,615</b>	<b>609</b>

LED Street lighting replacement programme      Project Complete

Lossiemouth High School      Covid Costs





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**REPORT TO: MORAY COUNCIL ON 28 JUNE 2023**

**SUBJECT: MORAY GROWTH DEAL: EARLY YEARS SCIENCE, TECHNOLOGY, ENGINEERING AND MATHS (STEM) CAPITAL BUDGET ALLOCATION**

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

**1. REASON FOR REPORT**

- 1.1 To ask the Council to approve bringing forward allocation of capital budget for the Moray Growth Deal (MGD) “Early Years STEM” project, to spend at risk prior to approval by Scottish Government of a Full Business Case (FBC) and to approve expenditure necessary to progress planning and implementation of the Moray Growth Deal “Early Years STEM” project.
- 1.2 This report is submitted to Council in terms of Section III of the Council's Scheme of Administration relating to consideration of Capital and Revenue budgets and long term financial plans.

**2. RECOMMENDATION**

**2.1 It is recommended that the Council:-**

- i) notes that the delivery of the Moray Growth Deal “Early Years STEM” Project will require spend on essential preliminary activities and development planning to progress the Full Business Case with the level of detail necessary to obtain approval by the UK and Scottish Governments;**
- ii) notes that due to significant lead times, there will be a requirement to procure assets ahead of Full Business Case approval, to allow delivery of the project as per project schedule; and**
- iii) approves bringing forward £200,000 of allocated project capital budget from 2026/27 for expenditure on specialist advice and preliminary design work and a further £40,000 for purchase of a vehicle at the Council’s risk prior to Full Business Case approval; and**

- iv) **delegates authority to the Early Years' Service Manager as the projects Senior Responsible Officer to approve spend as required within allocated budget**

### **3. BACKGROUND**

- 3.1 The delivery of the Moray Growth Deal (MGD) will enable the region to leverage over £100m of investment to maximise regional economic competitiveness and boost economic growth with transformational outcomes for the region and its residents.
- 3.2 The eight projects included in the Growth Deal are: the Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC); Business Enterprise Hub (BEH); Cultural Quarter (CQ); Housing Mix Delivery (HMD); Early Years Science, Technology, Engineering and Mathematics (EY STEM); Bus Revolution; Manufacturing and Innovation Centre for Moray (MICM); and Digital Health.
- 3.3 The Early Years STEM Project is one of four MGD projects led by the Moray Council. EY STEM aims to raise the STEM aspirations of children age 3-8 by increasing access to high quality STEM learning experiences, providing opportunities for family and inter-generational learning, and providing ongoing training and support for staff in STEM delivery.
- 3.4 The project will see the development of specialist facilities and learning environments across the region, inspiring indoor and outdoor spaces with core learning equipment to facilitate STEM learning. The offer further enhanced through a delivery model that includes a mobile solution, digital offering and robust outreach model, aimed at increasing participation and closing the equity and attainment gaps in STEM.
- 3.5 The Outline Business Case (OBC) for the Early Years STEM Project was approved as part of the Full Deal Signing in December 2021 and work is now being progressed on the development of a Full Business Case (FBC).
- 3.6 Included in the OBC was a high level spend profile and phasing plan, with construction and delivery of services beginning after approval of the FBC. The OBC did not take into account, spend on essential preliminary activities and capital development planning, therefore no budget was assigned to Early Years STEM in 2023/24 prior to FBC approval. The Early Years STEM project is the only MGD project not to have assigned budget to progress planning activity prior to FBC approval.
- 3.7 As the project involves the development of capital assets, including renovation of existing buildings and development of outdoor spaces, it is essential that capital budget be made available to spend on activity that includes but is not limited to: building surveys, feasibility surveys, specialist advisors, architecture and design services, planning support, market research, and socio-economic impact assessments. Allocation of anticipated spend is as follows;
- £40,000 on preliminary activities including building surveys, feasibility studies and STEM engagement resources.

- £40,000 on specialist advisory support including exhibition design consultancy, educationalists and library spatial planning.
  - £100,000 on core architecture and design services
  - £20,000 on a social and economic impact assessment.
- 3.8 This work is necessary to progress the Full Business Case with the detail required to secure approval from the Scottish and UK governments, it is only at this point government grant can be drawn down and the project proceed into delivery.
- 3.9 Of the £4.8m of capital funding committed to the Early Years STEM Project, the Scottish government will provide £3.5m with the remaining £1.3m provided by the Council over a 10-year period. The project is seeking to re-allocate £200k of the £1.3m budget approved by The Council to spend at risk in 2023/24 prior to Full Business Case approval.
- 3.10 The project will be delivered in phases, focusing initially on outreach and mobile delivery. Due to significant lead times associated with vehicle procurement (colleagues advise 2-18 months from procurement to delivery) it is advisable to commence the procurement of a vehicle as early as possible.
- 3.11 The project is therefore seeking approval to commit a further £40,000 of project capital budget to commence procurement of a STEM vehicle in 2023/24. Payment of the vehicle will be made upon delivery as per standard procurement processes, expected in 2024/25. Spend will be committed at risk ahead of FBC approval which means that as government grant can only be drawn down once FBC is approved, if this is not forthcoming the risk is that the council bears any costs committed. To minimise risk, the vehicle will be of a make and model common to the Council Fleet, although specialist fit out and storage solutions may be required to ensure the vehicle is fit for purpose

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

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

This Moray Growth Deal project will contribute to the Corporate Plan priority of promoting sustainable economic development, whilst meeting the LOIP vision of raising aspirations and reducing inequalities in educational attainment.

**(b) Policy and Legal**

EY STEM has been developed to meet local, regional and national policy agendas, including those emanating from the Early Years Collaborative and Early Years Framework.

**(c) Financial implications**

Capital budget request of £200,000 in 2023/24. The Moray Council has committed spend of £1.3m of capital funding to the project over 10 a year period, beginning in 2024/25. Re-allocation of funding from future years budget to spend prior to FBC approval in 2023/24 is requested.

Any spend at risk will have cost implications for the council if the FBC fails to secure approval.

Request to commit a further £40,000 of capital expenditure to purchase a vehicle. Due to significant procurement lead times, approval is sought to commit future year's project budget and allow early procurement of a vehicle. Spend will be committed at risk and will therefore have cost implications for the council if the FBC fails to secure approval, as government grant can only be drawn down once FBC is approved.

**(d) Risk Implications**

Without approved budget to spend on essential capital development planning, the FBC cannot progress with the required level of detail to secure approval and release of government funding. The project will not proceed into delivery and outcomes will not be realised.

Spend on projects prior to FBC approval is carried out at risk as Government grant under the Growth Deal can only be drawn down once FBC is approved.

**(e) Staffing Implications**

None

**(f) Property**

The Early Years STEM project includes plans to refurbish and enhance spaces in existing Council and community owned buildings, providing inclusive access to high quality learning spaces and digital infrastructure.

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

Equalities and Socio Impact Assessments for the project will be updated as part of Full Business Case development.

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

As a requirement of the Moray Growth Deal, the Early Years STEM Project will address carbon reduction, improved environmental performance and a just transition to net zero as a central part of FBC development.

**(i) Consultations**

Depute Chief Executive (Education, Communities and Organisational Development), Depute Chief Executive (Economy, Environment and Finance), Head of Education (Chief Education Officer), Head of Economic Growth and Development, Chief Financial Officer, Legal Services Manager, Early Years' Service Manager, Asset Management Working Group (AMWG), Moray Growth Deal Programme Manager and Democratic Services Manager have been consulted.

**5. CONCLUSION**

**5.1 This report asks the Council to note that delivery of the MGD EY STEM Project will require spend on essential preliminary activities and**

**development planning to progress the FBC with sufficient detail to secure approval from Scottish and UK governments**

- 5.2 This report asks the Council to note that due to significant lead times, there will be a requirement to procure a vehicle ahead of FBC approval.**
- 5.3 The report asks the Council to approve bringing forward part of the project capital budget for expenditure in 2023/24, including commitment to spend at risk prior to FBC approval.**

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