



Economic Growth, Housing and Environmental Sustainability Committee

Tuesday, 06 October 2020

NOTICE IS HEREBY GIVEN that a Meeting of the **Economic Growth, Housing and Environmental Sustainability Committee** is to be held at **remote locations via video-conference**, on **Tuesday, 06 October 2020 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 24, 25 and 26 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."

4 Minutes

4a) Minute of Meeting of the Economic Development and Infrastructure Services Committee dated 21 January 2020 **7 - 14**

4b) Minute of Meeting of the Communities Committee dated 3 March 2020 **15 - 18**

4c) Minute of Meeting of the Communities Appointments Committee on 11 August 2020 **19 - 20**

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23 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

24 Building Services Trading Operation Budget 2019-20 - Budget Monitoring

- Information on proposed terms and/or expenditure to be incurred by the Authority;

25 Building Services Trading Operation Budget 2020-21 - Annual Budget and Budget Monitoring

- Information on proposed terms and/or expenditure to be incurred by the Authority;

26 Lease Condition - March Road, Buckie

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

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

GUIDANCE NOTES

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

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

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

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

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

Clerk Name: Lissa Rowan

Clerk Telephone:

Clerk Email: lissa.rowan@moray.gov.uk

THE MORAY COUNCIL

Economic Growth, Housing and Environmental Sustainability Committee

SEDERUNT

Councillor Graham Leadbitter (Chair)
Councillor Louise Nicol (Depute Chair)
Councillor David Bremner (Member)
Councillor Frank Brown (Member)
Councillor Theresa Coull (Member)
Councillor John Cowe (Member)
Councillor Gordon Cowie (Member)
Councillor Tim Eagle (Member)
Councillor Ryan Edwards (Member)
Councillor Donald Gatt (Member)
Councillor Marc Macrae (Member)
Councillor Maria McLean (Member)
Councillor Shona Morrison (Member)
Councillor Walter Wilson (Member)

Clerk Name: Lissa Rowan
Clerk Telephone:
Clerk Email: lissa.rowan@moray.gov.uk

**Minute of Meeting of the Economic Development & Infrastructure Services
Committee**

Tuesday, 21 January 2020

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

PRESENT

Councillor George Alexander, Councillor David Bremner, Councillor Theresa Coull, Councillor John Cowe, Councillor Gordon Cowie, Councillor John Divers, Councillor Claire Feaver, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Maria McLean, Councillor Shona Morrison, Councillor Sonya Warren, Councillor Walter Wilson

IN ATTENDANCE

Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services, Head of Economic Growth and Development, Transportation Manager, Roads Maintenance Manager, Environmental Protection Manager, Moray Access Manager, Legal Services Manager, Mrs D Anderson, Senior Engineer (Transport Development) and Mrs L Rowan, Committee Services Officer as Clerk to the Meeting.

ALSO PRESENT

Councillor Ross

1 Chair

Councillor Leadbitter, being Chair of the Economic Development and Infrastructure Services Committee, chaired the meeting.

2 Declaration of Group Decisions and Members Interests

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

3 Minute of Meeting dated 5 November 2019

The minute of the meeting of the Economic Development and Infrastructure Services Committee dated 22 January 2019 was submitted and approved.

4 Written Questions

The Committee noted that no written questions had been submitted.

5 Speed Indicator Devices Community Partnership Policy

A report by the Depute Chief Executive (Economy, Environment and Finance) sought endorsement of a collaborative approach to managing vehicle speeds and the perception of speeding traffic in communities through the use of Speed Indicator Devices. The report stated that Speed Indicator Devices (SIDS) can be effective when erected on a temporary basis as drivers may become complacent after the sign has been in place for some time. The report therefore recommended that the Committee endorse the continuation and promotion of the current programme of SIDs deployment in response to community requests.

At the invitation of the Chair, Councillor Ross stated that speeding is a significant concern in Speyside/Glenlivet and communities have requested signage reminding drivers to adhere to the speed limit. He stated that he knew of communities all over Scotland who have permanent signage and was of the view that it was a matter of opinion whether the signage is effective or otherwise. He urged the Committee to listen to communities as they know the area in which they stay and are best placed to make decisions in this regard and allow them to purchase their own signs should they wish to do so.

The Chair was of the view that, if communities feel safer with VAS then the Committee should consider their request and moved that the Committee agree the recommendations as printed with an amendment to recommendation ii) as follows; endorse the continuation and promotion of the current programme of SIDs deployment in response to community requests, and an additional recommendation stating that, where the community wishes to deploy a permanent digital display, the Council should co-operate with the purchase of VAS signs to enforce the prevailing speed limit - these signs to be purchased by the community (including installation costs) but to be installed by the Council as roads authority in safe and suitable locations.

During discussion, it was recognised that communities are best placed to make decisions in their area however concern was raised in relation to the costs implications of installing VAS and assurance was sought that communities would be made aware that they would be responsible for the cost implications including ongoing maintenance of the signage.

In response, the Chair stated that his proposed recommendation covered any concern the Committee may have in terms of the purchase and installation of the signage however agreed to include wording to reflect that the community would be responsible for ongoing maintenance of the signage.

The Transportation Manager advised that a simple VAS cost approximately £3000 per unit plus installation costs and that the mechanism of charging for ongoing maintenance would have to be explored therefore suggested that a further report be brought to the next meeting of this Committee detailing any requests for VAS from communities and potential costs in this regard.

Councillor Macrae welcomed the offer of a further report from the Transportation Manager and moved, as an amendment, that the Committee defer making a decision until the further report detailing how VAS can be achieved in communities is considered.

On considering Councillor Macrae's amendment of a deferral, the Chair proposed a fourth recommendation requesting that a report be brought to the next meeting of this Committee detailing how VAS can be achieved in communities.

After considering the Chair's proposal, Councillor Macrae agreed to withdraw his motion however asked that the proposed recommendation reflect that the report be brought in conjunction with communities and Police Scotland. The Chair agreed to include this in his proposed recommendation.

The Depute Chief Executive (Economy, Environment and Finance) raised concern that the Committee were agreeing to communities purchasing their own VAS prior to considering the mechanism of implementation and suggested that the Committee consider the additional recommendation in principle. The Chair agreed to amend his proposed recommendation so that the agreement would be in principle.

Councillor Alexander noted the Community Speed Watch initiative where active members of local communities join with the support of the Police to monitor speeds of vehicles using speed detection devices, reporting drivers exceeding the speed limit to the Police and was of the view that some communities may prefer to deal with speeding concerns in this manner and asked that when communities are consulted on how VAS can be achieved, they also be made aware of the Community Speed Watch initiative as an alternative option to VAS. This was agreed.

There being no-one otherwise minded, the Committee agreed:

- i. to note the best practice with regard to the criteria for the use of Speed Indicator Devices (SIDs);
- ii. to endorse the continuation and promotion of the current programme of SIDs deployment in response to community requests;
- iii. in principle, where a community wishes to deploy a permanent digital display, to co-operate with the purchase of Vehicle Activated Signs to re-enforce the prevailing speed limit – these signs to be purchased by the community (including installation and ongoing maintenance) but to be installed by the Council as Roads Authority, in safe and suitable locations;
- iv. that a report be brought to the next meeting of this Committee detailing how Vehicle Activated Signs in communities can be achieved, in conjunction with communities and Police Scotland; and
- v. that when communities are consulted on how Vehicle Activated Signs can be achieved, they be made aware of the Community Speed Watch initiative as an alternative option.

6 Harbour Safety Management System

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the review of the Harbours Safety Management System in compliance with the Port Marine Safety Code (PMSA).

Prior to discussion of the report, the Chair pointed out that the date of the report should read 21 January 2020 and not 2019 and also that there was reference throughout the Harbour Safety Management System Report to the Economy, Environment and Finance which was an error and should be the Economic

Development and Infrastructure Services Committee. This was noted.

Following lengthy discussion whereby the Committee sought clarification on a number of aspects of report which were answered by Officers, the Committee joined the Chair in commending the work of Officers in the provision of the comprehensive report on the Harbours Safety Management System and thereafter agreed to note the review of the Harbours Safety Management System as set out in Appendix 1 of the report, fulfilling their function as Duty Holder under the Port Marine Safety Code.

7 Roads Asset Management Planning

Under reference to paragraph 3 of the Minute of Moray Council dated 11 February 2014, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the latest road network condition information and how it compares with the 2016 modelling forecast.

The Chair acknowledged the previous Council decision where it was agreed that the road network in Moray would be allowed to deteriorate to mid-point in the National table by the end of the following 5 year period however this was a short term policy which should be monitored to ensure that the roads do not reach a point where they are beyond repair and need relayed which would be more expensive.

During discussion in relation to the condition of the roads, concern was raised that the road condition indicators were reviewed annually as it was considered that, as road conditions were deteriorating significantly, reviewing again in a year was too long to wait and it was queried whether this could be reviewed earlier.

In response, the Head of Environmental and Commercial Services confirmed that road conditions are measured on an annual basis by vehicles travelling all over Scotland therefore this information would not be available any earlier. He further acknowledged the concerns of the Committee in relation to the impact the current policy is having on the road network and advised that Officers will consider this when reviewing the Capital Plan.

Thereafter, the Committee agreed:

- i. to note the latest road condition indicator (RCI) results for Moray Council, and our position when compared nationally;
- ii. to recommend that the RCI results continue to be monitored and reported back on an annual basis to this Committee; and
- iii. that Officers note the concern of the Committee in terms of the impact of the current policy on the road network and consider this when reviewing the Capital Plan.

8 Dorenell Wind Farm - Financial Contributions to the Moray Council for use on Moray's Core Paths

Councillor Cowe left the meeting at this juncture.

A report by the Depute Chief Executive (Economy, Environment and Finance) asked that the Committee approve the Strategic Framework Document as the blueprint for the range of outputs and activities relating to expenditure of the Dorenell Windfarm

Financial contribution to be spent on Core Paths in Moray over a 25 year period to 2044.

Following consideration, the Committee agreed:

- i. the Strategic Framework Document as the blueprint for the range of outputs and activities on which the £50k annual Dorenell Windfarm financial contribution for Moray's Core Paths can be spent over the next 25 years until 2044, as set out in Appendix 1 of the report;
- ii. to homologate the spend of £120k from the Dorenell Fund over 3 years 2019 to 2022 as outlined in paragraph 4 of the report;
- iii. to allocate £30k to provide temporary staff to carry out a baseline audit as outlined in paragraph 5.3 of the report; and
- iv. the preparation of a 3 year rolling Action Plan as outlined in paragraph 5.4 of the report to be submitted for approval in 2022.

9 Annual Report on Economic Development in Moray 2018/19

Under reference to paragraph 9 of the Minute of Moray Council dated 25 August 2015, a report by the Depute Chief Executive (Economy, Environment and Finance) presented the Committee with the Draft Annual Report providing holistic information about Economic Development in Moray during 2018/19 in which the Council is a lead or principal agency including the Moray Growth Deal, the launch of the Moray Economic Strategy led by Highlands and Islands Enterprise, a new Skills Investment Action Plan for Moray and significant investment in RAF Lossiemouth.

The Committee joined the Chair in commending the work of the Tourism BID following their successful ballot and thereafter agreed:

- i. to note the draft annual report on economic development in Moray, as set out in Appendix 1 of the report; and
- ii. its publication as set out in paragraph 3.1 of the report.

10 Update on Business Gateway Review

Under reference to paragraph 11 of the Minute of the Policy and Resources Committee dated 29 October 2019, a report by the Depute Chief Executive (Economy, Environment and Finance) provided the Committee with an update of the Business Gateway review and sought approval for the recommendations detailed within the report.

Councillor Alexander acknowledged the contribution from Business Gateway to Economic Development in Moray and welcomed the saving of £11,414 by taking services associated with Business Gateway in-house and moved that the Committee agree the recommendations as printed within the report. This was seconded by Councillor Warren.

The Committee joined the Chair in commending the work of Business Gateway and noted the positive comments from those who had accessed the service and

thereafter agreed:

- i. to note that the required 3 months' notice for terminating the Business Gateway Service Level Agreement with Highland Council by the end of this financial year has been given;
- ii. once the outstanding funds from Phase I of the Local Growth Accelerator Programme have been recovered, to consider whether to reinvest this into bespoke advice and training for businesses;
- iii. to note that there will be no further participation in Phase II of the Local Growth Accelerator Programme;
- iv. to approve a Development Officer post from 1 April 2020 onwards; and
- v. to note that the above arrangements will present an annual saving of £11,414.

11 Environmental and Commercial Services/Economic Growth and Development Budget Monitoring Report to 31 October 2019

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the current position regarding Environmental and Commercial Services/Economic Growth and Development Budgets.

Following consideration, the Committee agreed to note the budget monitoring report for the period to 31 October 2019.

12 Performance Report (Environmental and Commercial Services) - Half Year to September 2019

Councillor Wilson left the meeting during discussion of this item.

Under reference to paragraph 5 of the Minute of Moray Council dated 7 August 2019, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the performance of the service for the period from 1 April 2019 to 30 September 2019. The report stated that, at the end of September 2019, 80% of Environmental and Commercial Services' indicators, with data to report against target, have shown good performance. It also stated that the Service Plan for 2019/20 has been approved with work ongoing to deliver the agreed actions which includes targeting the high number of complaints in relation to Household Waste collections.

Following consideration, the Committee welcomed the good performance in the report and thereafter agreed to:

- i. note performance of the Performance Indicators, Service Plan priorities and Complaints to the end of September 2019;
- ii. note the actions being taken to improve performance where required; and
- iii. approves the suggested changes to the Performance Indicators reported to this Committee, as detailed in Section 6 of the report and within Appendix 1.

13 Question Time

Under reference to paragraph 8 of the minute of the meeting of this Committee dated 5 November 2019, Councillors Warren and Alexander (on behalf of Councillor Cowe) queried whether any decision had been made in relation to the 2 schools to be used in the School Street trial.

In response, the Transportation Manager advised that 6 schools had asked to be considered for the trial, all of whom had been assessed with 2 schools meeting the criteria. Final checks are being made and all parties will be notified in due course with a view to the trial commencing after the Easter holidays.

Under reference to paragraph 9 of the minute of the meeting of this Committee dated 5 November 2019, Councillor Warren asked for an update on the possible solutions to consistency between membership of the Harbour Advisory Committee and the Economic Development and Infrastructure Services Committee.

In response, the Head of Environmental and Commercial Services advised that he had discussed this with the Head of Governance, Strategy and Performance who was satisfied that members who are not part of the Economic Development and Infrastructure Services Committee but on the Harbour Advisory Committee is not an issue as this Committee is adequately represented on Harbour Advisory Committees.

Under reference to paragraph 13 of the minute of the meeting of this Committee dated 5 November 2019, Councillor Warren sought an update on securing funding for the Ice Plant and Chill at Buckie Harbour and noted that she had not received the Business Case as yet.

In response, the Transportation Manager advised that the Council had approved the Business Case and expenditure and advised that the Business Case would be circulated in due course.

The Head of Economic Development and Growth further advised that a report had been presented to the Policy and Resources Committee recently to consider alternative funding for the Business Case which had been approved by the Committee. At this meeting, Members had requested further details surrounding the Business Case however this was yet to be provided.

Minute of Meeting of the Communities Committee

Tuesday, 03 March 2020

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

PRESENT

Councillor James Allan, Ms Anna Bamforth, Ms Jane Bartecki, Councillor Theresa Coull, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Lorna Creswell, Councillor Donald Gatt, Councillor Louise Laing, Mrs May McGarrie, Councillor Aaron McLean, Councillor Laura Powell, Councillor Derek Ross, Councillor Sonya Warren

APOLOGIES

Councillor Ryan Edwards, Councillor Maria McLean, Councillor Ray McLean

IN ATTENDANCE

The Head of Housing and Property Services, the Housing Strategy and Development Manager, the Building Services Manager, the Senior Housing Officer (Information), the Senior Housing Officer (Policy) and Caroline Howie, Committee Services Officer as Clerk to the meeting.

1 Chair of Meeting

The meeting was Chaired by Councillor Louise Laing.

2 Welcome and Tribute

In noting the Mr Richard Anderson has returned to his substantive role as Head of Housing and Property Services the Committee joined the Chair in welcoming Mr Anderson back to the Committee.

Thereafter the Committee joined the Chair in thanking Mr Graeme Davidson for his help and support during his time as the Acting Head of Housing and Property Services.

3 Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

4 Resolution

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph Number of Minute	Paragraph Number of Schedule 7A and Reason
14	9 Information on terms proposed or to be proposed by or to the Authority.

5 Minute of meeting dated 17 December 2019

The Minute of the meeting of the Communities Committee dated 17 December 2019 was submitted for approval.

Under reference to paragraph 14 of the draft Minute the Chair advised it was not her, but Councillor Creswell, who had raised the question of an agenda item for Tenant Representatives.

With this change the Minute was approved.

6 Written Questions

The Committee noted that no written questions had been submitted.

7 No Access Policy

Under reference to paragraph 11 of the Minute of the meeting dated 17 October 2017 a report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to consider and approve a No Access Policy for Council tenants. The policy aims to reduce barriers faced by the Council in accessing tenants' homes to carry out statutory landlord duties in relation to the improvement, repair and servicing of the housing stock.

Following consideration the Committee agreed to:

- i. note the Council's new legal duty to install satisfactory smoke and carbon monoxide alarms of a required specification in all Council housing stock by February 2021;
- ii. approve the draft No Access Policy as set out in Section 7 and appendix I of the report to assist in achieving this;
- iii. approve a period of consultation with tenants and stakeholders; and
- iv. consider the consultation feedback at the meeting in April 2020.

8 Housing Investment 2019/20

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the budget position to 31 December 2019 for the Housing Investment Programme for 2019/20.

Following consideration the Committee agreed to note the position as at 31 December 2019 with regards to the Housing Investment Programme for 2019/20.

9 Scotland's Housing Network Housing 2018/19 Performance Benchmarking

A report by the Depute Chief Executive (Economy, Environment and Finance) informed Committee of the council's performance in 2019/19 in comparison with benchmarking peer groups.

Councillor Gatt was of the opinion that actual numbers, as opposed to percentages, would be beneficial.

In response the Head of Housing and Property Services advised it would be possible to provide numbers for Moray Council performance in the future but not for the benchmarking peer groups. Committee agreed this would be acceptable.

Thereafter the Committee agreed to note:

- i. performance outlined in the report; and
- ii. that along with percentages actual numbers in relation to Moray Council performance will be provided in future reports.

10 Housing and Property Services Budget Monitoring - 31 December 2019

Under reference to paragraph 6 of the Minute of the meeting dated 27 February 2019 a report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget position for the Housing Revenue Account and General Services Other Housing Budget for the period up to 31 December 2019.

Following consideration the Committee agreed to note the budget monitoring report for the period to 31 December 2019.

11 Moray Home Energy Efficiency Programme

Under reference to paragraph 9 of the Minute of the meeting dated 25 September 2018 a report by the Depute Chief Executive (Economy, Environment and Finance) provided the Committee with details of progress on the Moray Home Energy Efficiency Programme.

Following consideration the Committee agreed:

- i. to note the progress made on the delivery of the Moray Home Energy

Efficiency Programme; and

- ii. that further reports on progress will be presented to Committee.

12 Gypsy/Travellers Action Plan

A report by the Depute Chief Executive (Economy, Environment and Finance) provided Committee with details of the Scottish Government/Convention of Scottish Local Authorities (COSLA) joint Action Plan to improve the lives of Scotland's Gypsy/Travellers.

Following consideration the Committee agreed:

- i. to note the details of the joint Action Plan on Gypsy/Travellers agreed by the Scottish Government and COSLA;
- ii. to note the implications for the Council approach to assessing and meeting the needs of Gypsy/Travellers in Moray; and
- iii. that the council participate in COSLA's Gypsy/Traveller Negotiated Stopping Pilot.

13 Question Time

Councillor Creswell sought clarification on information provided to residents of Forres on changed arrangements for the Forres Access Point.

In response the Head of Housing and Property Services advised he will have to speak with the Customer Services Team and get a response which he will share with Committee.

14 Building Services Trading Operation Budget 2019/20 - Budget Monitoring

Under reference to paragraph 19 of the Minute of the meeting dated 2 April 2019 a report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget monitoring information for the period to 31 December 2019 for the Building Services Trading Operation.

Following consideration the Committee agreed to note the:

- i. financial information for the period to 31 December 2019, as detailed in appendix I of the report;
- ii. revised year end forecast to 31 March 2020 as detailed in appendix I of the report; and
- iii. Building Services operating performance, Business Plan 2017 - 2020 and financial improvement update as set out in section 6 of the report.

Minute of Meeting of the Communities Appointments Committee

Tuesday, 11 August 2020

To be held remotely in various locations,

PRESENT

Councillor Theresa Coull, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Lorna Creswell, Councillor Ryan Edwards, Councillor Donald Gatt, Councillor Maria McLean, Councillor Louise Nicol, Councillor Laura Powell

IN ATTENDANCE

Also in attendance at the above meeting were the Depute Chief Executive (Environment, Economy and Finance), the Head of HR, ICT and Organisational Development and Tracey Sutherland, Committee Services Officer as clerk to the meeting.

1. Chair of Meeting

The meeting was chaired by Councillor Louise Nicol.

2. Resolution

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the item of business appearing at paragraph 3 of this Minute so as to avoid disclosure of exempt information of the class described in Paragraph 1 of Part I of Schedule 7A of the Act.

3. Shortleat for the Appointment of the Head of Housing and Property

The meeting noted that there were 12 applicants for the post of Head of Housing and Property.

Following discussions the Committee agreed that applicants 3, 5, 7, 8, 9, 10 and 11 in the papers be invited to attend the next stage of the selection process in accordance with the agreed arrangements.

Minute of Meeting of the Communities Appointments Committee

Friday, 04 September 2020

remote locations via video conference,

PRESENT

Councillor Theresa Coull, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Lorna Creswell, Councillor Ryan Edwards, Councillor Donald Gatt, Councillor Maria McLean, Councillor Louise Nicol, Councillor Laura Powell

IN ATTENDANCE

Also in attendance at the above meeting were the Depute Chief Executive (Economy, Environment and Finance), the Head of HR, ICT and Organisational Development), Head of Governance, Strategy and Performance (Item 4 only) and Tracey Sutherland, Committee Services Officer.

1. Chair of Meeting

The meeting was chaired by Councillor Louise Nicol.

2. Resolution

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the items of business appearing at paragraph 4 of this minute as specified below, so as to avoid disclosure of exempt information of the class described in paragraph 1 part 1 of Schedule 7A of the Act.

3. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

4. Recruitment for Head of Housing and Property Services

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to consider the candidate reports and overarching summary report in terms of the agreed Recruitment and Selection of Senior Staff Policy.

During consideration Councillor Gatt, seconded by Councillor Powell proposed that an additional recommendation be added relative to any future recruitment exercise.

Due to concerns as to the competence of the motion, the Chair agreed to adjourn the meeting to allow legal advice to be sought.

The Head of Governance, Strategy and Performance joined the meeting following the adjournment.

On the resumption of the meeting and following advice from the Head of Governance, Strategy and Performance, the Chair declared the motion as incompetent and moved to approve the recommendations as detailed in the report.

As there was no-one otherwise minded the Committee agreed to:

- i) note the summary candidate reports; and
- ii) accept the recommendation of this report not to appoint at this time.



**REPORT TO: ECONOMIC GROWTH, HOUSING & ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

SUBJECT: CAR PARK CHARGES - ELGIN

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the position in relation to car park charges and seek agreement on the reintroduction of charges.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 Committee is asked to:

- i) **agree the reintroduction of car parking charges from 26 October 2020;**
- ii) **agree the implementation of the Free After 3 scheme for the period Saturday 5 December 2020 to Saturday 2 January 2021 (inclusive) as detailed in Para 6 of this report; and**
- iii) **agree the procurement of a cashless 'pay by phone' system, as detailed in Para 7 of this report.**

3. BACKGROUND

- 3.1 This report provides a review of parking charges, following the decision of the Emergency Cabinet on 12 August 2020 (para 18 of the minute refers).

3.2 The review summarised in this report covers:

- Reintroduction of parking charges
- The case for provision of free parking periods on a permanent basis
- The case for providing 'Free After 3' facilities in the run up to Christmas
- The case for introducing cashless & contactless payment methods

3.3 Moray Council operates 15 pay and display car parks in Elgin town centre. In 2019/20 these car parks generated an income of £876,000, of which the net financial surplus was £442,000. This builds on improving year on year financial performance following the re-profiling of car park charges as part of the Car Parking Strategy approved by Economic Development & Infrastructure Services Committee on 31 October 2017 (para 7 of the minute refers).

3.4 Charging for the use of car parks was suspended at the end of March 2020 in light of the Coronavirus pandemic. At that point all enforcement activity was also suspended, and the two multi-storey car parks were locked to minimise anti-social behaviour.

3.5 The current position is that the multi-storey car parks have been re-opened in line with the re-opening of the shopping centres they are connected to. Car park attendants are carrying out monitoring and limited enforcement activity. The car parks remain free to use without charge. It should be noted that the car park attendants are also assisting with deploying the barriers and enabling permitted access to the pedestrianised areas of Elgin.

4. **RE-INTRODUCTION OF CAR PARKING CHARGES**

4.1 The absence of car park charging and enforcement has direct benefits in minimising non-essential activity – direct social contact by the car park attendants, and 'back office' functions including cash collection, handling and banking.

4.2 The suspension of charges also supports simple access to the goods and services available, by allowing people to park in the closest car park rather than choosing a parking location based on willingness to pay, and therefore greater social distancing.

4.3 Suspension of charges has, however, had a direct impact on the council's income – with half a year of income already foregone – c£400k net, based on 2019/20.

4.4 As we have moved through the phases of pandemic response with an easing of social restrictions, there has been an upturn in the number of vehicles using the car parks to access goods, services and for employment. There has also been an increase in economic activity. However, the economic impact of Coronavirus has yet to be fully determined. Town centre businesses are keen to remove any obstacles, real or perceived, to rebuilding their trading income.

4.5 Based on a full occupancy survey in late August, the car parks are averaging at 49% occupancy, with the surface car parks closest to key town centre locations being the busiest.

Car Park	Average Occupancy
Batchen Lane	53%
Hall Place	43%
Ladyhill	75%
Lossie Green	46%
Lossie Wynd	41%
Moray Street	78%
Northfield Terrace	78%
South Street	70%
St Giles	25%
Greyfriars Street (Sat Only)	82%
HQ Annexe (Sat Only)	44%
North Port	75%
Railway Station	31%
North College Street West	65%
Cooper Park	37%
Grand Total	49%

- 4.6 Almost all local authorities across Scotland suspended car park charging at the outset of the pandemic. As restrictions have eased a significant number of authorities have reintroduced car parking charges in some form. Note: there is some data on this from SCOTS (Society of Chief Officers of Transportation in Scotland).
- 4.7 In considering the re-introduction of car park charges, it is difficult to predict the likely behaviour of motorists. Those who are currently using the car parks for residential purposes are most likely to move their cars to nearby on-street parking spaces. Those who are currently using the car parks for access to employment are most likely to resume their 'normal' parking behaviour – which may be to use a pay and display car park, or may be to use on-street parking spaces. Those who are currently using the car parks to access goods and services are the most likely to pay for parking, however, it is unclear whether the re-introduction of parking charges would have any deterring effect on those coming to the town centre versus other retail locations. The closer that social distancing and other restrictions get to 'normal', the more likely it is that people will make decisions in line with previous behaviour – i.e. being willing to pay for parking.
- 4.8 The relationship between no car park charges and footfall / trade in local businesses is difficult to assess. As was evident in Elgin BID's 2016 review of Free After 3 (see para 6 below), there is positive sentiment around the reduction or removal of car parking charges, but little quantitative evidence of a positive impact on turnover. In terms of the pandemic this is further complicated by changes to customer behaviour in relation to social distancing, shielding, employment and education arrangements. Anecdotally a good proportion of the high turnover car parking spaces closest to the town centre have been occupied by those working in the town centre, who may usually park in alternative locations (£1 per day parking or residential streets), and correspondence was received from BID asking if this aspect could be managed to provide a greater number of the most convenient parking spaces for shoppers.

- 4.9 In relation to the council's role in supporting economic recovery, Moray Economic Partnership are preparing targeted support opportunities for businesses, some of which would fall to the council to finance if supported (report to this meeting anticipated) . This would be a more direct means of providing support for economic recovery than free parking, particularly bearing in mind para 4.8 above.
- 4.10 Options:
- a) Reintroduce car park charges at all car parks from Monday 26 October
 - b) Reintroduce car park charges at surface car parks from Monday 26 October, and retain free parking in the multi-storey car parks until an agreed date, or until Phase 4 of the Scottish Route Map
 - c) Retain free parking until an agreed date / Phase 4 of the Scottish Route Map
- 4.11 It is difficult to predict the likely income from the re-introduction of car parking charges because of the factors set out above. However, if similar numbers of vehicles continue to use the pay and display car parks Option a) would yield in the region of £360k, and Option b) would yield in the region of £260k. Option c) would generate a further loss of income of £422k to the end of the calendar year. It should be noted that these figures are estimates.
- 4.12 Option 4.10 (a) is recommended, taking into account the behavioural aspects in para 4.8, the consideration of direct supports for economic recovery by the council and the financial position of the council.

5. CAR PARK CHARGES AND FREE PARKING

- 5.1 On 31 October 2017 the Economic Development & Infrastructure Services Committee approved a car parking strategy for Elgin, part of which was a revision of the car parking charges in Elgin. This review categorised the car parks as low, medium and high turnover, and set out the charges for each category of car park. In making the changes which came into effect in early 2018/19, there were three notable changes:
- 1. The introduction of £1 per day parking in Batchen Lane Multi Storey Car Park and
 - 2. The introduction of a 50p charge for the first half hour of parking.
 - 3. The introduction of payment by bank card at approximately half of the pay and display ticket machines.
- 5.2 Overall the revision to the charges has been successful with income from ticket machine sales significantly increased :

Year	Income
2016/17	£673k
2017/18	£647k
2018/19	£806k
2019/20	£832k

- 5.3 In setting the new car park charges there was clear stakeholder aspiration to introduce an element of free parking. Council officers supported the principle behind this, however, there is a very high percentage of car park users who park for half an hour or less, and the financial impact of the first 15 or 30

minutes being free was not affordable, causing loss of overall income. Instead, the 50p charge for the first 30 minutes was introduced, which is a reduction on the previous minimum payment of £1 for any of the pay & display locations.

- 5.4 The range of charges adopted in 2017 was based on detailed and exhaustive analysis of the available data, with multiple models run to assess the impact of various options, prior to the final recommendations which were adopted. Changing the pricing of charges, or the premise behind the charges at the current time where behaviour patterns are in a state of flux is strongly recommended against.
- 5.5 Given the overall success of the range of car park charges it is not proposed to make any changes at this stage. Any future changes to permanent parking charges would be considered when clear information on revised long-term travel, employment and shopping patterns are established.

6. FREE AFTER 3

- 6.1 For the last five years the council has offered free parking in certain car parks after 3pm in the run up to Christmas.
- 6.2 The initial trial in 2015 was for an extended period of 6 months starting in June 2015. In 2015 the parking ticket machines were altered to issue a nil-value ticket so the quantum of use could be assessed.
- 6.3 Following the first year the findings of officers was that the scheme did not generate sufficient economic benefits to offset the financial impact to the Council to warrant maintaining the scheme on a permanent basis (report to Economic Development & Infrastructure Services Committee on 8 March 2016, para 9 of the minute refers).
- 6.4 An evaluation report by Elgin Business Improvement District in 2016 gave only three quantitative examples of impact on either footfall or transactions, which did not incorporate other factors that could impact on footfall, such as weather or annual economic growth / decline. It was, however, clear from the evaluation report that the campaign was positively received. At the time the occupancy of the car parks in the scheme increased, however, occupancy of car parks not included in the scheme decreased.
- 6.5 For the last four years the car park ticket machines have not been reprogrammed in order to mitigate the cost of the scheme, this means that there is no data available to demonstrate the financial impact of 'Free After 3'. Based on the 2015 scheme, there was a direct cost to Council in relation to loss of car parking income up to £2,500. As the decision was taken in 2016 to minimise costs by not reprogramming the ticket machines, this can only be an estimate.
- 6.6 In line with previous years and given the financial impact, it is recommended that the scheme is promoted for the St Giles Multi Storey Car Park only.
- 6.7 It is recommended that the Free After 3 campaign is introduced this year from Saturday 5 December 2020 to Saturday 2 January 2021 (inclusive).

7. CASHLESS PAYMENTS AND NO-CONTACT PAYMENTS

- 7.1 Increasingly we are living in a cashless society, and this has been furthered during the pandemic with a wide-spread push by many retailers to pay by card / smart device wherever possible. Across various sectors the Scottish Government guidance is for contactless payments to be used where possible to reduce cash handling.
- 7.2 There is the opportunity to introduce cashless payment for parking via mobile phone.
- 7.3 The benefits of cashless parking are:
- Flexibility and convenience for the motorist
 - No need to have the correct change
 - Parking periods can be extended without returning to the vehicle
 - Reminder from the phone to return to the car
 - Reduced maintenance and administration costs associated with parking machines – reducing the number of ticket machines over time
 - Obviate the need to replace ageing ticket machines in c. 5 years time at a cost of approximately £250k (based on the costs of the new machines introduced in 2018).
- 7.4 In the context of the COVID-19 pandemic this provides a 'touch free' way of paying for parking to alleviate public concerns about touching shared surfaces.
- 7.5 A cashless parking solution would cost 4 pence per transaction if paid by the council. There are no set up costs or license fees. In comparison, payment by cash costs the council 3 pence per transaction. There is the option for the motorist to pay the transaction fee – this would be 5 pence per transaction, however, this could be seen as a 'penalty' for adopting the cashless solution whereas the council absorbs the costs of a pay & display ticket in the parking fee.
- 7.6 There are fixed fees for a motorist to subscribe to text message reminders from the cashless solution - the income from these would be shared 50/50 between the service provider and the council.
- 7.7 The contract with the service provider also includes signage and marketing / advertising campaigns at no cost to the council. Whilst for the provider this is clearly about gaining market share for their commercial benefit, this promotes Moray Council's car parks and migration to cashless parking.
- 7.8 Car park attendants are to be issued with smart phones for current enforcement activity as part of existing plans. These smart phones would be equipped with an app that enables them to identify whether a motorist has paid for parking using the cashless solution. As this is part of existing plans, the cost of the handset upgrade has not been attributed to this proposal.
- 7.9 From a sample of local authorities with a payment by phone service, the adoption rate over time is between 50% and 98% of transactions, demonstrating a clear ability to reduce machine costs over time. At least one local authority aims to have all cashless transactions this year. Whilst such an

outcome may not be suitable for Moray, it is clear that motorists are willing to embrace cashless payment methods. Of the 23 Scottish local authorities that charge for car parking, 50% have a cashless parking solution, including Highland Council and Aberdeenshire Council. Whilst working to reduce the number of ticket machines, and eradicate the need to replace ageing machines would be a priority, it would be recommended that a minimum of one machine per car park was retained. With the cashless parking solution there is also the opportunity to pay for parking at any shop with 'PayPoint' facilities.

- 7.10 The outline business case can be summarised as below, on the premise that a reduction in machines is implemented to 50% of current machines, and on the basis of a 50% adoption rate (from para 7.9 above). With a higher adoption rate, whilst there are higher costs they are offset by higher saving, so the case remains positive.

	Cost / Saving per annum
Reduction in maintenance and administration / cash collection	£11,625
Benefit of not replacing car park machines - annualised benefit over 20 years	£12,500
Cost of service @ 50% adoption	-£15,148
Net saving	£8,977

- 7.11 Evidence from other car park operators is that the introduction of payment by phone increases overall income. With no current income baseline to predict from, it is difficult to be certain of the exact impact for Moray, but any increase in choice, and the removal of a perceived hindrance such as not having the correct change, will improve the ability to grow income.
- 7.12 It is recommended that Committee approves the contracting of a pay-by-phone provider and implementation at the earliest opportunity (estimated at c. 6 weeks).

8. **SUMMARY OF IMPLICATIONS**

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

The content of this report relates to delivering and growing and diverse economy through the provision of appropriate parking infrastructure for businesses, shoppers, workers, leisure users and residents.

(b) Policy and Legal

There are no policy or legal implications from the content of this report.

(c) Financial implications

The principal financial risk is in relation to the loss of income from car parking charges as set out in Para 4.12.

The Council is forecast to have a budget gap of £5.4m in 2020/21 and £6.7m in 2021/22 without taking account of the impact from Covid-19 virus.

(d) Risk Implications

There are reputational risks surrounding the decisions relating to car park charges, which are largely in conflict with the financial risks. Public perception of car parking charges influences opinion, but does not necessarily concur with behaviour. This report attempts to strike a balanced approach on these risks.

(e) Staffing Implications

There are no staffing implications from this report.

(f) Property

There are no property implications from this report.

(g) Equalities/Socio Economic Impact

There are no specific equalities or socio economic implications from this report. Car park charges do not apply to blue badge holders. Increasing choice in technology and payment types improves accessibility of services.

(h) Consultations

The following officers have been consulted and their comments incorporated into the report: Depute Chief Executive (Economy, Environment and Finance), Legal Services Manager, Principal Accountant (P Connor), Committee Services Officer (L Rowan) and Equalities Officer.

9. CONCLUSIONS

- 9.1 The suspension of car parking charges, whilst clearly necessary in the early stages of the pandemic, is having a significant impact on council income and charges should be reintroduced.**
- 9.2 The annual Free After 3 campaign in the run up to Christmas is recommended for approval.**
- 9.3 To support a reduction in cash handling, and to provide long term cost reduction, a cashless parking solution is recommended for introduction.**

Author of Report: Nicola Moss, Transportation Manager
Background Papers:
Ref:



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON TUESDAY 6 OCTOBER 2020

SUBJECT: PERFORMANCE REPORT (ENVIRONMENTAL AND COMMERCIAL SERVICES) – HALF YEAR TO MARCH 2020

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the service for the period from 1 October 2019 to 31 March 2020.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) **scrutinises performance of the Service Plan, Operational Performance Indicators and Complaints to the end of March 2020;**
- (ii) **welcomes good performance;**
- (iii) **notes the actions being taken to improve performance where required.**

3. BACKGROUND

- 3.1 At a meeting of the Moray Council on 7 August 2019, a revised Performance Management Framework was approved (para 5 of the minute refers). A key part of this framework covers the Managing, Delivering and Reporting of Performance. This was intended to increase focus on priority areas and reduce the detailed narrative around lower priority indicators in order to ensure that debate, scrutiny and challenge was directed at the areas of strategic importance to the council rather than routine operational performance. Whilst the latter is clearly deserving of scrutiny if trends

develop, consideration at committee should focus on the ability to deliver priorities in the LOIP, Corporate Plan and Service Plan. This half yearly performance report allows the Service Plan priorities, any relevant Operational Performance Indicators and Complaints Data for Environmental and Commercial Services, to be monitored by committee as outlined in this section of the framework.

- 3.2 The Performance Monitoring Statements document was developed to support the Performance Management Framework. This half-yearly performance report refers to this document. The document includes tabular updates on actions, indicators relating to Service Plan priorities as well as complaints data, and can be found at:

http://www.moray.gov.uk/moray_standard/page_92321.html

4. SUMMARY OF PERFORMANCE

- 4.1 At a meeting of the Economic Development and Infrastructure Services Committee on 5 November 2019, approval was given for the Environmental and Commercial Services Service Plan covering the period 2019-2022 (para 6 of the minute refers). As per the Performance Management Framework, this Service Plan consists of two distinct sections;

- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan and the Corporate Plan.
- Service Level Outcomes – reflecting service priorities not covered in higher level plans.

- 4.2 A total of 15 actions were included in the Service Plan; 7 were due for completion by the end of 2019/20 with 3 completed as planned. All 4 actions that have not met the target timescales have recorded progress at over 70%.

Level of Action	Number of Actions	Expected completion by end of 2019/20	Actual completion by end 2019/20
Strategic Outcome	5	2	1
Service Level Outcomes	10	5	2

Strategic Outcomes - successes

- 4.3 Contributing to the Corporate Plan priority 'Our Future: Drive economic development to create a vibrant economy for the future', and in particular achieving targets identified in the Climate Change Action Plan, 55% of all registered vehicles have been fitted with vehicle fuel telematics systems improving driver styles and reducing carbon emissions exceeding the target of 30% by March 2020. Sample fuel reports show the anticipated fuel savings of 7% have also been realised ECS19-22 (Yr1) - Section 4(a)i.
- 4.4 In addition, a reduction in single use plastics in school meals catering to 10% has been achieved by the end of March, a month earlier than expected. Single use plastic is on track to be fully eliminated as planned by August 2020 reducing the carbon footprint ECS19-22 (Yr1) – Section 4(a)ii.

Service Level Outcomes - successes

- 4.5 Operational continuity and improved performance of winter maintenance provision has been achieved following a review of the winter maintenance programme that reduced the number of priority 1 routes from 17 to 13. This resulted in improved efficiency and routes still being completed within the planned 2.5 hours ECS19-22 (Yr 1) - Section 5(h).
- 4.6 The chemical review for building cleaning was completed successfully with an alternative chemical, with higher antibacterial properties, identified that can deliver potential savings of 39%. This chemical has been introduced into the cleaning of schools and will be phased into all office cleaning by the end of the March 2021 ECS19-22 (Yr 1) - Section 5(l).

Strategic Outcomes – challenges and actions to support

- 4.7 Within the Corporate Plan priority ‘Our Future: Drive economic development to create a vibrant economy for the future’ is the planned outcome to increase provision and use of electric vehicles and plant with supporting infrastructure. Promoting and developing active and green travel as sustainable transport modes has ensured a number of measures are now in place including path upgrades and the installation of E-bike shelters by March 2020. Progress is currently at 70% complete due to a delay with a substation upgrade by SSE that has affected the installation of EV Chargers and the ability to introduce e-car and e-bike clubs. Completion is now expected by December 2020 ECS19-22 (Yr1) – Section 4(b).

Service Level Outcomes – challenges and actions to support

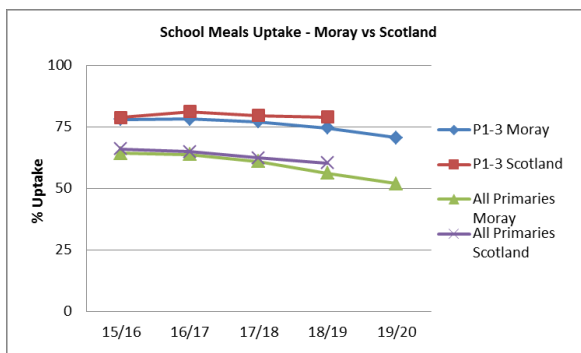
- 4.8 At the end of March 2020, the improved waste facility is 85% complete. Delays with the completion of external work at the site including, resurfacing of the car park and signage led to staff relocation being postponed. This is now expected to take place by the end of October 2020 ECS19-22 (Yr1) – Section 5(f).
- 4.9 Improvements within Engineering Design are 75% complete with two new projects assigned as planned (the design of a new waste transfer station and the design of new cemeteries). Job descriptions have been drafted but work to clarify the various roles within the section is yet to be finalised. ECS19-22 (Yr 1) - Section 5(j).
- 4.10 Improving the customer focus within waste management aims to reduce the number of complaints to the department by 10%. At 75% complete, a significant amount of work has been undertaken including development of new procedures, increased communication within the waste team and with contact centre staff and improved access to Moray Council’s Service Disruption Page ensuring residents are notified quickly of any issues. Enhanced training to complete this action will be provided when pandemic restrictions allow. Looking at the types of complaints received during the half year to March 2020, 55 complaints related to household collections and recycling, 39 (41%) less than the same period last year which would suggest the work highlighted above may already have had an impact. Complaints will be monitored over the coming months to establish if this is an ongoing trend. ECS19-22 (Yr 1) - Section 5(k).

Operational Indicators - successes

- 4.11 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management (DMT). Since March the normal DMT reporting process has been disrupted with the main focus of work being the response and early recovery of services. With many services now fully recovered, the reporting process will be reinstated. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance is below comparators, will be reported to this committee for member scrutiny.
- 4.12 In this reporting period, of particular note are the costs associated with Building Cleaning falling 12% compared to last year, the Net Savings for Pool Cars increasing by 21% to £268,044 and the Net income from Elgin Pay & Display car parks exceeding target by £157,133 (27%).

Operational Indicators - challenges and actions to support

- 4.13 Throughout 2019/20, uptake rates for school meals have been below target. Across all primaries, quarter 4 was particularly low at 49.8%, although high absence rates in the weeks prior to school closures due to COVID-19 will have negatively impacted rates in March.
- 4.14 Annual uptake for primary school meals in Moray has declined in recent years. Between 2017/18 and 2019/20, uptake of free school meals (P1-3) fell by 6.6% while uptake across all primaries fell by 9%. Data from the annual national Healthy Living Survey shows uptake of primary school meals across Scotland has followed a similar trend to Moray. In February 2016, 66% of all pupils present during the survey day took a school meal. In 2019, this had fallen to 60.4%.



- 4.15 Prior to COVID-19, plans were being made for a campaign to raise the profile of School Meals. This included; a survey to identify areas for improvement, new promotional material, work with Moray Foodbank, Citizens Advice and Moray School Bank, promotion of free school meal eligibility at point of school registration and engagement with parents and pupils through school visits and cooking classes. Work to finalise these plans will begin as soon as workload capacity allows.
- 4.16 Costs associated with passengers per trip of both school transport and the Dial M Service exceed target. Annual school transportation costs have recorded a slight decline in 2019/20 to £4.13 however this figure has been affected by the early school closures in March and remains well above the

£3.60 target. With the Dial M Service, costs have increased during the second half of 2019/20 from £4.68 in quarter 3 to a high of £5.99 in quarter 4; £2.74 (84%) above target.

- 4.17 School transportation is tendered every 5 years and was last undertaken approximately 2 years ago. The costs reported against this performance indicator reflect a division of the annual cost for transport agreed during the last tendering process by the number of pupils travelling. Given the fixed nature of the costs and Transportation having no direct impact on pupil numbers, it is recommended this target be reviewed and amended to data only.
- 4.18 Passenger numbers on the Dial M services were significantly reduced from early March due to concerns around COVID-19 and the subsequent restrictions on travel. The net subsidy figure during March alone was £7.99 per passenger. Prior to this, income has been tracking consistently during the last 4 years however the cost base has increased, largely related to an increased number of vehicle hires to substitute vehicles awaiting maintenance parts. Work is ongoing on vehicle reliability to address this. Annual data will also be reviewed and the target for this performance indicator amended.

Complaints & MP/MSP Enquiries

- 4.19 Between October and March 2020, Environmental and Commercial Services received 136 complaints; a fall of 6% compared to the same period last year. March recorded the largest decline, with complaints falling by 47% compared to March 2019; suggesting complaints were affected by COVID-19.
- 4.20 134 complaints were closed with 126 (94%) dealt with as frontline, 7 investigated further with 1 escalated. A total of 37 complaints (28%) were upheld, a similar figure to that during quarter 3 and 4 last year. In addition to the complaints received, 87 MP/MSP enquiries covering a variety of issues were dealt with in the same period.

5 SUMMARY OF IMPLICATIONS

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

Performance measurement is used to ensure the efficient and sustainable delivery of services to meet the Council's priorities in both the Corporate Plan and the LOIP.

(b) Policy and Legal

The Council has a statutory requirement to publish a range of information that will demonstrate that it is securing best value and assist in comparing performance both over time and between authorities where appropriate.

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because the report is to inform the Committee on performance.

(h) Consultations

The Head of Environmental and Commercial Services, Depute Chief Executive (Economy, Environment and Finance), Service Managers, Legal Services Manager, the Equal Opportunities Officer, and Lissa Rowan, Committee Services Officer have been consulted with any comments received incorporated into this report.

6. CONCLUSION

- 6.1 At the end of 2019/20, 3 Service Plan outcomes have been completed on time. The remaining 4 that have not met target timescales are all over 70% complete and work will continue to ensure these are achieved. Environmental and Commercial Services have delivered a number of financial savings with plans in place to address issues highlighted with the uptake of school meals and the costs associated with Dial M Services.**

Author of Report: Suzanne Wilson, Research & Information Officer
Background Papers: Held by Author
Ref:



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

SUBJECT: ECONOMIC RECOVERY PLAN

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

1. REASON FOR REPORT

- 1.1 To provide Committee with proposals for an economic recovery plan for Moray outlining the actions and interventions of Community Planning Partners to accelerate economic growth.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 It is recommended that the Committee;
 - (i) approves the high level action plan in section 12 of the report and in particular, the actions attributable to the council subject to para (ii) below;
 - (ii) in principle, recommends to Moray Council at its meeting on 28 October 2020 the financial requirements outlined in para 13 (c), to be considered for final agreement in separate detailed reports to follow for revenue expenditure, noting that business cases will be required for all capital expenditure proposed for review by the Asset Management Working Group; and

- (iii) **authorises the Head of Economic Growth and Development to apply for external funding for the purposes of economic development, subject to committee approval of any match funding requirements or impacts on Council resources.**

3. BACKGROUND

- 3.1 Moray Economic Partnership (MEP) have worked together throughout the COVID period to respond to the crisis by providing support to business and individuals and informing both Scottish and UK governments of the local needs relating to the interventions and various funding schemes provided.
- 3.2 MEP membership is made up of Moray Council, Highlands and Islands Enterprise, Moray College UHI, NHS Grampian, Moray Chamber of Commerce, Robertson Construction, Moray Speyside Tourism, TSI Moray, Federation of Small Business, Skills Development Scotland and Gordon and MacPhail.
- 3.3 As part of that response MEP confirmed that a recovery plan should be developed and that the following principles should be followed in establishing actions to accelerate economic recovery:
1. Smart growth - business continuity and resilience will be at the heart of the recovery process.
 2. Clean growth - transition to carbon free where opportunities arise including promotion of home-working to reduce commuting.
 3. Inclusive growth - no geographic locations or sections of the community are left behind
 4. Fair work - employees are rewarded and benefit from economic recovery.
 5. Targeting disadvantage - enabling early recovery particularly for those reliant on child care, public transport, access to broadband and those requiring to be reskilled.
 6. Smart procurement - public sector spend will be used to maximise local economic impact and opportunity.
- 3.4 On establishing these principles MEP engaged with key sectors to obtain feedback and understand the local impacts on business and the main areas of concern and support needed. This information was combined with analysis of economic data to develop a short list of options which were approved by MEP on the 26 August 2020 for further development and identification of actions and resources required.

4. ECONOMIC IMPACT AND ANALYSIS

- 4.1 Since March 2019 the UK has seen GDP fall by 22% in a single quarter. While there has been growth of 6% from that low point the UK is likely to be

looking at a protracted period of low growth with the Office for Budget Responsibility (OBR) central scenario predicting a return to pre COVID GDP levels in around Q3 2022. The OBR upside scenario predicts this return in Q1 2021 and the downside scenario in Q3 2024. For the purpose of this recovery strategy the central scenario will be the assumed scenario.

- 4.2 Both UK and Scottish Governments have provided a number of schemes to support the economy through the pandemic. The most expensive of these is the Coronavirus Job Retention Scheme (CJRS). To date this scheme has cost the UK Treasury £37 billion and has paid the salaries of 32% of the UK workforce during the pandemic.
- 4.3 In Moray 34% of the workforce have been furloughed with only Highland having a higher proportion at 35%. It is worth noting that this figure includes all PAYE jobs including those in the public sector which are only eligible for furlough in limited circumstances. If these jobs were to be removed from the calculation it is likely 50% of the private sector workforce have been furloughed.
- 4.4 The CJRS is currently being wound down with employers now required to make a contribution and the scheme due to cease in October. The expectation is that there will then be a sharp rise in the unemployment rate.
- 4.5 Since the beginning of the COVID pandemic unemployment has doubled in Moray and remained at around that level for the past 3 months. This is likely due to an initial surge of those whose employer was unable or unwilling to furlough employees or those who were relying on seasonal work becoming available which never materialised. The result is that there are currently 3835 people on Universal Credit who are not in employment. The claimant count, which measures those who are unemployed claiming benefits and seeking work stands at 3075. The difference may be attributable to not all those eligible for universal credit being required to seek work.
- 4.6 There are an additional 2553 people claiming universal credit who are in work. This could be for a variety of reasons and could include those who are on furlough, which only pays 80% of a salary, being eligible to claim top up credit as they have fallen below the minimum wage.
- 4.7 This means that in Moray currently 10% of people aged 16-64 are on universal credit and 6% of those are unemployed.
- 4.8 There has been a particular concern around the effect COVID will have on young people. As previously discussed it is yet to be revealed how unemployment will unfold when the CJRS ends.
- 4.9 The current situation in Moray is that there are 830 people under the age of 24 not in employment on universal credit. Of these, 450 have been on Universal credit for under 6 months, which indicates the scale of the COVID effect. This gives a youth unemployment rate estimate of 10% of the total population aged 16-24 and an unemployment rate estimate of 14.5% of 16-24

year olds who are economically active. These are estimates based on the annual population survey and at the lower end of the confidence interval the rates could be 8% and 11% respectively.

- 4.10 There are 3835 people on universal credit in Moray who are unemployed with 1900 of those within the past 6 months.
- 4.11 This means that in Moray 23% of those on Universal Credit for less than 6 months are under the age of 24.

5. **SECTOR IMPACT AND ANALYSIS**

- 5.1 Both UK and Scottish Governments have published sectoral impact assessments for the UK, Scotland and forecasts for what degree local authority areas will be affected based on the sector composition of the regions.
- 5.2 The OBR in their April report predicted the following drops in GDP for each standard Industrial Classification (SIC) sector

Sector	Per cent	
	Weight in whole economy value added	Effect on output relative to baseline
Education	5.8	-90
Accommodation and food services	2.8	-85
Construction	6.1	-70
Other services	3.5	-60
Manufacturing	10.2	-55
Wholesale, retail and motor trades	10.5	-50
Information and communication	6.6	-45
Professional, scientific and technical activities	7.6	-40
Administrative and support activities	5.1	-40
Transport and storage	4.2	-35
Mining, energy and water supply	3.4	-20
Real estate	14.0	-20
Public administration and defence	4.9	-20
Financial and insurance services	7.2	-5
Agriculture	0.7	0
Human health and social activities	7.5	50
Whole economy	100.0	-35

- 5.3 As can be seen from the table in 5.2 accommodation and food services, construction and manufacturing were forecast to see the largest fall in output in Q2. The actual fall in output for manufacturing was not as large as forecast and the real drop in Q2 was around 21%. Construction output fell by 32% in Q2.

- 5.4 When productivity measures are added to the picture output per hour worked is down 2.5% in Quarter 2 compared to Q1. This only looks at those employees at work, not furloughed, and shows that those involved in the production of goods and services are producing less per hour of work than previously.
- 5.5 As can be seen from the table below Moray has the highest proportion of workers in manufacturing, much higher than the Scottish and UK averages.

<u>Sector</u>	<u>Businesses (Moray)</u>	<u>Employees (Moray)</u>	<u>Employee/business (Moray)</u>	<u>Businesses (Scotland)</u>	<u>Employees (Scotland)</u>	<u>Employee/Business (Scotland)</u>
B : Mining and quarrying	0.40%	0.30%	7	0%	1%	124
C : Manufacturing	8%	17%	23	5%	7%	19
D : Electricity, gas, steam and air conditioning supply	0.40%	0.50%	12	0%	1%	26
E : Water supply; sewerage, waste management and remediation activities	1%	1%	10	0%	1%	45
F : Construction	15%	6%	4	12%	5%	7
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	19%	14%	8	13%	14%	15
H : Transportation and storage	3%	4%	13	3%	4%	19
I : Accommodation and food service activities	9%	9%	10	8%	8%	14
J : Information and communication	2%	1%	5	6%	3%	8
K : Financial and insurance activities	2%	1%	6	2%	3%	27
L : Real estate activities	3%	1%	3	3%	1%	6
M : Professional, scientific and technical activities	13%	4%	3	18%	7%	6
N : Administrative and support service activities	8%	4%	6	7%	8%	16
O : Public administration and defence; compulsory social security	2%	6%	38	0%	6%	2855
P : Education	3%	9%	33	1%	8%	97
Q : Human health and social work activities	6%	17%	27	4%	16%	60
R : Arts, entertainment and recreation	3%	3%	9	2%	3%	17
S : Other service activities	4%	2%	5	5%	2%	6

- 5.6 This leaves the economy vulnerable to the worst impacts of COVID as demonstrated in section 5.3 and by the Scottish Government Office of the Chief Economist predicting that based on sector structure Moray will be the worst affected by job losses.
- 5.7 The largest number of businesses in Moray are those in wholesale and retail trade. Evidence has pointed to decreases in footfall in town centres where many of these businesses are located and Moray Council's latest vacancy rate survey completed this month shows there are currently 34 empty units in Elgin, 12 in Keith, 12 in Buckie, 4 in Forres and 4 in Lossiemouth. COVID has the potential to dramatically increase this number which jeopardises the future and vibrancy of town centres in Moray.
- 5.8 Evidence from engagement with business, detailed in **Appendix 1** suggests that the job losses may be a small number from many businesses which could make an effective response more challenging due to identifying those people.
- 5.9 The tables on the following 2 pages show the contribution of each sector in Moray to the economy in GVA terms and for comparison the share of GVA per sector in Scotland. The First table is for Moray and the second for Scotland.
- 5.10 The GVA ratio per business and GVA ratio per employee measure the sectors versus the all sector average for the ratio in question. So for example the first line (SIC code ABDE) can be read as the average business in that sector generates on average 0.29 the GVA of the average business in Moray and that the average employee generates 0.99 the average all sector GVA per worker.

<u>SIC</u>	<u>Sector</u>	<u>GVA per Sector</u>	<u>Number of Business</u>	<u>GVA Per Business</u>	<u>Ratio versus average GVA per business</u>	<u>Number of employees</u>	<u>GVA per Employee</u>	<u>Ratio versus average GVA per average Employee</u>
ABDE	Agriculture, mining, electricity, gas, water and waste	£111,000,000.00	730	£152,055	0.29	1775	£62,535	0.99
C	Manufacturing	£687,000,000.00	260	£2,642,308	5.00	6000	£114,500	1.82
F	Construction	£155,000,000.00	505	£306,931	0.58	2250	£68,889	1.10
G	Wholesale and retail trade; repair of motor vehicles	£198,000,000.00	645	£306,977	0.58	5000	£39,600	0.63
H	Transportation and storage	£58,000,000.00	120	£483,333	0.91	1500	£38,667	0.62
I	Accommodation and food service activities	£62,000,000.00	310	£200,000	0.38	3000	£20,667	0.33
J	Information and communication	£19,000,000.00	80	£237,500	0.45	400	£47,500	0.76
K	Financial and insurance activities	£27,000,000.00	55	£490,909	0.93	350	£77,143	1.23
L	Real estate activities	£274,000,000.00	90	£3,044,444	5.76	300	£913,333	14.53
M	Professional, scientific and technical activities	£43,000,000.00	440	£97,727	0.18	1500	£28,667	0.46
N	Administrative and support service activities	£42,000,000.00	265	£158,491	0.30	1500	£28,000	0.45
O	Public administration and defence	£155,000,000.00	60	£2,583,333	4.89	2250	£68,889	1.10
P	Education	£96,000,000.00	90	£1,066,667	2.02	3000	£32,000	0.51
Q	Human health and social work activities	£197,000,000.00	220	£895,455	1.69	6000	£32,833	0.52
R	Arts, entertainment and recreation	£22,000,000.00	100	£220,000	0.42	900	£24,444	0.39
S	Other service activities	£32,000,000.00	150	£213,333	0.40	700	£45,714	0.73
<u>Total</u>	<u>All industries</u>	<u>£2,289,000,000.00</u>	<u>4120</u>	<u>£528,641</u>	<u>1.00</u>	<u>36425</u>	<u>£62,841</u>	<u>1.00</u>
	<u>GVA per capita (approx)</u>	<u>£22,890.00</u>						

<u>SIC</u>	<u>Sector</u>	<u>GVA per Sector</u>	<u>Number of Business</u>	<u>GVA Per Business</u>	<u>Ratio versus average GVA per business</u>	<u>Number of employees</u>	<u>GVA per Employee</u>	<u>Ratio versus average GVA per average</u>
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ABDE	Agriculture, mining, electricity, gas, water and waste	£10,104,000,000	18810	£537,161	0.67	107000	£94,429	1.67
C	Manufacturing	£14,493,000,000	9365	£1,547,570	1.93	179000	£80,966	1.43
F	Construction	£8,592,000,000	20680	£415,473	0.52	136000	£63,176	1.12
G	Wholesale and retail trade; repair of motor vehicles	£13,749,000,000	23230	£591,863	0.74	344000	£39,968	0.71
H	Transportation and storage	£5,988,000,000	5615	£1,066,429	1.33	106000	£56,490	1.00
I	Accommodation and food service activities	£4,591,000,000	14175	£323,880	0.40	200000	£22,955	0.41
J	Information and communication	£6,150,000,000	10560	£582,386	0.73	80000	£76,875	1.36
K	Financial and insurance activities	£9,712,000,000	3240	£2,997,530	3.74	86000	£112,930	2.00
L	Real estate activities	£16,162,000,000	5725	£2,823,056	3.52	32000	£505,062	8.93
M	Professional, scientific and technical activities	£9,377,000,000	31470	£297,966	0.37	175000	£53,582	0.95
N	Administrative and support service activities	£6,201,000,000	13095	£473,539	0.59	203000	£30,546	0.54
O	Public administration and defence	£9,893,000,000	55	£179,872,727	224.56	157000	£63,012	1.11
P	Education	£7,989,000,000	2000	£3,994,500	4.99	193000	£41,393	0.73
Q	Human health and social work activities	£14,458,000,000	6505	£2,222,598	2.77	389000	£37,167	0.66
R	Arts, entertainment and recreation	£2,150,000,000	4180	£514,354	0.64	70000	£30,714	0.54
S	Other service activities	£2,221,000,000	8365	£265,511	0.33	52000	£42,711	0.76
Total	All Industries	£141,830,000,000	177070	£800,982	1.00	2509000	£56,528	1.00
	GVA per capita (approx)	28366						

5.11 Manufacturing has been highlighted in both graphs under section 5.10 as it is a sector of unique importance to Moray due to the prevalence of the sector in the region but most importantly by its importance in a Scotland context. There are two points to make about how this sector relates to the Scottish economy.

1. Moray manufacturing accounts for 0.48% of Scotland's total GVA. That sounds like a small number given the scale of figures involved in COVID, but is worth remembering that in normal times a recession can depend on 0.5% swings. It is worth considering what expansion in premises and markets could contribute to the Scottish economy.
2. Manufacturing in Moray is contributing 0.48% of Scottish GVA despite Moray manufacturing businesses only accounting for 0.15% of businesses in Scotland and 0.25% of employees in Scotland. The GVA per employee in the sector is also considerably higher than the Scotland average.

6. **ENGAGEMENT**

- 6.1 To inform the action plan for economic recovery in the following section a series of engaging events have taken place.
- 6.2 At the beginning of the crisis a business resilience forum was formed with representation from the public and private sectors, as well as the leader of Moray Council, MSP and MP for the region. This group has been able to feed in information on a weekly basis that has helped in this recovery strategy.
- 6.3 The MEP has been meeting on a monthly basis to approve and provide input to the recovery strategy throughout the process.
- 6.4 A focus group was held with members of the agricultural sector to give specific feedback into the impact of COVID on that sector.
- 6.5 A series of webinars were held for the Joint Community Councils, small and town centre businesses which was open to all in Moray and the Moray Business Forum.
- 6.6 The key issues raised from these are included in **Appendix 1**.
- 6.7 A survey was also issued and promoted through survey monkey for Moray businesses to complete. There were 50 responses to this which means it is not statistically significant, however a summary of the responses are included in **Appendix 2**.

COUNCIL SUPPORT TO DATE

7. BUSINESS GRANT SUPPORT

- 7.1 The Council Revenues/Non Domestic Rates Team have been engaged in administering the Scottish Government grant support scheme for small businesses and those in the retail, leisure and hospitality sector with a Rateable value under £51,000.
- 7.2 The scheme closed for new applications on the 11 July 2020 at which point there had been 2005 applications, 1706 of which were approved giving a total amount of £19.2 million paid out in grants.
- 7.3 While the scheme is now closed for new applications the team are still processing some applications and dealing with appeals.
- 7.4 The Economic Growth and Development Team and Business Gateway administered 2 Scottish Governments funds, both of which are now closed.
- 7.5 The first fund was the Newly Self-Employed Hardship Fund which had 160 applications, 121 of which were successful totalling £242,000 of grant funding.
- 7.6 The second fund was the Bed and Breakfast Hardship Fund which had 25 applications, 13 of which were successful totalling £39,000 of grant funding.

8. TOWN CENTRE SUPPORT

- 8.1 Space for safe physical distancing for pedestrians and more operational room for town centre businesses has been provided within Elgin Town Centre through the implementation of road closures for the eastern and western ends of the High Street, South Street, Batchen Street and Commerce Street.
- 8.2 The road closures which enable a part time pedestrianisation of the town centre were developed with input from Elgin BID and in response to businesses who identified that they would like to use areas not in their control, such as the pavement or similar, for the safe queuing of customers or for tables and chairs.
- 8.3 In the other towns such as Lossiemouth and Fochabers, the response has been to provide additional space for queuing outside of particular premises through the temporary suspension of parking bays rather than the closure of roads. Some local cafes/restaurants have applied for outside seating on the public road/footway. These requests are being assessed on a case by case basis, and granted permission where there is sufficient space available.
- 8.4 The Economic Growth and Development Team have been working with community groups on a potential application to the Towns on BIDS resilience fund in collaboration with Elgin BID and HIE as part of the spaces for people working group.

9. SKILLS AND EMPLOYABILITY

- 9.1 Moray Pathways has increased its provision to meet the increase in demand for services from individuals and employers. A particular area of demand has been from school leavers who due to the current labour market conditions are requiring a higher level of support. This has resulted in a 6 week summer programme being launched focussing on outdoor activities to help build core employability skills such as communication and resilience.
- 9.2 A fortnightly skills and employability working group meets with various partner organisations to identify the current and future needs moving forward.

10. CHILD CARE FOR KEY WORKERS

- 10.1 From the beginning of the pandemic Moray Council has been responsible for operating and setting up childcare hubs for key workers to enable them to continue to provide vital functions.
- 10.2 In May, there were 120 children in School hubs and between 50 – 60 in early learning and childcare settings.

11. GRAMPIAN COMMUNITY ASSISTANCE HUB (GCAH)

- 11.1 Moray Council was a partner in setting up the GCAH. This was a virtual centre to serve the residents of Moray, Aberdeenshire and Aberdeen. It had 4 main purposes:
1. provide essential food and medication
 2. links to local social work services for vulnerable children or adults
 3. accessing emotional support
 4. contacting local volunteer groups
- 11.2 There is the option for businesses to register as sellers for good and services and be matched with buyers, for example in food and drink. A number of businesses in Moray have registered.

12. ACTION PLAN

- 12.1 The scale of intervention demonstrated in section 7 above is not something that can be replicated by the Council or regional public agencies - that scale of investment to sustain business can only be provided for by the UK and Scottish Governments.
- 12.2 The following actions reflect the issues identified within the analysis and feedback from business and address short list of options agreed by MEP on

the 26 August 2020. Moving forward this will be developed into an action plan with measurable outcomes and timescales.

Action	Principles	Lead
<p>Business Grants and Start up Support Young Company Capital Investment Scheme – Offering grants of up to £50k for investment in equipment (HIE funding £1m)</p> <p>Ecommerce Funding up to £25K (HIE Funding £500k)</p> <p>Digital Boost – Offering grants of up to £5k to support digital and ecommerce. (Government Funding)</p>	Smart Growth	<p>HIE/ Business Gateway</p> <p>HIE</p> <p>Business Gateway</p>
<p>Small Business Support Consultancy provision to small business to support procurement and supplier development assisting companies in preparing bids. (Moray Council funding £25k, new request subject to SMART delivery plan approved by Council) HIE 25k funding subject to due diligence</p> <p>Consultancy provision to local companies to provide import and export advice, this may well help to mitigate impacts of Brexit depending on the trade deal negotiated. (Moray Council funding £10k, new request subject to SMART delivery plan approved by Council and HIE £10k subject to due diligence by HIE)</p> <p>HIE general programmes of business support more widely available to businesses.</p> <p>HIE support for tourism Destination Management Organisations across Highlands and Islands (£3m)</p>	Smart Growth	<p>Business Gateway/HIE</p> <p>Business Gateway/HIE</p> <p>HIE</p> <p>HIE</p>
<p>Town Centres Town Centre Fund further grants for empty space to living space and 50% grant for alteration of large</p>	<p>Smart Growth</p> <p>Clean Growth</p> <p>Inclusive Growth</p>	Moray Council

<p>retail premises to smaller units in town centres. £433,000k (Government funding)</p> <p>Works to improve and adapt Town centres resulting from master planning and LDP delivery £200K (Moray Council Capital new request, subject to business case) (HIE £200k subject to due diligence)</p> <p>Pop up shop scheme in the main five towns of Buckie, Elgin, Forres, Keith and Lossiemouth and Speyside £50k (Moray Council funding, new request subject to SMART delivery plan approved by Council)</p> <p>Town Centre Start Up – Offering a 50% grant up to £10k maximum for individuals start ups following participation in the Pop Up Shop programme.£100k (Moray Council funding , new request subject to SMART delivery plan approved by Council)</p> <p>Town Centre adaptation spaces for people £13k HIE</p> <p>New COVID 19 Fund potential for further funding for SME/Hospitality adaptation through newly developed fund in response to COVID 19 (450k Government/EU funding)</p> <p>Local Development Plan delivery programme including promotion of vacant and derelict sites, retail impact assessments, master planning for town centres and promotion of town centre living and adaptation for climate change and local place plans. (70k reported to Planning and Regulatory Services as a budget pressure, 15 September 2020)</p>		<p>Moray Council</p> <p>Moray Council</p> <p>Moray Council</p> <p>HIE</p> <p>Moray Council</p> <p>HIE</p>
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Development Management and Building Standards support for town centre development including free pre enquiry advice and ID with prioritisation of support from Transport, Environmental Health and Legal for town Centre proposals.		Moray Council
<p>Housing and Infrastructure Provision of employment land and industrial units in Forres. £1.5 million, and provision of £1m towards expansion or development of industrial units in Speyside/east of Moray (Moray Council Capital, new request, subject to business case)</p> <p>Accelerate Development of masterplan and site development costs for business and industrial areas at Mosstodloch as identified in the Local Development Plan to increase the effective employment land in Moray in conjunction with HIE with a view to developing a business case.</p> <p>Delivery of the Strategic Housing Investment Plan over the next 2 years will provide 224 affordable homes with a spend of £22.7 million (Scottish Government, HRA and RSL funding)</p> <p>Moray Growth Deal work is underway to complete outline business cases by December 2020 to try and achieve final sign off of the deal by March 2021 which would enable draw down of funding in 21/22 and early provision of capital spend on some projects including the cultural quarter, aerospace academy, business hub and housing mix.(current indicative spending for Growth Deal between 2021 and 2024 is £30 million including all partner contributions)</p>	<p>Smart Growth Clean Growth Inclusive Growth Targeting disadvantaged Fair Work</p>	<p>Moray Council</p> <p>Moray Council /HIE</p> <p>Moray Council and RSL</p> <p>Moray Council/HIE/Moray College</p>

Open new land to southern edge of Forres Enterprise Park and develop business units (900k HIE investment)		Highlands and Islands Enterprise (HIE)
<p>Procurement</p> <p>There is a need to review our procurement strategy and our approach and key objectives. Our current approach has been driven by the need for savings and compliance with relevant legislation and although the strategy includes objectives for wider community benefit progress on these issues has been slow and the proportion of local spend has been in decline over recent years.</p> <p>An alternative approach would be to place Community Wealth Building at the heart of our procurement strategy with a clear focus on increasing local spend and wider community and sustainability benefits, this is wider than our traditional approach to procurement as it would require closer analysis of local spend which can be difficult with limited data and spend out with the area and efforts to improve the local supply capacity to reduce spend out with the area and to create and retain jobs locally.</p> <p>This approach requires a culture change but will have a greater impact if it was adopted across all public sector partners in Moray, this level of change will require an additional staffing resource and budget it is wider than just procurement as it seeks to develop the supply chain in Moray including social enterprise and community provision (Est £35k, Moray Council new budget request, HIE £35k subject to due diligence) in addition the central procurement team is</p>	Smart Procurement Fair Work Targeting Disadvantaged Clean Growth	Moray Council

<p>working beyond its capacity and with additional work associated with accelerating elements of the growth deal an additional member of staff is required. (Est £53k, Moray council new budget request)</p> <p>Proposal in principle subject to a separate report for Council and Community Planning Partners to consider before implementation.</p>		
<p>Social Enterprise/Community Support</p> <p>It is important to recognise that the community and social enterprise companies have an important role to play in the economic recovery. Many of these organisations have already played a central role in supporting communities through COVID 19, Community capacity building is an important part of the Local Outcome Improvement Plan delivery process and opportunities for communities to take on roles through Community Asset Transfers have been well received. There are further opportunities for communities through community benefit funding and potential investments. Communities and social enterprises will receive support where staffing resources allow from the Economic Development Team and HIE to develop capacity to operate social enterprise to support the local economy.</p> <p>Rural Tourism Fund BID to develop network of facilities for toilets and mobile home use match funding from HIE £30k, Moray Council £142K existing commitment which can be carried forward on a committed project.</p>	Inclusive Growth	<p>Moray Council/ HIE/Moray College</p> <p>HIE/Moray Council</p>
<p>Moray growth Deal Business Hub</p> <p>We will explore how we can work in a way that public agencies are more accessible and cohesive in their</p>	Smart Growth	<p>Moray College/HIE/Moray Council/SDS</p>

communications and support for business bringing forward elements of the business hub project in the growth deal to provide effective support through current COVID 19 restrictions and as we recover to normal. This may include temporary premises but will also include accessibility through digital platforms and video conference.		
<p>Employability and Skills</p> <p>Work in collaboration with local businesses [including 3rd Sector] to maximise opportunities via new and enhanced job creation schemes, this includes the Kickstart scheme for 16-24 year olds. The scheme provides minimum wage for 6 months employment to 16-24 year olds on universal credit. It is proposed the Council participates in this scheme using Moray Chamber of Commerce as the intermediary. As a living wage employer the Council could top up the money from the Kickstart scheme to meet the local government living wage for jobs created in the Council this would require a budget of up to £66k for up to 15 jobs although may be less depending on age (Moray Council funding for council posts, new funding, subject to SMART delivery plan approved by Council). Other community planning partners should be encouraged to apply the living wage to jobs they create.</p> <p>Encourage investment in local apprenticeships and training through future economic development and procurement contracts across the public sector</p> <p>Jointly plan and deliver an integrated approach to employer engagement with schools/post school employability team that ensures every young person</p>	<p>Targeting Disadvantaged Fair work Smart Growth</p>	<p>DWP, DYW, HIE, Moray Chamber of Commerce, Moray Council, Business and Third Sector</p> <p>Community planning Partners and Business</p> <p>Moray Council, SDS, DYW</p>

receives an entitlement to work based learning		
Enhance keyworker support within the No One Left Behind model of delivery and enabling participation this includes funding from the youth guarantee scheme which is estimated at £570k government funding for Moray		Moray Council
Enhance pipeline provision within the Moray Pathways Consortium and ensure commissioning framework is fit for purpose		Moray Council Moray College UHI, TSI
Deliver industry led employability provision for vulnerable young people. Including supported employment and volunteering.		SDS
Develop a generic pre apprenticeship programme which compliments new interventions including the SDS Pathways to Apprenticeship and Kickstart		Moray College UHI
Create a plan in partnership to support secondary schools curriculum to be responsive to the LMI and prepare young people for evolving opportunities		Moray Council, DYW, SDS
All partners sharing job and training opportunities through the Moray Pathways site		Employability Consortium
Parent Poverty employability project (government funding)		Moray Council
In-work employability support		SDS
Develop industry led sector based flexible short course provision modelled on existing Moray College UHI curriculum		Moray College UHI

Identify sites that support delivery of education, skills and training – responds to C-19 environment. Online platforms and opportunities.		Moray college UHI, DWP, SDS, DYW
Moray Pathways Community Hub (ICT Suite and support) for employability clients to ensure access to digital and internet and offer of ICT equipment		DWP
Develop the digital skills environment through college and training e-learning to promote and enable development of skills to address an acceleration towards the digital/technological workplace.		Moray College UHI
Develop. Enhance, and promoted PACE service to individuals and businesses at risk, and experiencing, redundancy.		SDS, Moray Council
Transition training fund and North East Gas fund		DWP, SDS
Adopt an Apprentice scheme		DYW, DWP

13. **SUMMARY OF IMPLICATIONS**

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

Economic growth and development is a key priority within the corporate plan, COVID 19 and the economic impact has strengthened the need to invest in the local economy. This is also a core aspect of the Recovery and Renewal Strategic Framework.

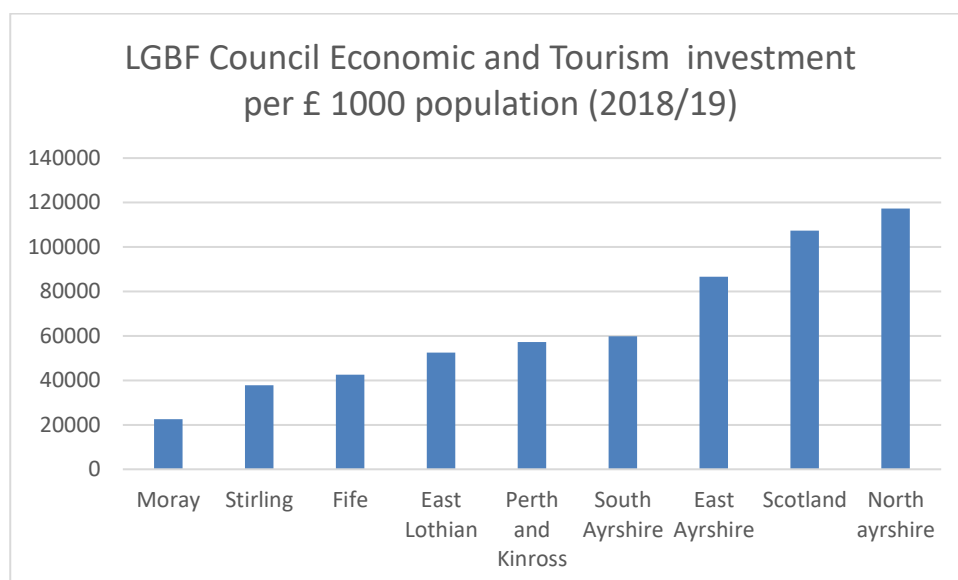
(b) Policy and Legal

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

The Best Value Assurance Report Moray Council 2020 noted that “Moray’s Investment in Economic Development & Tourism per 1,000 population is the lowest of all the councils in Scotland. It fell by 31 per

cent in the last five years to £22,581. In the same period, the Scottish average has increased by 48 per cent to £102,086 per 1,000 population.” Investment in Moray Growth Deal alone will not improve this position.

The 2018/19 figures for the Benchmarking Family group associated with Moray are shown below



The proposed spend outlined in the financial implications for 2021/22 would equate to an additional £20,726 investment per 1000 population.

The increased capital and revenue budgets identified below are at a level where the decision must be made by full Council.

(c) Financial implications

The new proposals in the Action Plan that do not already have approved commitments have the following financial implications for Moray Council.

Action	2020/21	2021/22	2022/23	2023/24
Revenue				
Small Business Support consultancy service (70k across two years)35K from HIE in 21/22 subject to due diligence	£30K	£5K		

Town Centre Pop Up Shops (50k across 2 years)	£15k	£35k		
Town Centre Start Up Grant		£100K		
Procurement (temporary post 2.5 year contract and budget HIE contributing 35k in years 21/22 and 22/23 subject to due diligence Potential extension if successful(Budget pressure in future years, subject to 2 year contract to prove concept and opportunity to review)	£20k	£35k	£35k	
Procurement Officer post (Budget Pressure in future years)	25k	53K	53K	53K
Kickstart – creation of 15 jobs at Living Wage (estimated costs dependant on age, funding from reserves)	£22k	£44k		
LDP Delivery Plan(recurring cost as budget pressure)	35K	70K	70K	70K
Capital Borrowing at £50k per £1 million		£72.5k	£140k	£140k
Total	£147K	£416K	£298k	£263k
Capital				
Town Centre delivery resulting from master planning work (HIE £100k in 2022/23 and 23/24)		£200k		

Industrial Estate Forres		£750K	£750k	
Expansion of Industrial Estate Speyside/East Moray		£500k	£500K	
Total		£1.45 million	£1.25 million	

Total cost of one of revenue expenditure proposed for funding from ear marked reserves for financial priorities in 2020/21 £87k, 2021/22 £219k, 2022/23 £35K, totalling £341k.

Total cost of revenue expenditure with ongoing expenditure as a budget pressure including capital borrowing 2020/21 £60k, 2021/22 £197K, 2022/23 £263k, 2023/24 £263k

This represents an additional economic investment by the Council of £3.84 million over the next three years in addition to our committed expenditure and growth deal funding.

The provision of free preliminary enquiry and IDs for planning and building standards will represent a small loss in income given the limited number of these developments that currently use this service the current fees are £150 for change of use enquiries.

Corporate Management Team Additional Expenditure Warning. When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed. In making this determination the committee should consider:

- *Is there a statutory requirement to incur the expenditure?*

Economic Development is a recognised function of a local authority however the level of intervention is not defined in any statutory instrument.

- *Are there any alternative actions available to avoid or reduce the cost?*

As indicated in the Best Value Assurance Report 2020, the Council has chosen to reduce expenditure on economic development over the last 5 years to the point where we have the lowest spend per 1000 population

in Scotland, while this coincided with a time of economic stability and significant pressure on Council finance, COVID 19 has had a severe impact on the economy which has required unprecedented Government intervention to support the economy, it is important that the Council seeks to address the local impacts and provide additional support where it can.

- *Are there alternative ways in which the service could be provided?*

There will be further opportunities through external funding, it will be important to maximise those opportunities, workload of staff involved in economic development has increased significantly, the report seeks approval for staff to apply for external funding opportunities to support economic development, often such applications have early expressions of interest with no commitment requirements, the financial regulations require the approval of committee for such applications which can cause delays, this report seeks that approval.

- *What are the risks and consequences of not allocating the funding?*

Although the funding asked for is significant in terms of Council budgets due to current financial constraints, it is considered the minimum necessary to provide support for business, town centres and capital investment.

- *Does the expenditure contribute to long term financial stability?*

Long term financial stability of the Council is inextricably linked to the long term sustainability of the economy, the creation of jobs, housing and business to maintain an active and healthy population is essential, economic downturn will have a corresponding negative impact on Council finances and demand on services.

While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.

(d) Risk Implications

The economic impact associated with COVID 19 will continue until such time as a vaccine programme has been implemented. The risk

associated with the severe economic impacts on jobs could have lasting effects on young people and worsen demographic changes and outward migration.

Workloads for staff associated with economic development will remain high, communication across Council services and external agencies can be difficult and time consuming, full implementation of solutions for remote management of staff and video conferencing will be essential to support staff and enable active engagement with the community over the coming year.

(e) Staffing Implications

An additional staff member to deal with changes to procurement and supplier/sector development would be required on a 3 year temporary contract, responsibility for the procurement strategy will remain with the procurement team, this post will sit within Strategic Planning and Delivery to champion a focus on Community Wealth Building associated with local spend which will include supplier and sector development to and will work closely with the procurement team to shape our procurement approach. This will be fully detailed in a report to follow as will the proposal for an additional member of the procurement team.

Workloads across the strategic planning and delivery, economic development, business gateway and employability teams will remain high for the foreseeable future. Priority will remain with the economic recovery work associated with the action plan, some work of these teams will have to be put on hold for now to enable the recovery work to take place and this will include the work to develop an alternative solution for the Falconer museum.

Transport, Environmental Health and Legal will need to prioritise town centre planning and building standards consultations to achieve a fast track process.

(f) Property

There are no property implications.

(g) Equalities/Socio Economic Impact

There are no equalities impacts arising from this report.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, Paul Connor (Principal Accountant), the Strategic Planning and Delivery Manager, the Economic Growth and Regeneration Manager, the Acting Head of Housing and Property, the Head of

Environmental and Commercial, the Environmental Health and Trading Standards Manager, the Head of Governance, Strategy and Performance, the Chief Financial Officer, Lissa Rowan (Committee Services Officer), the Equalities Officer and the Payments Manager have been consulted and comments received have been incorporated into the report.

14. CONCLUSION

- 14.1 MEP has been leading on economic recovery for COVID 19 providing oversight of impacts and business and community engagement.**
- 14.2 The predominant business sectors and rural nature of Moray means that the area will see higher levels of impact than other areas, this is particularly relevant to hospitality and manufacturing.**
- 14.3 The proposals are at high level and require further development but have been selected to support the shortlisted options approved by MEP and reflect the need to prioritise economic development to help address the economic impacts of COVID 19.**

Author of Report: Jim Grant, Head of Economic Growth and Development
Michael O'Donnell, Senior Officer Economic Strategy and Growth

Background Papers:
Ref:

Appendix 1 – Summary of Engagement Event Feedback

This points below summarise the feedback received from consultation and engagement events held to inform the recovery plan with the private sector and communities.

1. Importance of digital and connectivity both in terms of hardware and provision but also skills and knowledge to be able to create online retail and systems with sufficient selling power.
2. Potential for Community to provide support through Hubs (energy hub example) to assist community groups and build capacity and the need to support communities to provide for themselves.
3. Concern that small to medium business have not received the levels of support through grant funding to be sufficient for their needs, a general feeling that micro business and large business were better positioned in terms of the grants and support available and recognising that in areas such as Moray, a handful of job losses in each company spread across a number of our local businesses will not attract the headlines or support of a larger company but will have a significant local impact in terms of number of jobs lost.
4. Concern expressed about the end of the furlough scheme and it will likely be a time when hard decisions have to be made on the retention of staff.
5. Suggestion that the eat out to help out scheme although welcome would be better if it was available later in the year when to encourage an extended season for eating out.
6. Concern from the hospitality industry over levels of occupation available with social distancing and the likely impact on winter and Christmas functions which will hit income hard and slow recovery.
7. Uncertainty expressed over the ability to pay Corona Virus Business Interruption loans that have been secured when interest becomes payable next year, caused partly by the uncertainty of trading conditions between now and June next year.
8. Impact on small business in terms of capacity to complete loan and grant applications, identified the need for support to provide expertise and capacity to take advantage of opportunities.
9. Recognition that community issues around food provision addressed during lock down may need longer term support to meet demand, together with increased benefits and financial advice for individuals.
10. Recognition on the importance and the challenges of town centres, the strength of independent retailers to adapt but the need for investment in town centres to help the transition to better day and evening economies.

11. The need for strong relationships with support agencies and better coordination and accessibility to of partners in delivering that support.
12. Recognition that young people tend to be disproportionately impacted by recession but also the need to assist everyone facing redundancy through PACE.
13. Acknowledgment that equity funding is usually the least attractive funding for business unless the funding partner brings with additional skillsets or value to the company.
14. The need to invest in the local economy by maximising local participation in procurement contracts by and supporting business in the tendering processes and supplier development and by creating contracts that have wider local benefits in relation to skills, training, employment and carbon benefits.
15. Recognition of the potential around a green recovery particularly with energy generation and potential for Hydrogen in the North East.
16. Infrastructure investment to support and boost the economy is seen as an important aspect of accelerating recovery. There are local signs of healthy order books in the short term but concern and uncertainty of the availability of public sector infrastructure works beyond the next 12 months.
17. Concern remains regarding the Housing market and impacts on construction jobs.
18. Need for support for start up business to help them become sustainable.
19. Recognition that Local Authority funding has been impacted significantly through loss of income and increased demand and that interventions will need to be targeted at areas of greatest need.
20. Concern over the potential loss of young people and skills from the area following redundancy and how we can retain critical skills in the area.
21. Demand that the growth deal funding needs to be provided over a shorter timeframe than 10-15 years to provide an economic boost from COVID 19.
22. Opportunity to promote the area as being a safe low infection risk area with good quality of life.
23. Warning of a rapid situation of rising unemployment and redundancy when the furlough scheme ends that will need a fast response in terms of assistance, training opportunities and retention of skills in Moray.
24. Needs to be clear links to match skills and training with areas of demand provided this autumn.

25. Impact on global tourism will impact high value brands from Moray and the area needs to be aware and lobby to support trading arrangements.
26. There needs to be increased provision of affordable housing, Planning and building standards systems needs to be fast and responsive and barriers removed.
27. There should be strong positive messaging about the area to counteract the negative scenarios and grasp opportunities for relocation to Moray.
28. A willingness from Business to assist in planning and helping to inform interventions and identify suitable options for improving town centres.

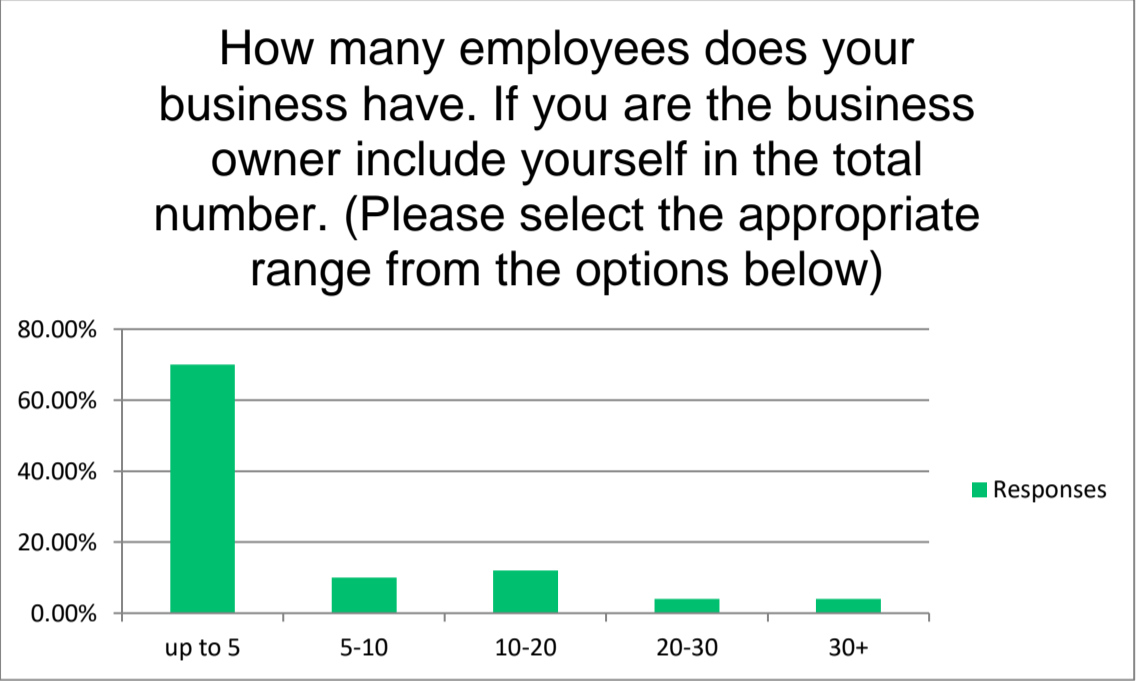
COVID Business Survey

Business name**Answered** 50**Skipped** 0

COVID Business Survey

How many employees does your business have. If you are the business owner include yourself in the total number.
(Please select the appropriate range from the options below)

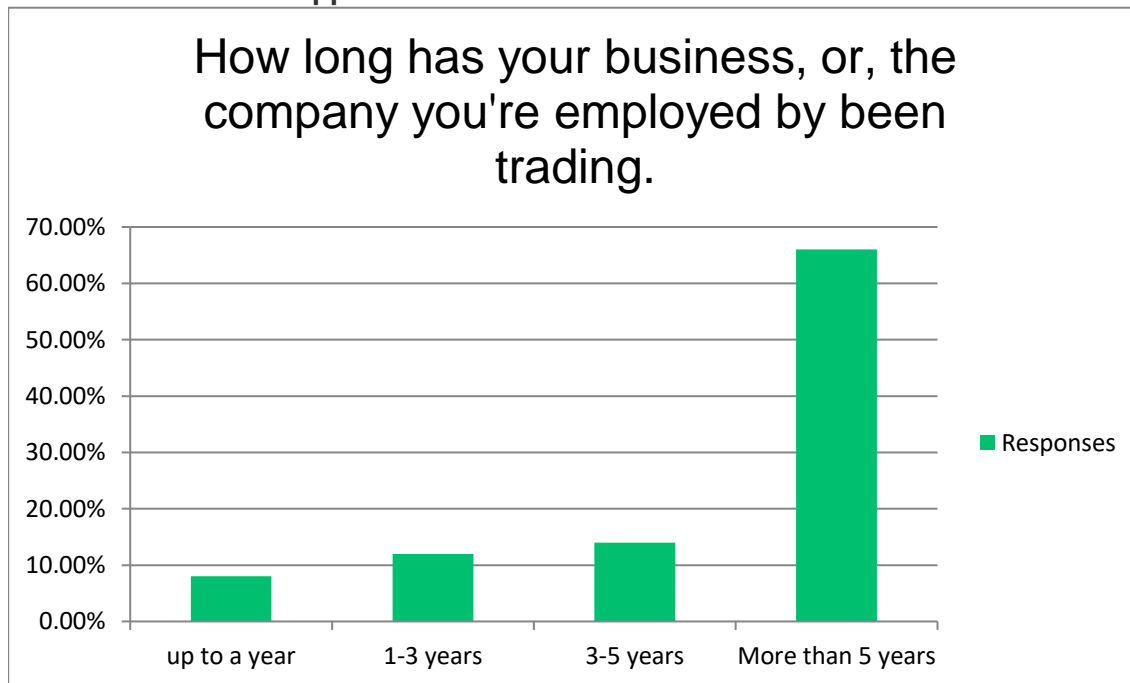
Answer Choices	Responses	
up to 5	70.00%	35
5-10	10.00%	5
10-20	12.00%	6
20-30	4.00%	2
30+	4.00%	2
Answered		50
Skipped		0



COVID Business Survey

How long has your business, or, the company you're employed by been trading.

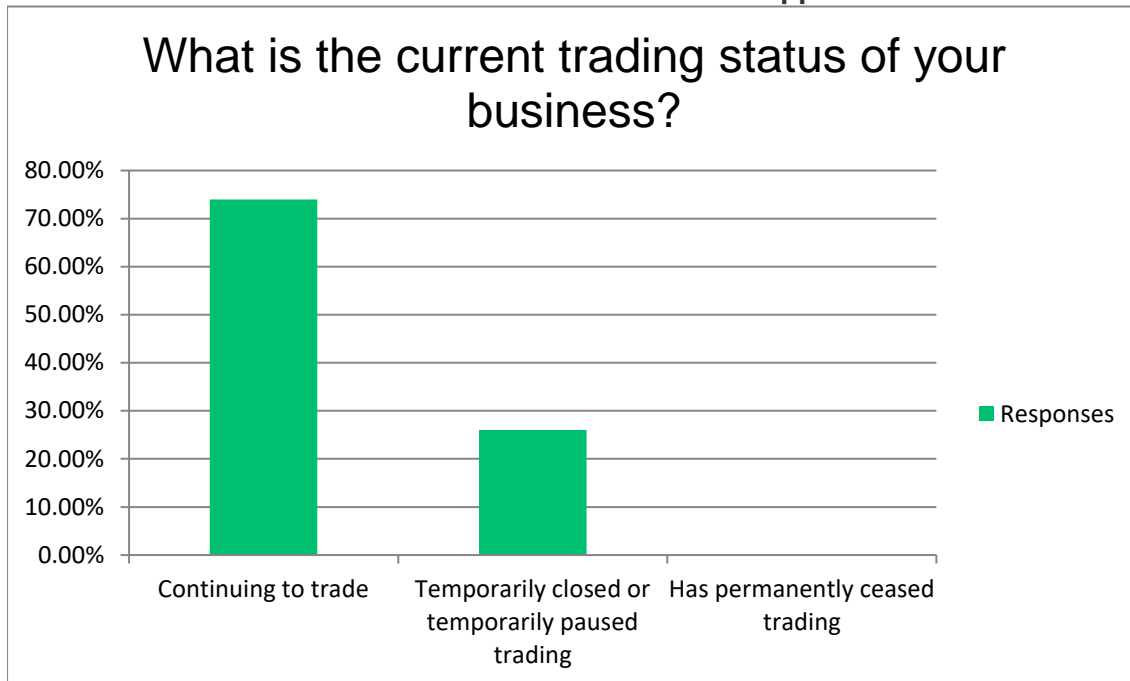
Answer Choices	Responses	
up to a year	8.00%	4
1-3 years	12.00%	6
3-5 years	14.00%	7
More than 5 years	66.00%	33
Answered		50
Skipped		0



COVID Business Survey

What is the current trading status of your business?

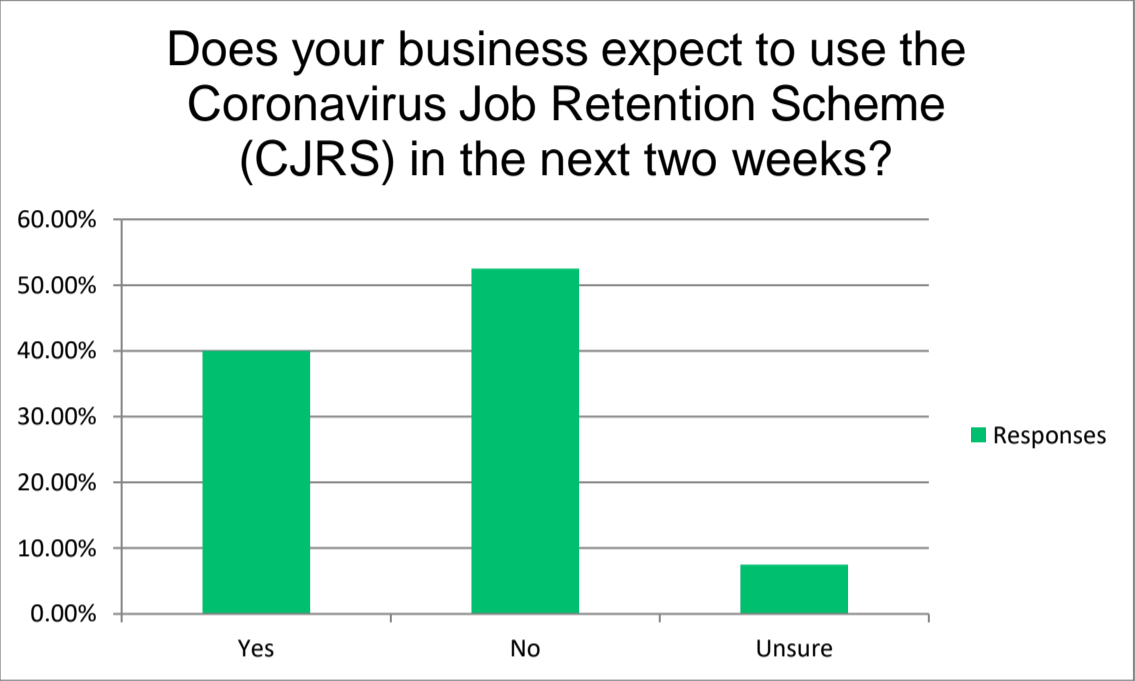
Answer Choices	Responses	
Continuing to trade	74.00%	37
Temporarily closed or temporarily paused trading	26.00%	13
Has permanently ceased trading	0.00%	0
Answered		50
Skipped		0



COVID Business Survey

Does your business expect to use the Coronavirus Job Retention Scheme (CJRS) in the next two weeks?

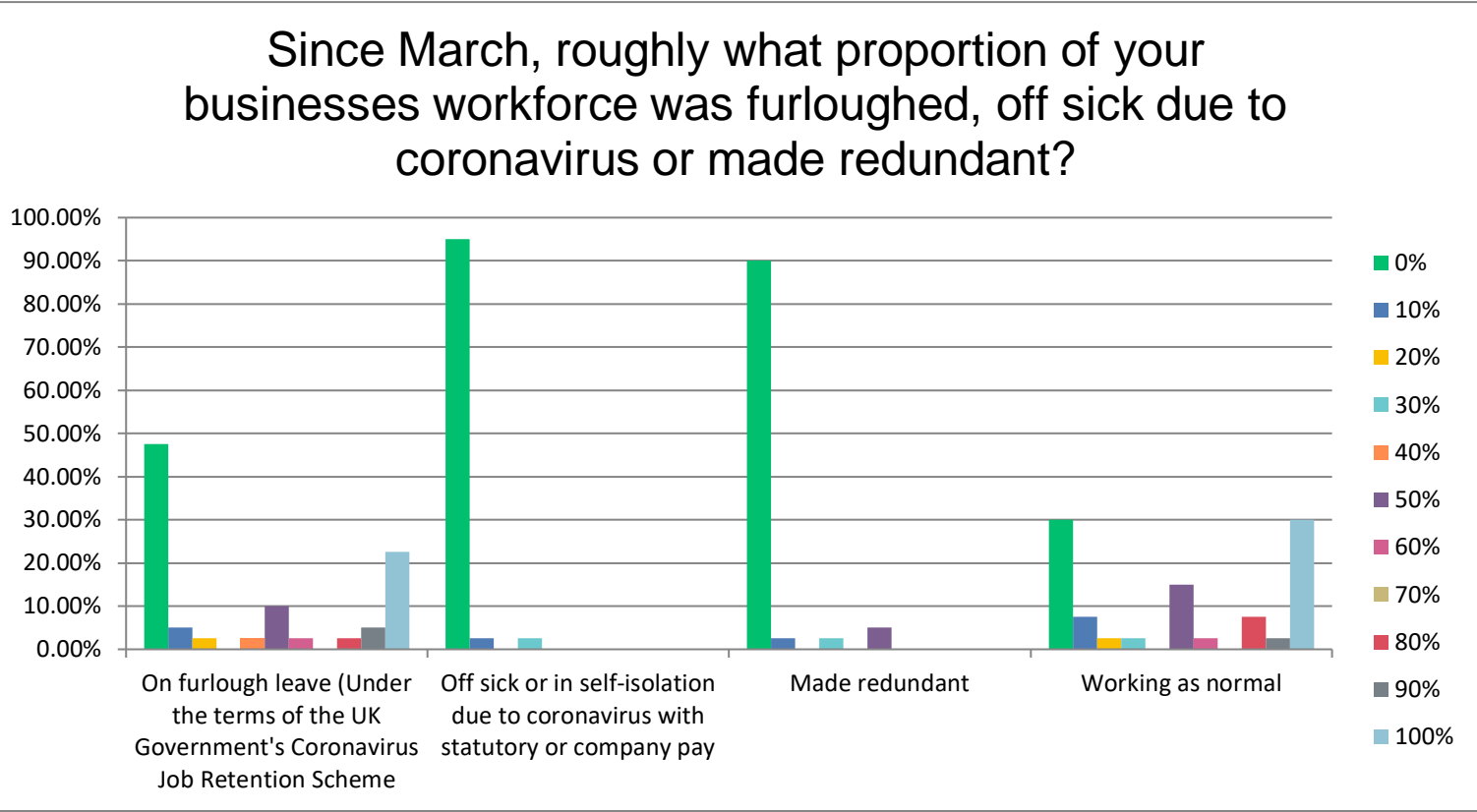
Answer Choices	Responses	
Yes	40.00%	16
No	52.50%	21
Unsure	7.50%	3
Answered		40
Skipped		10



COVID Business Survey

Since March, roughly what proportion of your businesses workforce was furloughed, off sick due to coronavirus or made redundant?

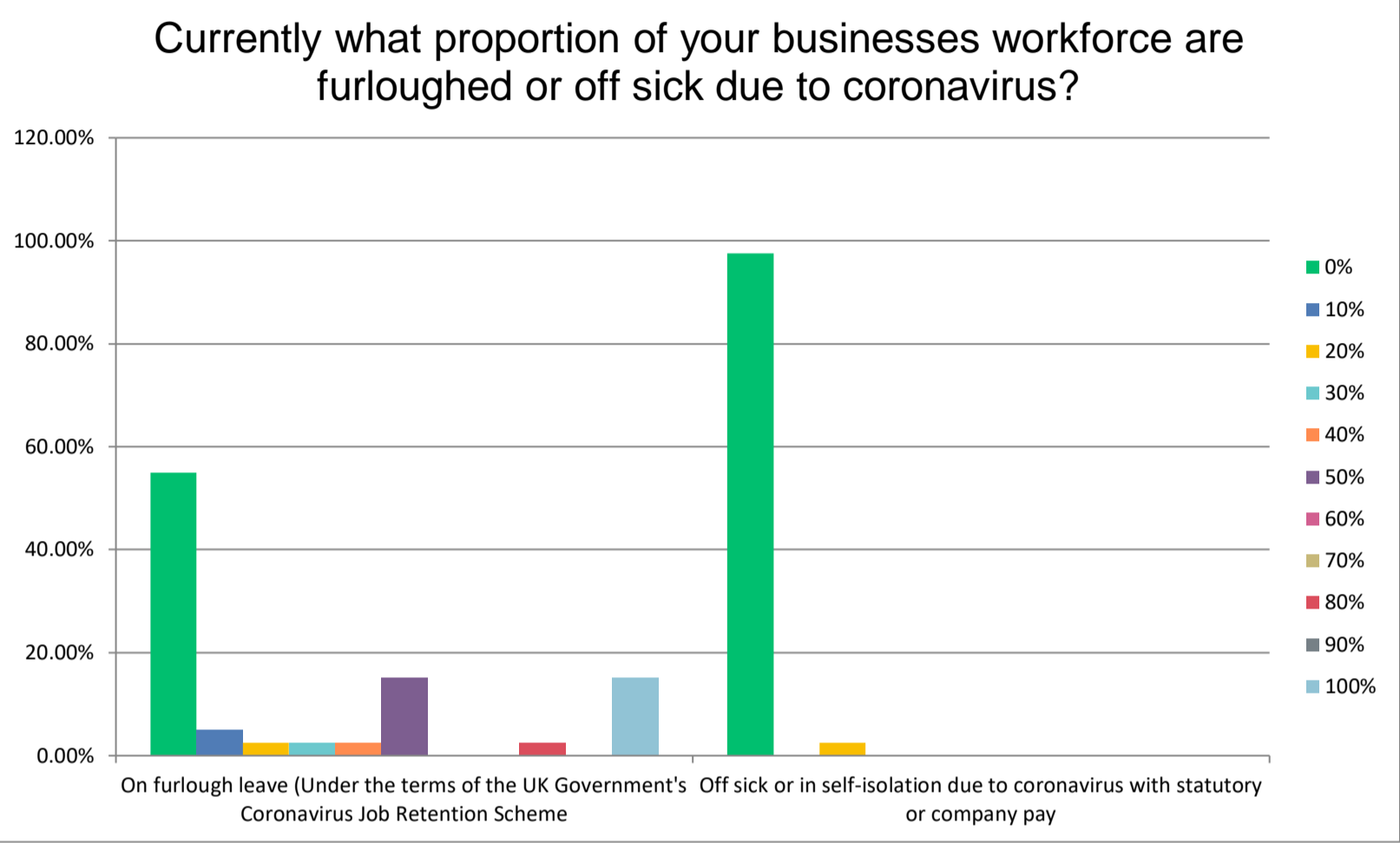
	0%		10%		20%		30%		40%		50%		60%		70%		80%		90%		100%		Total
On furlough leave (Under the terms of the UK Government's Coronavirus Job Retention Scheme	47.50%	19	5.00%	2	2.50%	1	0.00%	0	2.50%	1	10.00%	4	2.50%	1	0.00%	0	2.50%	1	5.00%	2	22.50%	9	40
Off sick or in self-isolation due to coronavirus with statutory or company pay	95.00%	38	2.50%	1	0.00%	0	2.50%	1	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	40
Made redundant	90.00%	36	2.50%	1	0.00%	0	2.50%	1	0.00%	0	5.00%	2	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	40
Working as normal	30.00%	12	7.50%	3	2.50%	1	2.50%	1	0.00%	0	15.00%	6	2.50%	1	0.00%	0	7.50%	3	2.50%	1	30.00%	12	40
Answered																						40	
Skipped																						10	



COVID Business Survey

Currently what proportion of your businesses workforce are furloughed or off sick due to coronavirus?

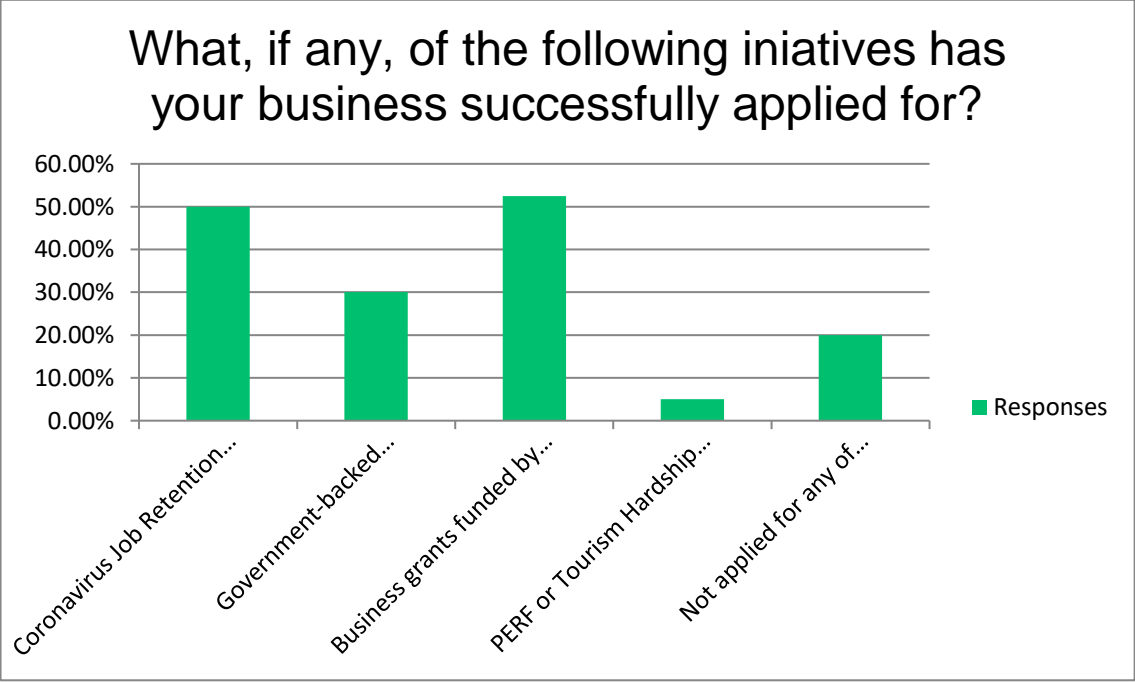
On furlough leave (Under the terms of the UK Government's Coronavirus Job Retention Scheme	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Total
Off sick or in self-isolation due to coronavirus with statutory or company pay	55.00% 22	5.00% 2	2.50% 1	2.50% 1	2.50% 1	15.00% 6	0.00% 0	0.00% 0	2.50% 1	0.00% 0	15.00% 6	40
	97.50% 39	0.00% 0	2.50% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	40
	Answered											40
	Skipped											10



COVID Business Survey

What, if any, of the following initiatives has your business successfully applied for?

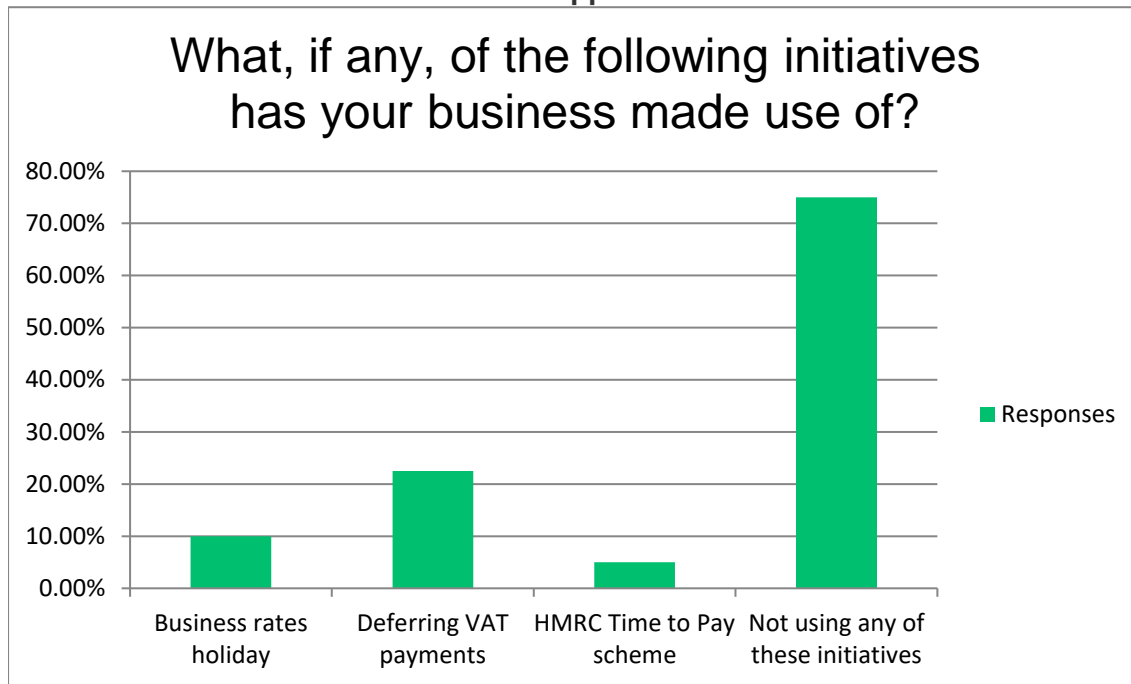
Answer Choices	Responses	
Coronavirus Job Retention Scheme	50.00%	20
Government-backed accredited loans or finance agreements	30.00%	12
Business grants funded by the UK and/or Scottish Government	52.50%	21
PERF or Tourism Hardship Fund	5.00%	2
Not applied for any of these initiatives	20.00%	8
Answered		40
Skipped		10



COVID Business Survey

What, if any, of the following initiatives has your business made use of?

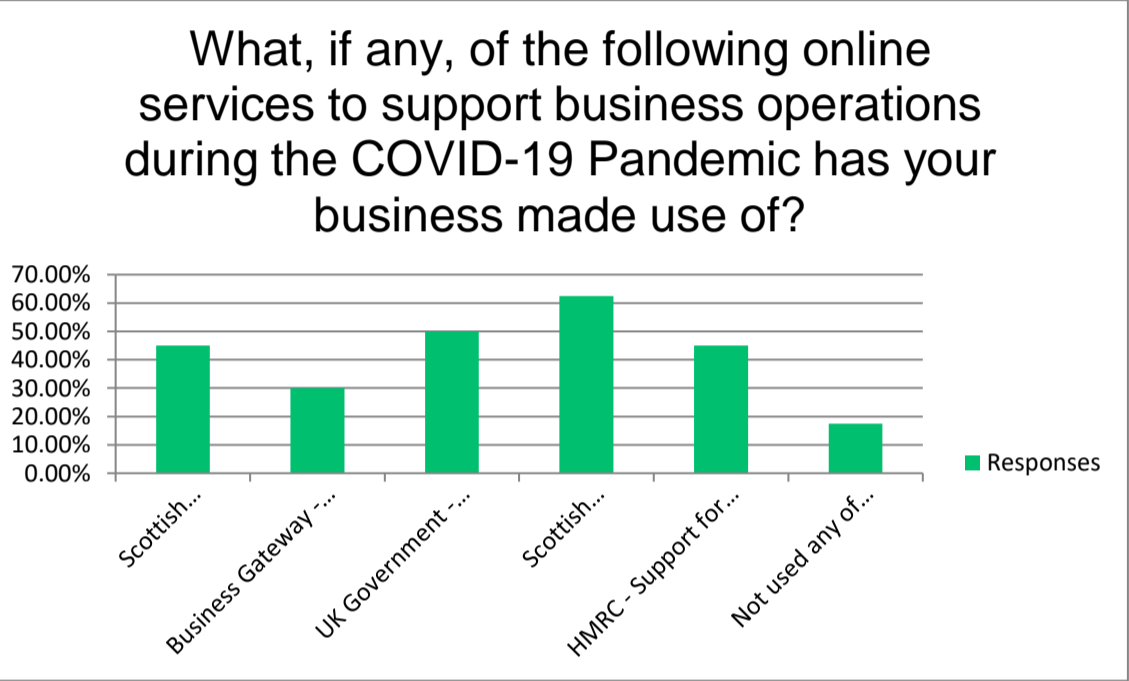
Answer Choices	Responses	
Business rates holiday	10.00%	4
Deferring VAT payments	22.50%	9
HMRC Time to Pay scheme	5.00%	2
Not using any of these initiatives	75.00%	30
Answered		40
Skipped		10



COVID Business Survey

What, if any, of the following online services to support business operations during the COVID-19 Pandemic has your business made use of?

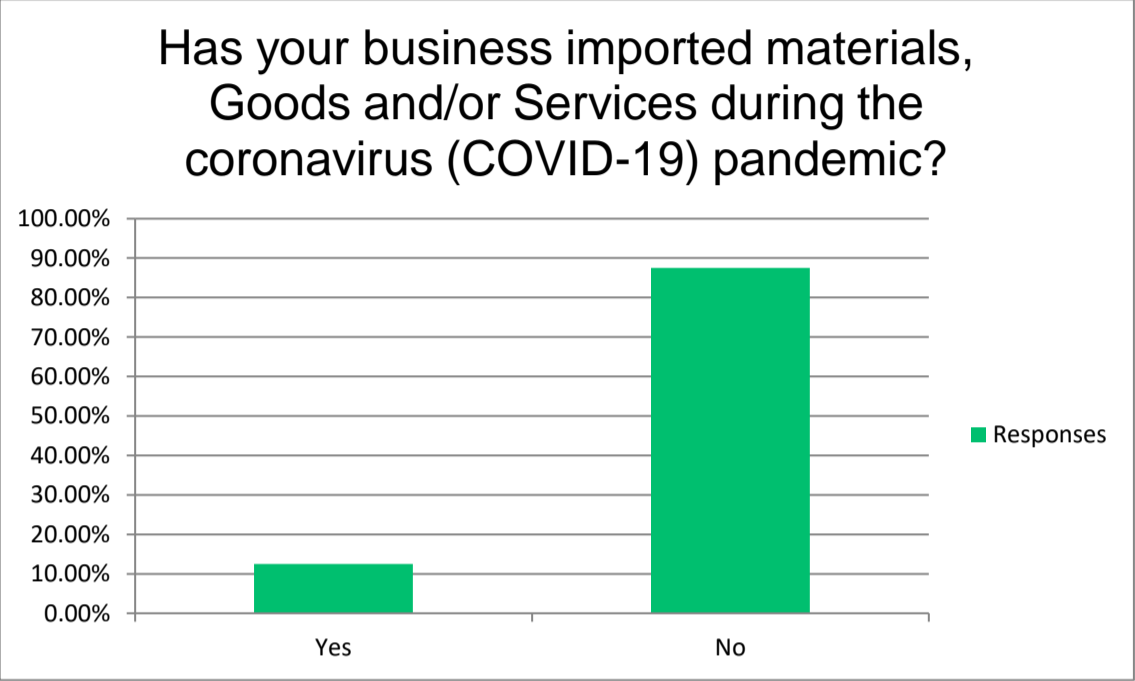
Answer Choices	Responses	
Scottish Government - Find Business Support	45.00%	18
Business Gateway - Find Business Support	30.00%	12
UK Government - Coronavirus Business Support	50.00%	20
Scottish Government - Cororavirus (COVID-19) Supprt for Businessse	62.50%	25
HMRC - Support for businesses and self-employed people during col	45.00%	18
Not used any of these schemes	17.50%	7
If you have used another service please detail in the text box.		6
Answered		40
Skipped		10



COVID Business Survey

Has your business imported materials, Goods and/or Services during the coronavirus (COVID-19) pandemic?

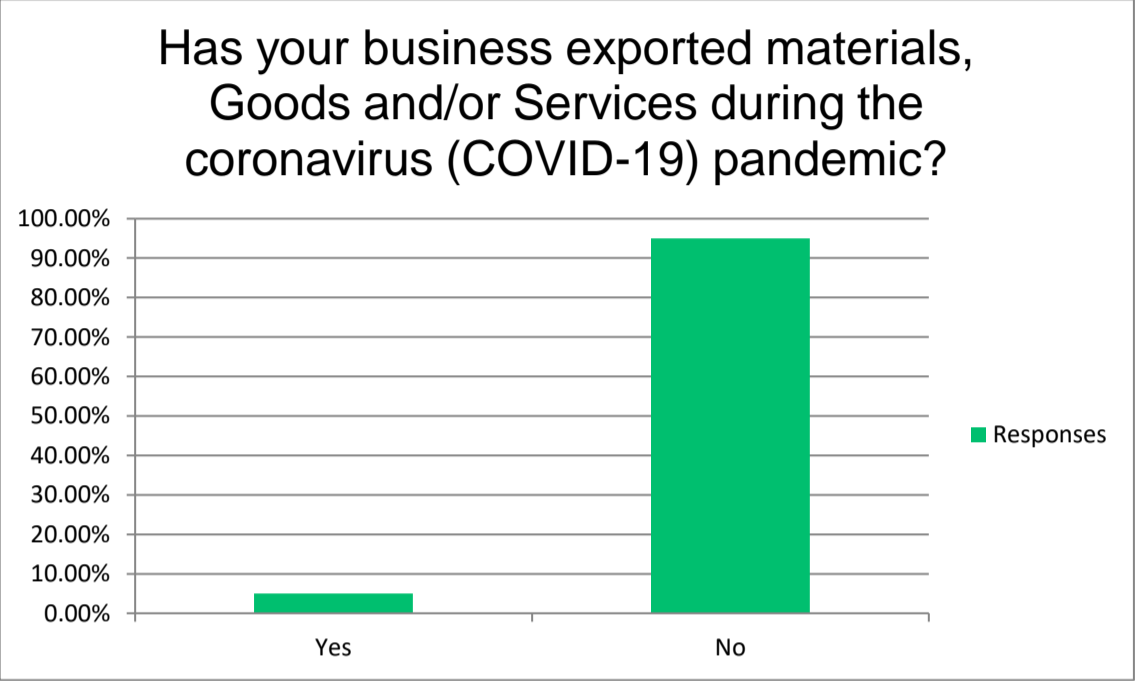
Answer Choices	Responses	
Yes	12.50%	5
No	87.50%	35
Answered		40
Skipped		10



COVID Business Survey

Has your business exported materials, Goods and/or Services during the coronavirus (COVID-19) pandemic?

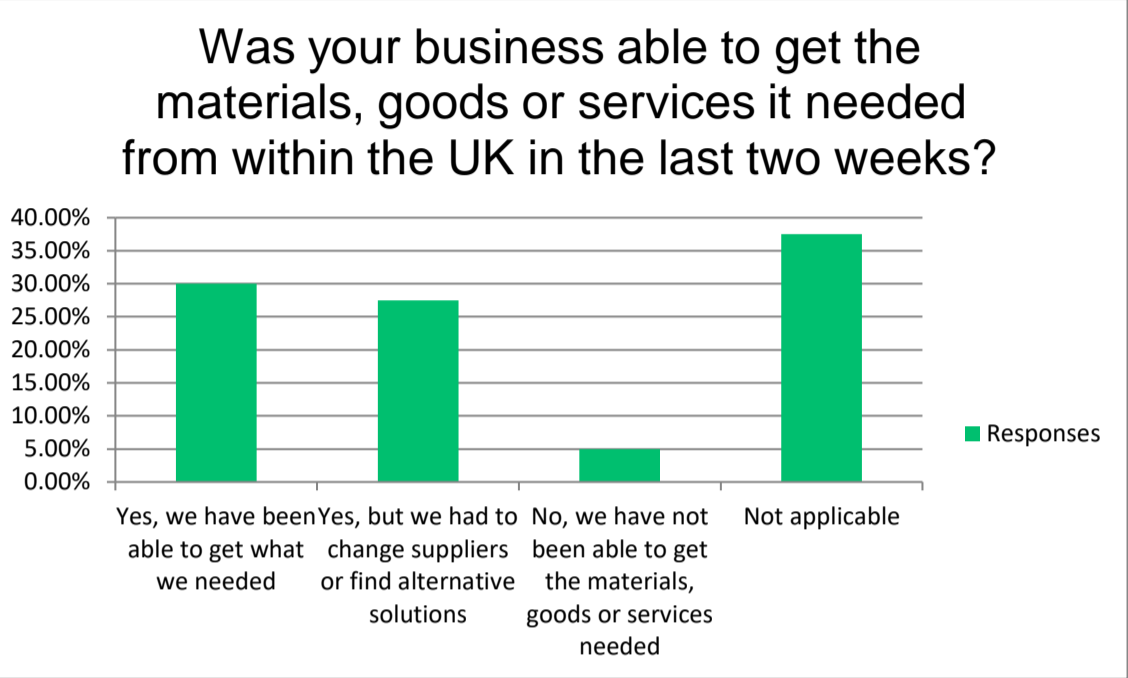
Answer Choices	Responses	
Yes	5.00%	2
No	95.00%	38
Answered		40
Skipped		10



COVID Business Survey

Was your business able to get the materials, goods or services it needed from within the UK in the last two weeks?

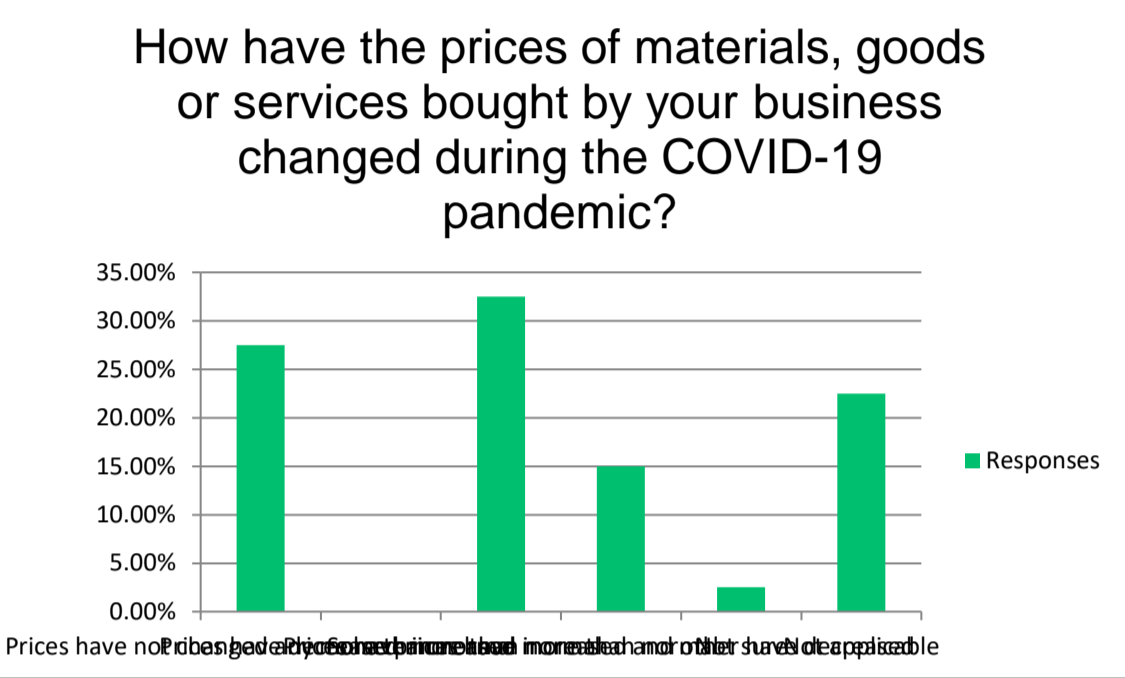
Answer Choices	Responses	
Yes, we have been able to get what we needed	30.00%	12
Yes, but we had to change suppliers or find alternative solutions	27.50%	11
No, we have not been able to get the materials, goods or services needed	5.00%	2
Not applicable	37.50%	15
Answered		40
Skipped		10



COVID Business Survey

How have the prices of materials, goods or services bought by your business changed during the COVID-19 pandemic?

Answer Choices	Responses	
Prices have not changed any more than normal	27.50%	11
Prices have decreased more than normal	0.00%	0
Prices have increased more than normal	32.50%	13
Some prices have increased and other have decreased	15.00%	6
Not sure	2.50%	1
Not applicable	22.50%	9
Answered		40
Skipped		10



COVID Business Survey

When does your business intend to start trading again?

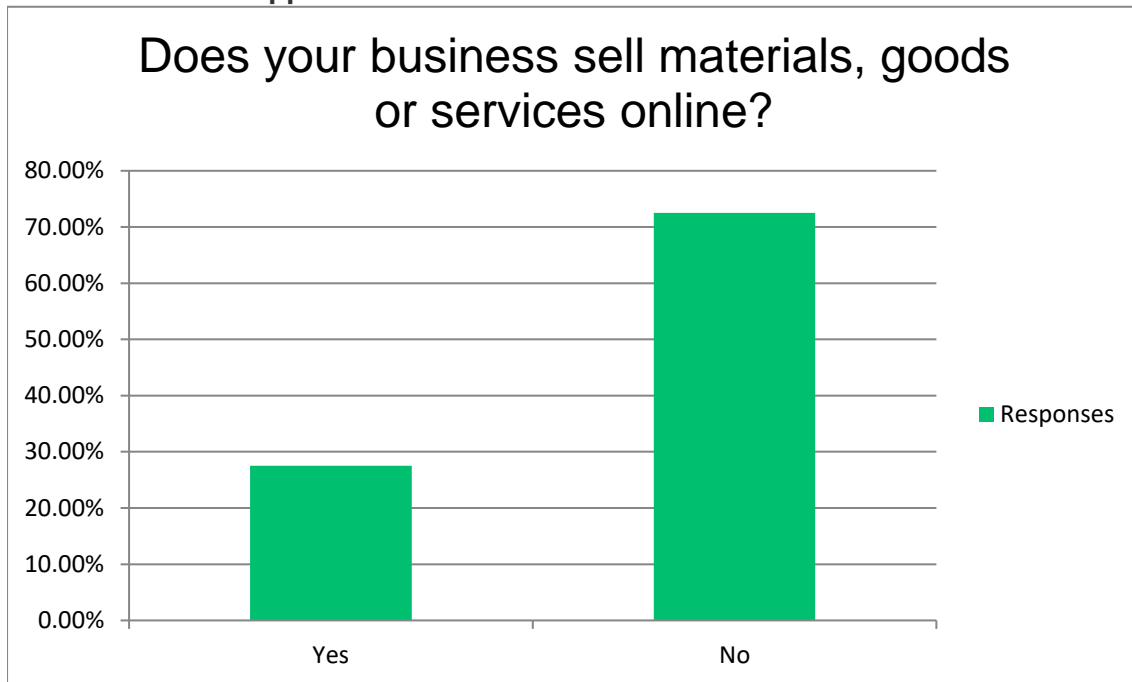
Answer Choices	Responses	
The business hasn't stopped trading	50.00%	20
The business has already returned to trading	27.50%	11
In the next 2-4 weeks	17.50%	7
In more than 4 weeks	2.50%	1
Not sure	2.50%	1
Answered		40
Skipped		10



COVID Business Survey

Does your business sell materials, goods or services online?

Answer Choices	Responses	
Yes	27.50%	11
No	72.50%	29
Answered		40
Skipped		10



COVID Business Survey

How have your business's online sales of goods or services changed in the last two weeks?

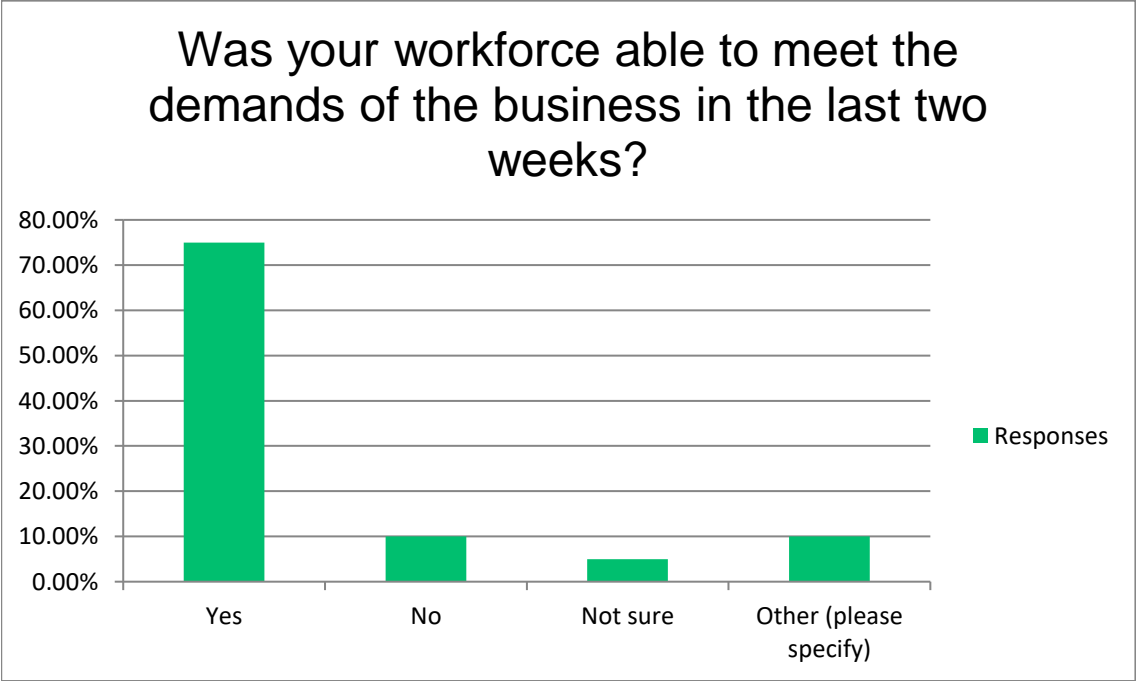
Answer Choices	Responses	
Sales have decreased	27.27%	3
Sales have increased	27.27%	3
Sales have stayed the same	18.18%	2
We have stopped selling goods or services online	9.09%	1
We started to sell good and/or services online	0.00%	0
Not sure	18.18%	2
Answered		11
Skipped		39



COVID Business Survey

Was your workforce able to meet the demands of the business in the last two weeks?

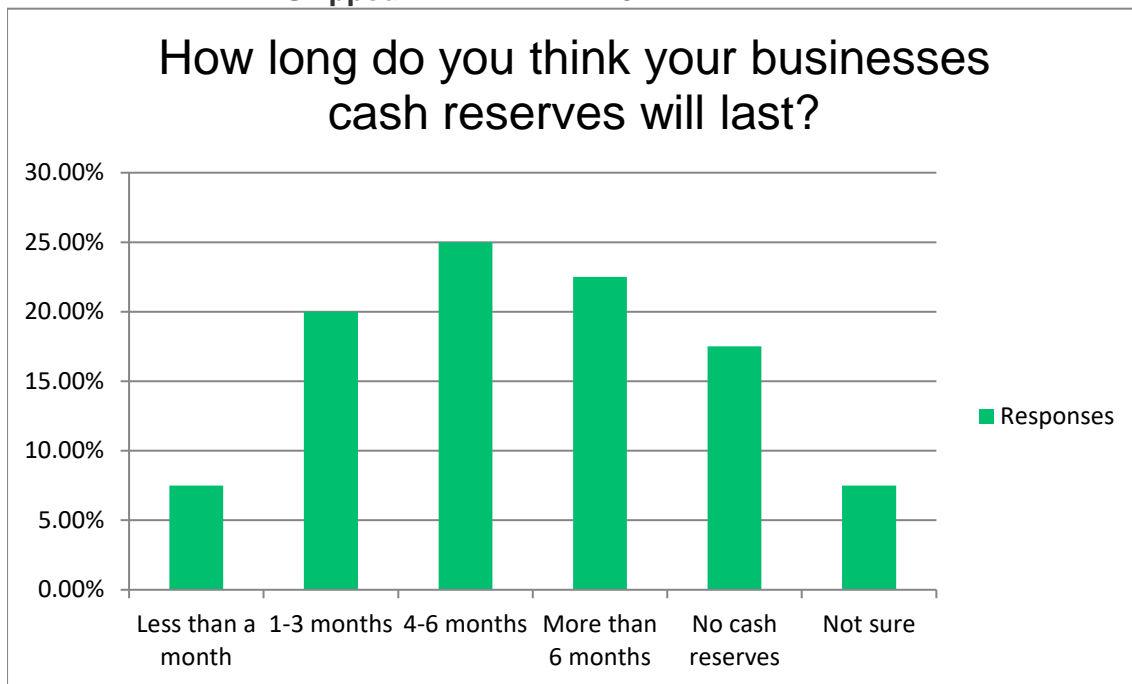
Answer Choices	Responses	
Yes	75.00%	30
No	10.00%	4
Not sure	5.00%	2
Other (please specify)	10.00%	4
Answered		40
Skipped		10



COVID Business Survey

How long do you think your businesses cash reserves will last?

Answer Choices	Responses	
Less than a month	7.50%	3
1-3 months	20.00%	8
4-6 months	25.00%	10
More than 6 months	22.50%	9
No cash reserves	17.50%	7
Not sure	7.50%	3
Answered		40
Skipped		10

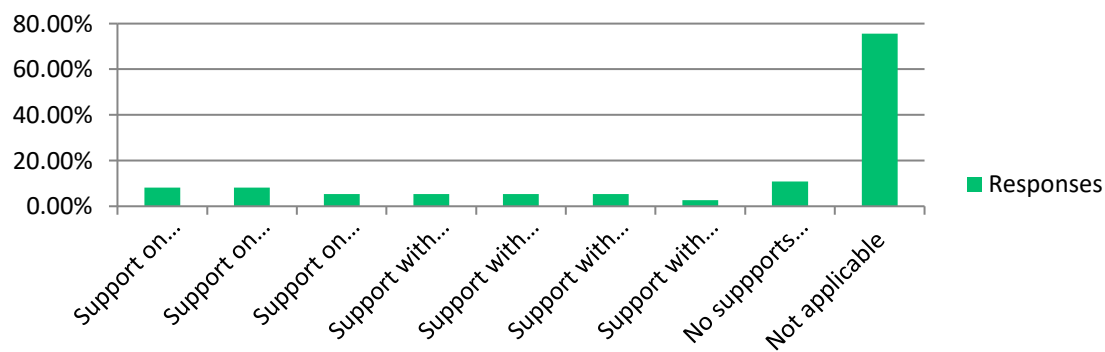


COVID Business Survey

If your business imports materials, goods or services which of the following support options would your business benefit from to help with importing challenges? (Please select all applicable)

Answer Choices	Responses	
Support on understanding markets and demand issues	8.11%	3
Support on finding new alternative supply chains	8.11%	3
Support on finding new overseas contacts or customers	5.41%	2
Support with transport and distribution	5.41%	2
Support with legal issues	5.41%	2
Support with customs and tariffs	5.41%	2
Support with import licences	2.70%	1
No supports are currently required	10.81%	4
Not applicable	75.68%	28
If there are other supports that you think your business may need please list in the		4
Answered		37
Skipped		13

If your business imports materials, goods or services which of the following support options would your business benefit from to help with importing challenges? (Please select all applicable)

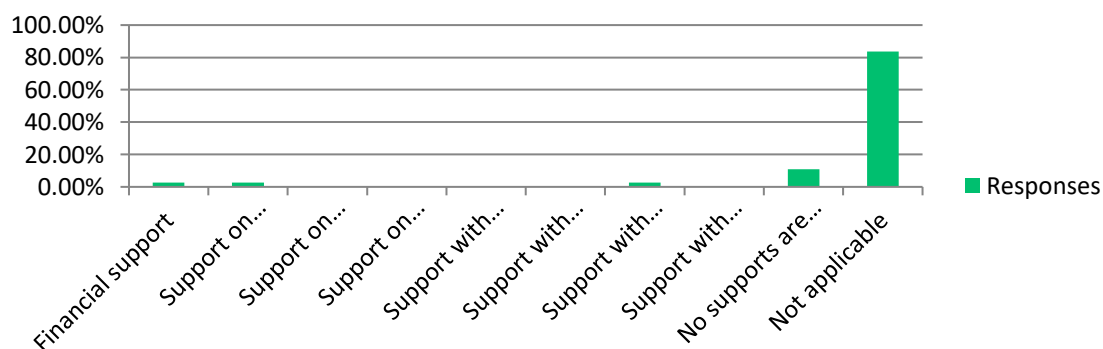


COVID Business Survey

If your business exports materials goods or services which of the following support options would your business benefit from to help with exporting challenges? (Please select all applicable)

Answer Choices	Responses	
Financial support	2.70%	1
Support on understanding markets and demand issues	2.70%	1
Support on finding new markets	0.00%	0
Support on finding new overseas contacts or customers	0.00%	0
Support with transport and distribution	0.00%	0
Support with legal issues	0.00%	0
Support with customs and tariffs	2.70%	1
Support with export licences	0.00%	0
No supports are currently required	10.81%	4
Not applicable	83.78%	31
If there are other supports that you think your business may need please list them		0
Answered		37
Skipped		13

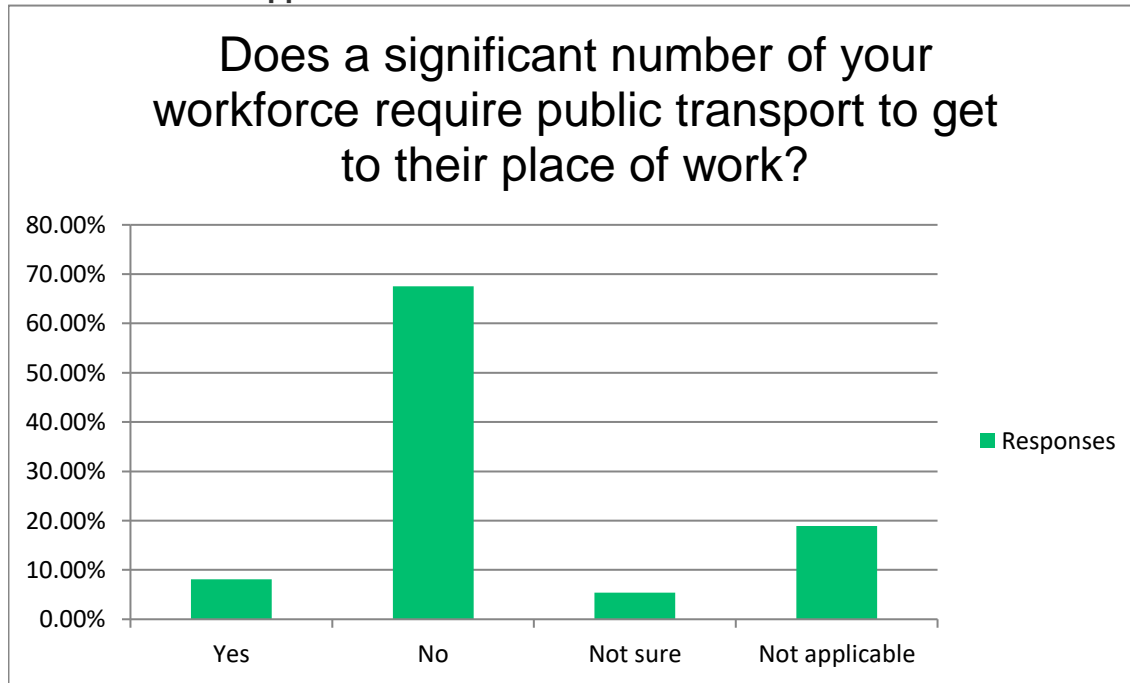
If your business exports materials goods or services which of the following support options would your business benefit from to help with exporting challenges? (Please select all applicable)



COVID Business Survey

Does a significant number of your workforce require public transport to get to their place of work?

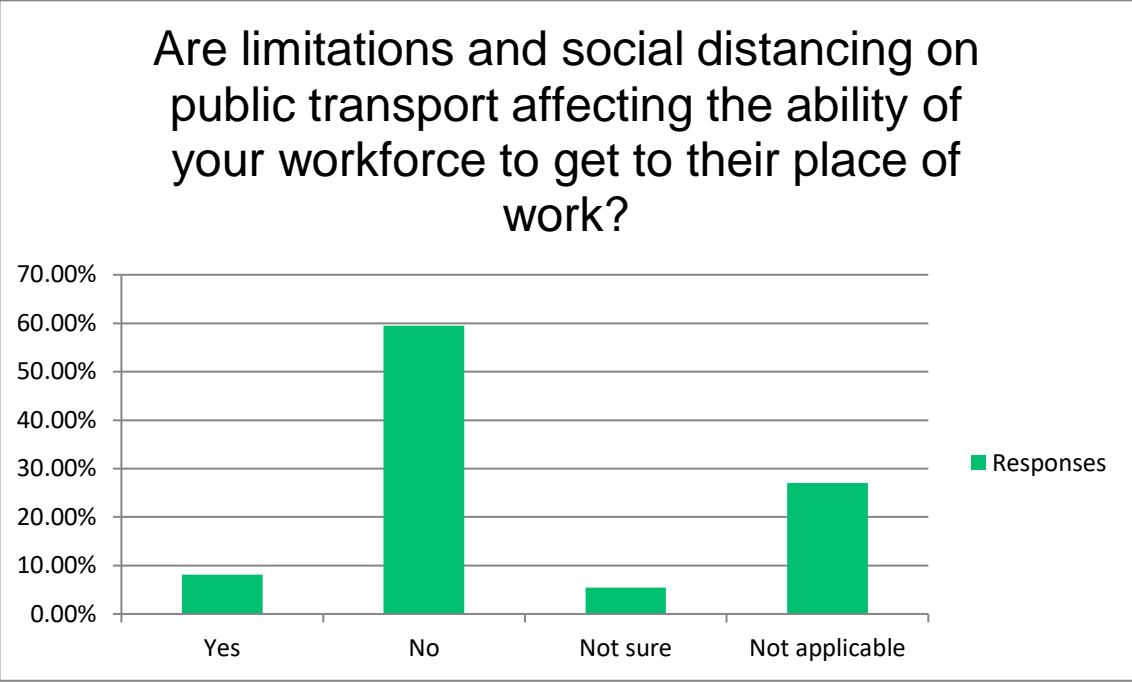
Answer Choices	Responses	
Yes	8.11%	3
No	67.57%	25
Not sure	5.41%	2
Not applicable	18.92%	7
Answered		37
Skipped		13



COVID Business Survey

Are limitations and social distancing on public transport affecting the ability of your workforce to get to their place of work?

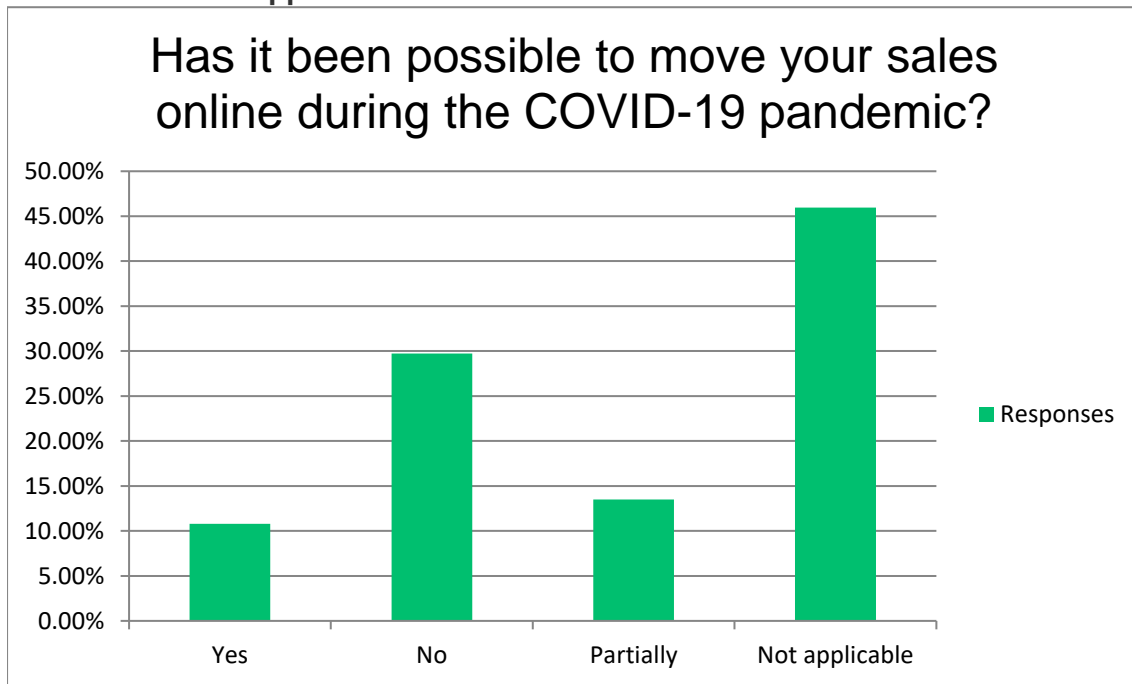
Answer Choices	Responses	
Yes	8.11%	3
No	59.46%	22
Not sure	5.41%	2
Not applicable	27.03%	10
Answered		37
Skipped		13



COVID Business Survey

Has it been possible to move your sales online during the COVID-19 pandemic?

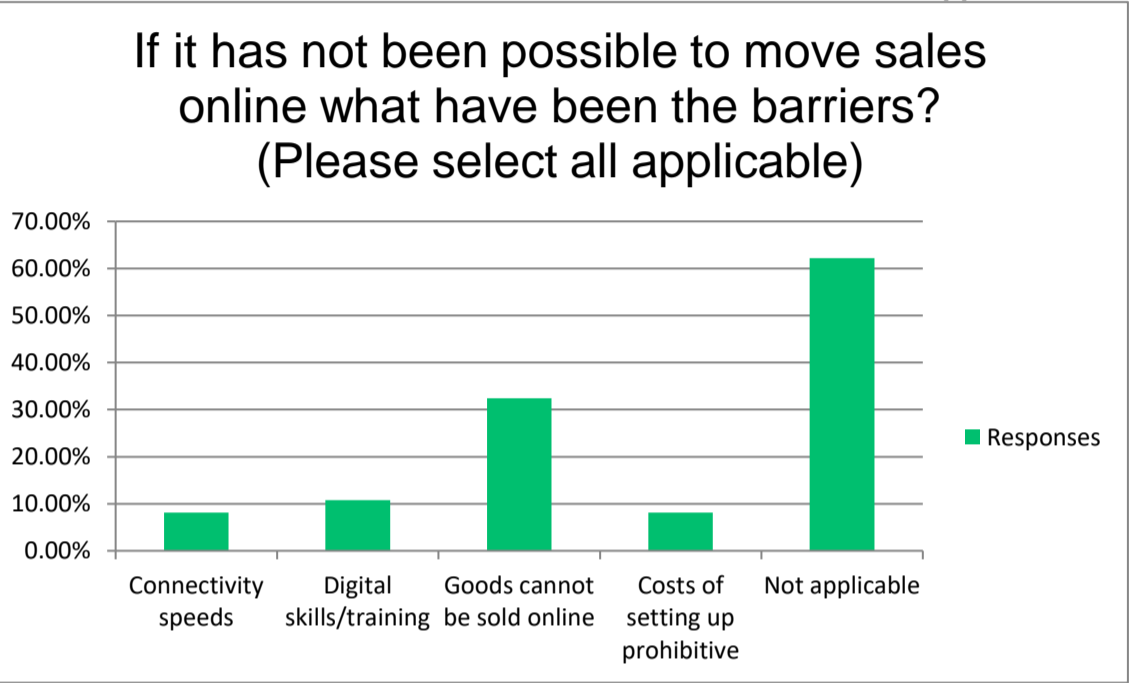
Answer Choices	Responses	
Yes	10.81%	4
No	29.73%	11
Partially	13.51%	5
Not applicable	45.95%	17
Answered		37
Skipped		13



COVID Business Survey

If it has not been possible to move sales online what have been the barriers? (Please select all applicable)

Answer Choices	Responses	
Connectivity speeds	8.11%	3
Digital skills/training	10.81%	4
Goods cannot be sold online	32.43%	12
Costs of setting up prohibitive	8.11%	3
Not applicable	62.16%	23
If there are any other barriers not listed please use the text box to detail them.		2
Answered		37
Skipped		13



COVID Business Survey

Does your business intend to recruit staff to meet the needs of your business?

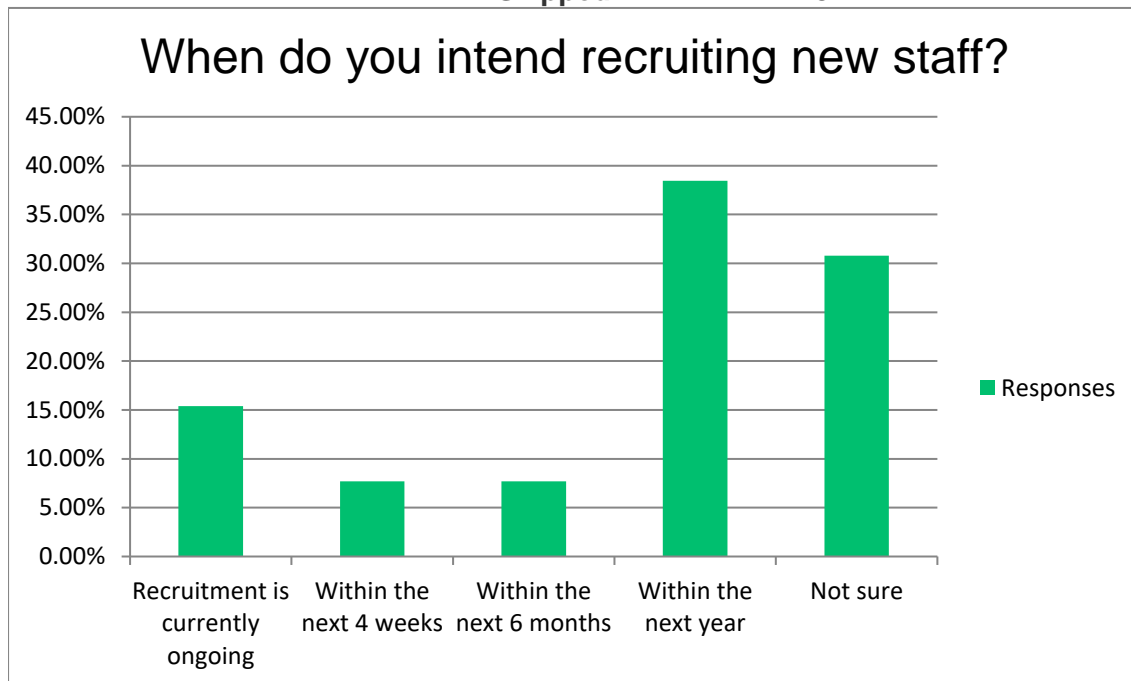
Answer Choices	Responses	
Yes	16.22%	6
No	64.86%	24
Not sure	18.92%	7
Answered		37
Skipped		13



COVID Business Survey

When do you intend recruiting new staff?

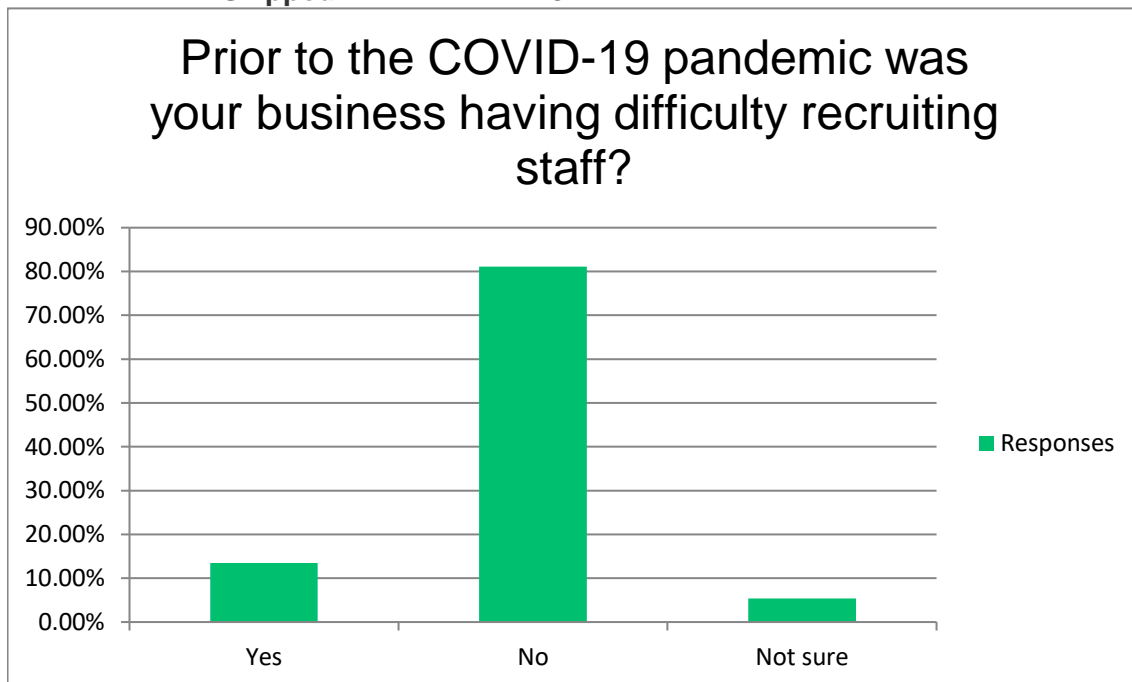
Answer Choices	Responses	
Recruitment is currently ongoing	15.38%	2
Within the next 4 weeks	7.69%	1
Within the next 6 months	7.69%	1
Within the next year	38.46%	5
Not sure	30.77%	4
Answered		13
Skipped		37



COVID Business Survey

Prior to the COVID-19 pandemic was your business having difficulty recruiting staff?

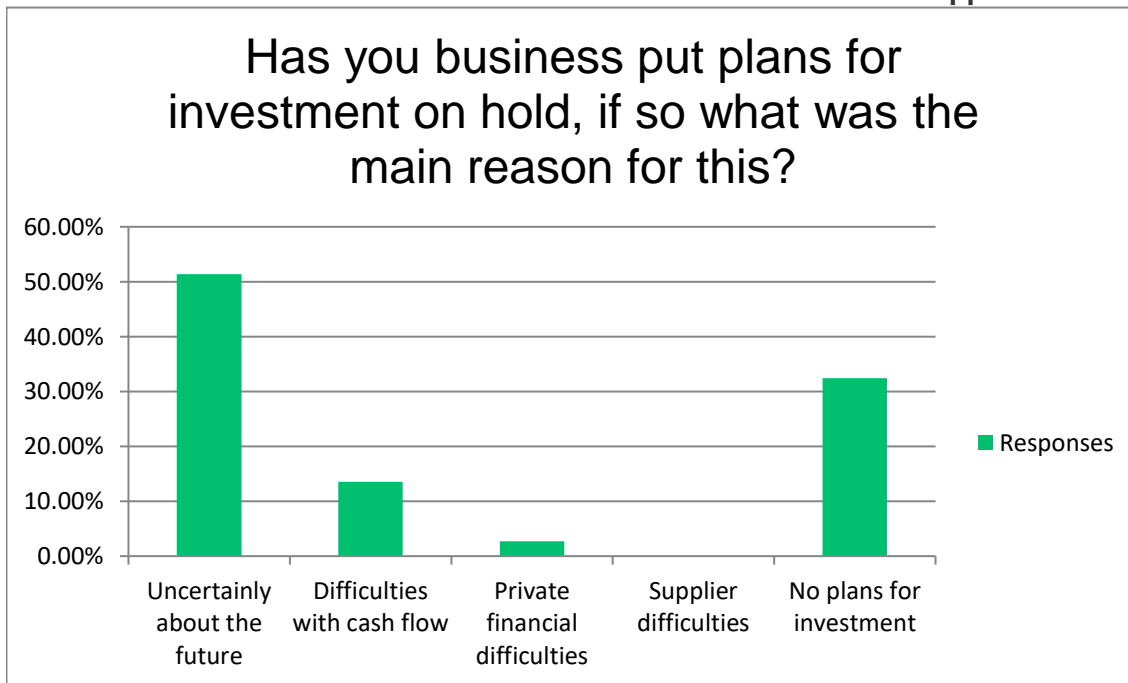
Answer Choices	Responses	
Yes	13.51%	5
No	81.08%	30
Not sure	5.41%	2
Answered		37
Skipped		13



COVID Business Survey

Has you business put plans for investment on hold, if so what was the main reason for this?

Answer Choices	Responses	
Uncertainly about the future	51.35%	19
Difficulties with cash flow	13.51%	5
Private financial difficulties	2.70%	1
Supplier difficulties	0.00%	0
No plans for investment	32.43%	12
If there are other reasons please list them in the box below		4
Answered		37
Skipped		13

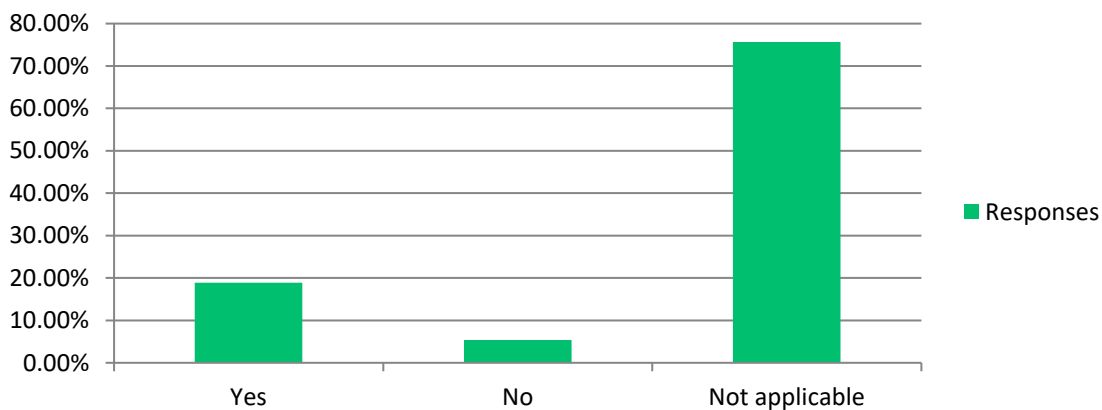


COVID Business Survey

Since the COVID-19 pandemic has your business witnessed a fall in International demand for your materials, goods or services?

Answer Choices	Responses	
Yes	18.92%	7
No	5.41%	2
Not applicable	75.68%	28
Answered		37
Skipped		13

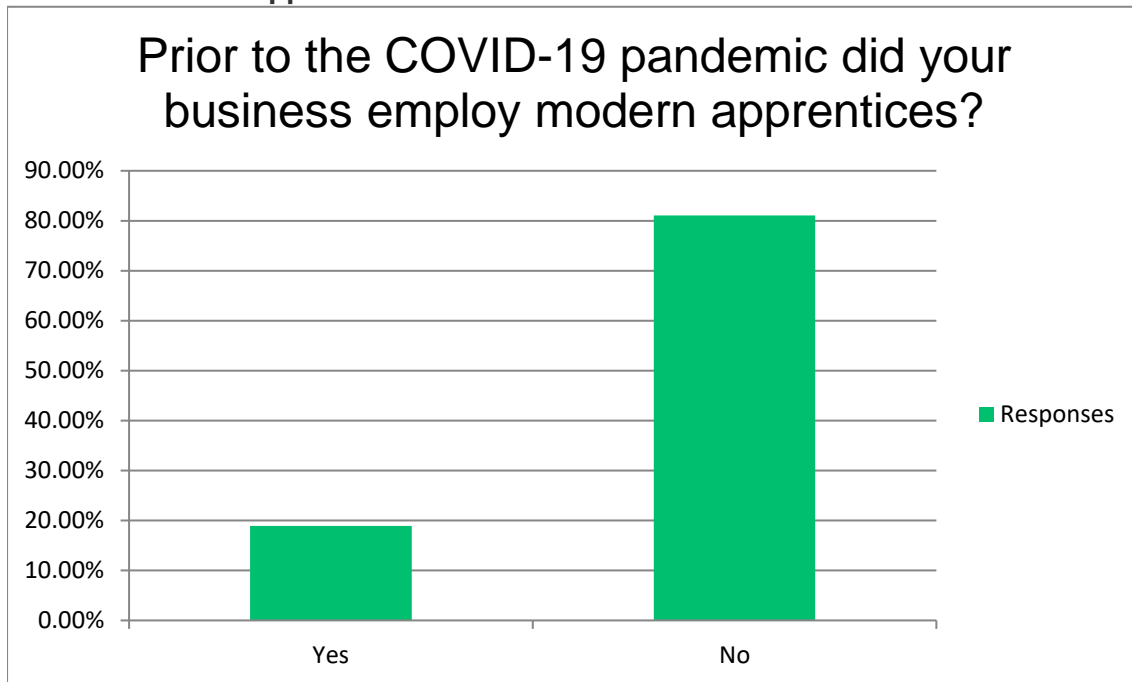
Since the COVID-19 pandemic has your business witnessed a fall in International demand for your materials, goods or services?



COVID Business Survey

Prior to the COVID-19 pandemic did your business employ modern apprentices?

Answer Choices	Responses	
Yes	18.92%	7
No	81.08%	30
Answered		37
Skipped		13



COVID Business Survey

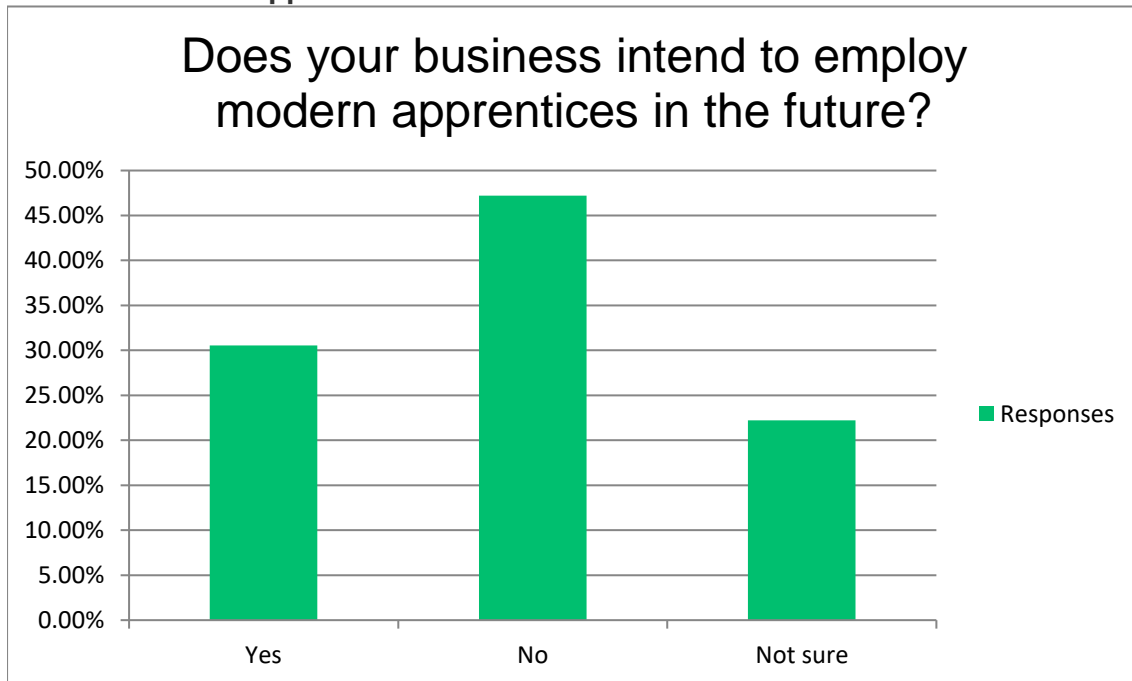
Please tell us in your own words the reasons why you were unable to employ modern apprentices

Answered	29
Skipped	21

COVID Business Survey

Does your business intend to employ modern apprentices in the future?

Answer Choices	Responses	
Yes	30.56%	11
No	47.22%	17
Not sure	22.22%	8
Answered		36
Skipped		14



COVID Business Survey

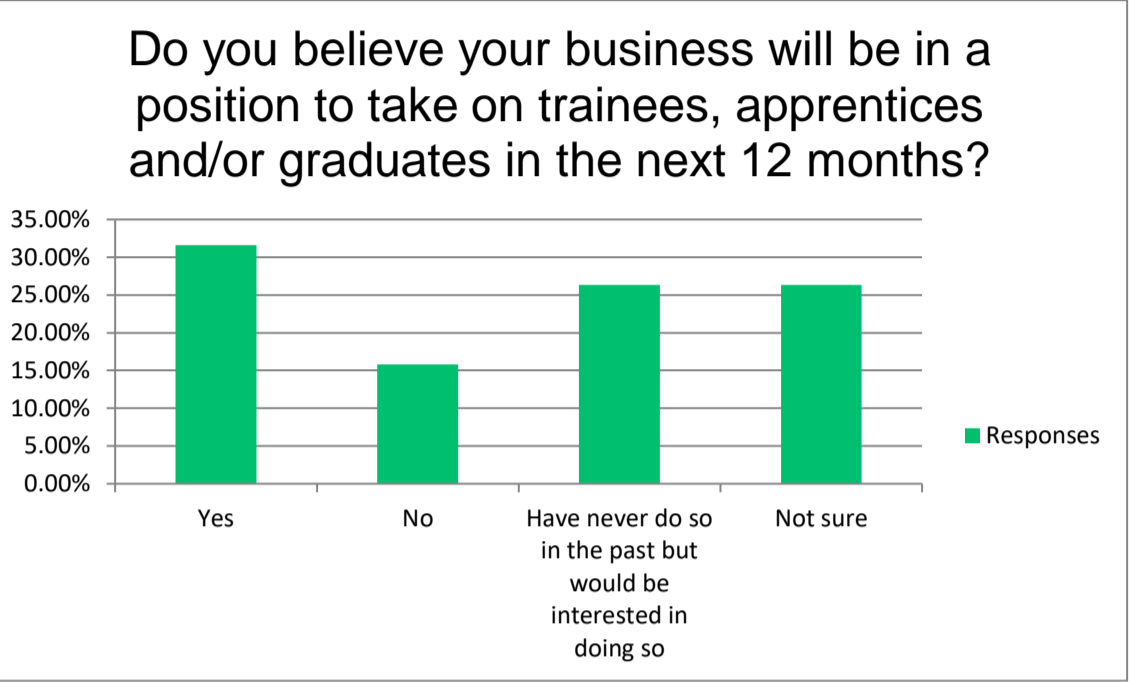
Please tell us in your own words the reasons why you feel unable to employ modern apprentices

Answered	16
Skipped	34

COVID Business Survey

Do you believe your business will be in a position to take on trainees, apprentices and/or graduates in the next 12 months?

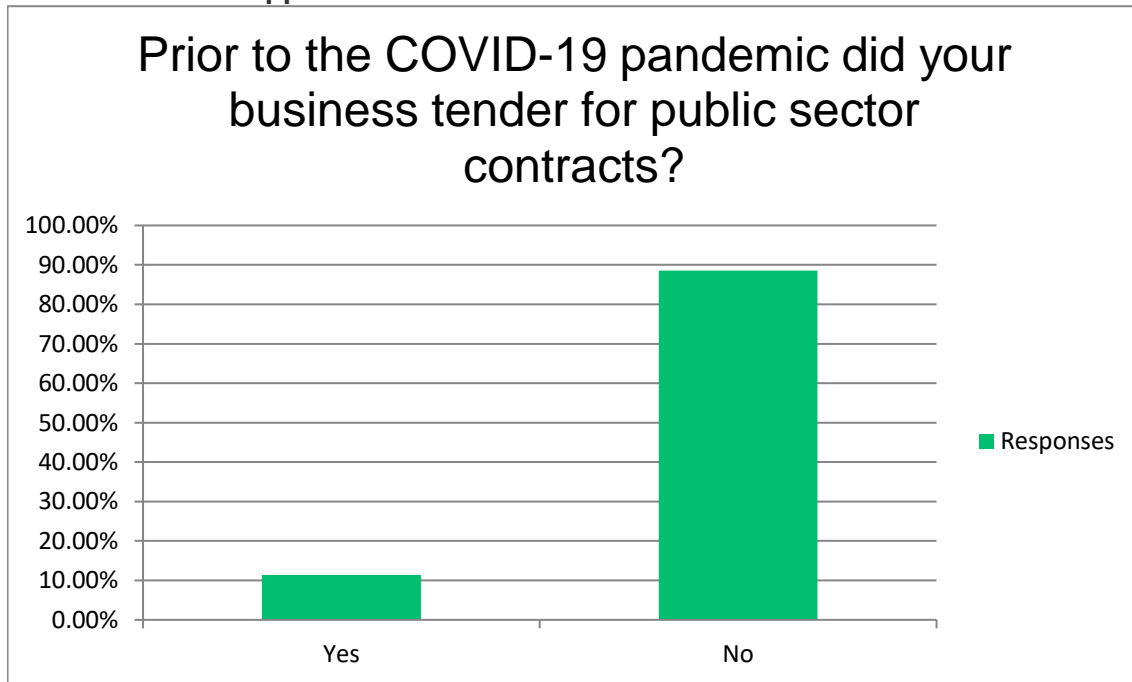
Answer Choices	Responses	
Yes	31.58%	6
No	15.79%	3
Have never do so in the past but would be interested in doing so	26.32%	5
Not sure	26.32%	5
Answered		19
Skipped		31



COVID Business Survey

Prior to the COVID-19 pandemic did your business tender for public sector contracts?

Answer Choices	Responses	
Yes	11.43%	4
No	88.57%	31
Answered		35
Skipped		15



COVID Business Survey

Additional comments

Answered 11

Skipped 39

COVID Business Survey

Additional comments

Answered 0

Skipped 50



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

SUBJECT: PUBLIC CCTV

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the current state of repair of the public space CCTV system and the potential extra expenditure required to repair the current faults.
- 1.2 To inform Committee of the potential ongoing maintenance costs.
- 1.3 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee agree to undertake a trial of necessary works to reinstate live feeds, from outlying populations which will remove the need for the matrices.**

3. BACKGROUND

- 3.1 The public space CCTV system, although operated by the police is owned and financed by the Council. There is an annual budget of £17000 for maintenance and £5500 for hardware repairs.
- 3.2 There are two major issues with the current system - live feed of pictures and age and repair of the system.

- 3.3 The systems live feed currently relies on two matrices delivering the public space CCTV pictures. These matrices are old and are working at or just above their maximum capacity and have been estimated at £30,000 to replace. One of these matrices has failed and a temporary repair made earlier this year has also failed. This has resulted in reduced capacity of public space CCTV. There are also other faults developing due to the age of the equipment and the lack of appropriate spare parts. The current budget is insufficient to deal with a significantly aging system where the cameras are so old they cannot be repaired but have to be replaced.
- 3.4 The system is no longer providing live feeds other than from Elgin cameras but is still recording the images which can be assessed later if necessary. This means the direction of where the camera is facing cannot be identified and any issues with the image e.g. lens' misted with condensation cannot be addressed at the time.
- 3.5 An alternative live feed delivery system has been investigated which will remove the need for the matrices thus reducing the potential ongoing data and repair maintenance costs. A potential system has been identified but it is not guaranteed to work and there is an offer of a trial which if it fails will not incur any costs to the council. An indicative cost for the trial works if successful at one population centre is £1400. This is dependent on being able to connect into a Moray Council broadband connection. If this broadband connection is not available then a secure digital radio link would be required and would incur extra cost. If the trial is successful this system could be rolled out to the other 3 population centres (Forres, Lossiemouth and Keith) at a similar cost for each. This could be met within the current whole budget for CCTV as detailed above. Limited repairs could also be accommodated within current budget. The public space CCTV provision will be included in the ongoing strategic community safety review as per 3.7 below.
- 3.6 The figures are all based on being able to access Moray Council's internet connections with an upload speed of at least 10mbps.
- 3.7 As part of the strategic review of community safety it will be necessary to review CCTV provision, operation and maintenance and although the system is utilised and operated by Police Scotland and it provides an effective deterrent and source of evidence the review will need to determine the ongoing requirements for the system.

4. SUMMARY OF IMPLICATIONS

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

Provision of CCTV assist with meeting the priorities of building a better future for the children and young people of Moray and improving wellbeing.

(b) Policy and Legal

The National Strategy for CCTV in Scotland 2011 recognises that local partners are best placed to decide the level of investment in CCTV systems. It is simply one of a number of tools available to local partners to help them to address local community safety issues and it is local partners that must decide whether or not CCTV would be the most effective of those tools in any given situation. Any changes to the current system would require a review.

(c) Financial implications

The quote for the trial is £1400 for one population centre. To fully reinstate live pictures from all 4 population centres that have public CCTV would have an indicative cost of £5600. The trial would be at no cost to the Council if it fails.

(d) Risk Implications

Complete failure of Public Space CCTV.

(e) Staffing Implications

Time from Environmental Health and Trading Standards Manager/ Environmental Health Technical Officer to monitor contract and assess success of trial.

(f) Property

N/A

(g) Equalities/Socio Economic Impact

The use of CCTV footage has the potential of interfering with an individual's rights under the Human Rights Act 1998. The extent to which this is done lawfully will need to be decided on a case by case basis.

(h) Consultations

Depute Chief Executive (Economy, Environmental and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Equal Opportunities Officer, Lissa Rowan (Committee Services Officer) and the Chief Financial Officer have been consulted and comments received have been incorporated into the report.

5. CONCLUSION

5.1 The public space CCTV is old and has reduced functionality due to the amount and costs of recently developed faults.

5.2 An alternative delivery option which may reduce current and further repair costs is being explored

5.3 The current budget meets the anticipated spend if the trial is successful.

Author of Report: Karen Sievwright (Environmental Health and Trading
Standards Manager)
Background Papers:
Ref:



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020

SUBJECT: SUPPLIER DEVELOPMENT PROGRAMME MEMBERSHIP UPDATE

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

1. REASON FOR REPORT

- 1.1 To provide Committee with an update on the Supplier Development Programme (SDP). This report was scheduled to be presented to the Economic Development & Infrastructure Services (ED&IS) Committee on 17 March 2020, however due to COVID-19 had to be temporarily placed on hold.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

2.1 It is recommended that the Committee approves;

- (i) **the continuation of the trial full membership for 2020/21; and**
- (ii) **an evaluation and review of the full membership report being presented to appropriate Committee during this time.**

3. BACKGROUND

- 3.1 Moray Council has been an associated member of the SDP since 2014. SDP provides training to upskill small and medium sized enterprises looking to win business from the public sector. On 19 February 2019, the ED&IS Committee agreed to trial full membership of the Supplier Development Programme for

one year in 2019/2020 and that the results of this trial be reported to future meeting of that Committee (para 12 of the minute refers).

3.2 In summary SDP full membership includes:

- At least 4 face to face training sessions for business delivered throughout the year in the Council area.
- A “Talking Tenders” webinar on how to tender/do business with the Council - hosted by SDP with Moray Council procurement personnel to hold a Question & Answer session.
- Consideration of featured categorised events. That is where the Council identify an opportunity, where they would like to carry out some early intervention e.g. a known market where suppliers are less likely to understand the tender process.
- Moray Growth Deal. SDP has experience of raising awareness of City Deal projects and would offer its marketing and event services to support Moray Council for related supplier engagement events relating to these projects.

3.3 The following events provided so far include the following;

- In September 2019, SDP held a Meet the Buyer North event in Aviemore. More than 560 suppliers attended from across the country. Moray Council Procurement staff delivered a keynote address and hosted a busy exhibition. Most importantly, 93% of respondents to a post-event survey conducted by SDP said that they were more likely to bid for public contracts after attending Meet the Buyer North 2019. The full details are included as **APPENDIX I**.
- Three training sessions were delivered via the official launch on 3 October 2019 (details included as **APPENDIX II**), Improving Your Bid Score on 16 January 2020, and Tender Procedures and the European Single Procurement Document (ESPD) on 19 February 2020. There is a further course on Framework Agreements that was planned for April 2020, but had to be postponed.

3.4 From the three SDP training events delivered in 2019/2020 in Forres and Elgin, 112 suppliers from 49 unique businesses attended. After Improving Your Bid Score was delivered in January, 100% of respondents were more likely to bid for public sector contracts, and 100% said they would recommend SDP training to other businesses. After Tender Procedures and the ESPD was delivered in February 2020, 63% of respondents were more likely to bid for public sector contracts, and 100% said they would recommend SDP training to other businesses. Full details of all the activities are included as **APPENDIX III**.

3.5 In partnership with Moray Council, four media releases were produced with SDP to promote the programme; a marketing action plan was produced by SDP; a widespread social media campaign is on-going; Moray Council has been featured in a number of SDP monthly newsletters that targets 14,000+ businesses; a targeted radio campaign on MFR to Moray businesses was delivered by SDP in September 2019 to promote Meet the Buyer North; Moray Council was featured on the cover of the final SDP Meet the Buyer North 2019

report; and Moray Council activity is planned to feature in the 2019/2020 SDP Annual Report.

- 3.6 Whilst overall engagement with businesses and promotion of the SDP has been very successful, there has not been enough time yet to fully evaluate the outcomes in terms of numbers of additional companies having registered with Public Contract Scotland (PCS) and successfully gained contracts as a result of the SDP training provided. As the membership year is from April to March, it is proposed to continue the trial of full membership for another year to enable officers to present a full evaluation and review of the full membership report in 2020/21.

4. SUMMARY OF IMPLICATIONS

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

Supplier development is an activity which can help existing business win contracts procured by the public sector. This can support the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

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

(c) Financial implications

Full membership is £4,800 per year. The proposed continuation of full membership for another year is managed from the Business Gateway budget, however it lessens the amount available for other business support functions.

(d) Risk Implications

There are no risk implications.

(e) Staffing Implications

Existing Moray Council staff from Procurement and Economic Growth & Regeneration sections, which includes Business Gateway work with SDP to select the most appropriate trainings based on known business need. It includes organising and paying for the venues for training and provide the staffing resource to support these events. In 2020/21 we have participated in a meet the buyer event with SDP and will be developing further webinars and engagement activity SDP.

(f) Property

There are no property implications.

(g) Equalities/Socio Economic Impact

There are no equalities impacts arising from this report.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, Paul Connor (Principal Accountant), Lissa Rowan (Committee Services Officer), the Equalities Officer and the Payments Manager have been consulted and comments received have been incorporated into the report.

5. CONCLUSION

- 5.1 The Supplier Development Programme promotion and activities have been very successful in engaging businesses from Moray so far. However there has not been enough time yet to fully evaluate the outcomes in terms of number of additional companies having registered with Public Contract Scotland (PCS) and successfully gained contracts as a result of the SDP training, information and advice provided.**
- 5.2 As the SDP membership year is from April to March, it is recommended to continue the trial membership for another year to allow time for a full evaluation and review of the full membership. It is planned that a report will be presented to the appropriate Committee during 2020/21.**

Author of Report: Reni Milburn, Economic Growth and Regeneration Manager

Background Papers: Correspondence and reports on file in Economic Growth and Regeneration section

Ref:



Meet the Buyer North 2019

Supplier Feedback Report

4 September 2019

Aviemore

Last updated: 11 December 2019

Prepared by: Supplier Development Programme

“There are SMEs out there that want to do business with us and Meet the Buyer North is a great opportunity, or a gateway if you like, to getting that business. It’s a platform that will repeat year on year that will give businesses the opportunity to come and talk to us.”

- Diane Beattie, Head of Procurement, Moray Council

Summary

Meet the Buyer North 2019 was held on 4 September 2019 at Macdonald Aviemoor Resort. Out of the record 1,100+ suppliers that registered to attend, more than 560 gathered to interact with 35 exhibition stalls, representing 41 public sector buyers and business support services. There were 400 attendees at Meet the Buyer North 2018, which means there was a 40% increase in attendees.

Local Authorities



Moray Council



Dundee City Council



Angus Council



Aberdeen City Council



Aberdeenshire Council



Highland Council



Perth & Kinross Council

An online survey was distributed to registered delegates for Meet the Buyer North 2019. This survey was live between 4 September and 23 September for a period of three weeks. Within this time, responses were received from 111 respondents.

It was highlighted that 73% of respondents were an SME or third sector organisation and therefore eligible for other SDP training and support.

Of those who had responded, three replied that they did not attend the event. Of these, two said that they had an unexpected business appointment, and the other responded that they forgot about it.

SDP narrowed the gap from the 2018 event, where the majority of attendees learned about Meet the Buyer North from the Public Contracts Scotland website, as more than half of respondents (54%) heard about the event from the Supplier Development Programme website or through the SDP newsletter. The majority (58%) still learned about the event through Public Contracts Scotland, by PCS email (33%) and the PCS website (25%). Seven respondents (6%) learned about the event through social media.

Supplier Experience

The booking process was highlighted by respondents as a strong area of success in terms of event organisation, with 96% rating it as Excellent or Good. In addition, 88% felt that pre-event communication was Excellent or Good. Of the respondents, 60% stated that social media communication was Excellent or Good, though 30% said it was not relevant.

In terms of the Exhibition itself, 92% of respondents said that it was Excellent or Good. Additionally, 87% said that the range of buyers at Meet the Buyer was Excellent or Good, and 68% rated the keynote speakers as Excellent or Good. Catering was rated as Excellent or Good by 40% of respondents, while 30% stated that it was not relevant. The venue and facilities were rated Excellent or Good by 91% of respondents, which was a huge improvement from the previous year's venue and facilities.

The overall event experience was rated as Excellent or Good by 94% of respondents. Most importantly, 93% of respondents said that they were more likely to bid for public contracts after attending Meet the Buyer North 2019.

Selected qualitative feedback included:

"Top Tips for Tendering workshop was excellent."

"We were impressed with the number of buyers present and the venue facilities."

"The only comment I can make is that it was hard to hear the speakers, but overall very good event."

"Difficulty hearing presentations due to noise from adjoining exhibition area."

"First class venue - very spacious and relaxing."

"Can the event start earlier?"

Suggestions for Future Meet the Buyer North Events

Respondents to the survey were asked to suggest exhibitors that they would like to see at future Meet the Buyer North events. One respondent said: “It was just right - we struggled to see all the people we wanted to talk with.”

Suggestions included:

- More local councils like Argyll and Bute, etc.
- Housing Associations
- Health and Legal organisations
- More technology and solutions
- Mechanical & Electrical Contractors, rather than just main contractors
- Process companies, i.e. Timber industry/Sawmill like BSW / James Jones, Norbord HiFab
- More private contractors
- More sections of public sector
- More Construction / House Builders in attendance
- Charities and Museums
- Scottish Power, Scottish Power Renewables
- More NGDBs
- Infrastructure companies, especially those on the five Hubs' procurement programmes
- Mott MacDonald
- A range of Multi Utility companies
- Prestwick Aerospace
- Engineering Companies - BAE, MOD, Rolls Royce
- Robertson Construction, Cairngorm National Park, DIO
- More from Aberdeenshire/City
- Industry bodies, such as IPAF in construction industry
- More transport/vehicle related industries

Social Media Analytics

In March 2019, the Supplier Development Programme created the hashtag: #MeetTheBuyerNorth2019. This was utilised by a number of buyers and suppliers in the lead up to the event.

From 1 September until 4 September 2019, SDP posted 19 tweets using this hashtag.

Twitter analytics indicate that these 19 tweets resulted in:

- 14,360 impressions;
- 411 engagements;
- 66 likes;
- 53 URL link clicks; and
- 37 retweets.

Top Tweet earned 982 impressions

Some early snaps from
#MeetTheBuyerNorth2019 - registration is
from 9:30am, doors open at 10am!
pic.twitter.com/91xMbUXXqi



3 9

Outcomes of Meet the Buyer North 2019

Out of the record 1,100+ suppliers that registered to attend, more than 560 gathered to interact with 35 exhibition stalls, representing 41 public sector buyers and business support services.

Headline partners included the Scottish Government and Highlands and Islands Enterprise.

The overall event experience was rated as Excellent or Good by 94% of respondents.

Most importantly, 93% of respondents said that they were more likely to bid for public sector contracts after attending Meet the Buyer North 2019.



Item 10

Moray Council Supplier Development Programme Launch Feedback Report

Horizon Scotland - 3 October 2019

#BestValueForMoray
#PowerOfProcurement
#HelpingYouBidBetter



Background

Moray Council officially launched the Supplier Development Programme in Forres on 3 October 2019. To seek suppliers' views on how they wish to be supported by Moray Council Procurement, as well as by the Supplier Development Programme, two surveys were conducted: one prior to the launch, and one on the day as a "Snap Poll."

Procurement Survey

The purpose of the survey was to gather views to develop a Moray SDP programme that is relevant, and will support businesses entering into public sector tendering, where in Scotland, there is a cumulative annual spend of £11bn.

The initial survey was open from 17 September until 7 October 2019. The survey was circulated through direct email to all suppliers that registered to attend the launch by the Supplier Development Programme on three occasions during this period. Additionally, Moray Council circulated the link to the online survey through various channels, and SDP promoted it through its social media channels on Twitter, Facebook and LinkedIn.

Demographics

Overall, 76 respondents completed the questionnaire. Of the 76 respondents, 44 stated that their business is based in Moray, which made up 58% of the total. Following this, 10 suppliers (13%) were based in Highland, seven suppliers (9%) were based in Aberdeen City/Aberdeenshire, six suppliers (8%) were based in Glasgow, three suppliers (4%) were based in Perth and Kinross, two suppliers (3%) were based in City of Edinburgh, and the remaining respondents were based in Dundee City, Falkirk, North Lanarkshire, and Other Location (one apiece, 1% each) and one respondent from Angus that did not complete the survey.

The most respondents (64%) were sole traders, or from micro or small businesses. Of these 48 suppliers, 11 were sole traders (15%), 18 suppliers (24%) were from micro businesses (2-9 employees) and 19 suppliers (25%) were from small businesses (10-49 employees). A third of respondents were from medium-sized businesses (50-249 employees) with 25 suppliers (33%) and three respondents (4%) were from larger businesses (250+ employees).

Four respondents (5% of the total) stated that they were a Charity or Supported Business.



Public Sector Tendering Background

When asked if the business is registered on www.sdpscotland.co.uk, a majority of 60 suppliers (79%) responded yes, and 16 suppliers (21%) responded no. When asked if the business is registered on www.publiccontractsscotland.co.uk, a fraction more responded affirmatively as 62 suppliers (82%) responded yes, and 14 suppliers (18%) responded no.

When asked if they had tendered for a public sector opportunity before, 51 suppliers (67%) responded yes. For 38 of these suppliers (75% of the 51), the experience was either positive or very positive. Thirteen suppliers (26%) had a negative or very negative experience.

Of the 25 suppliers (33%) who had never tendered for a public sector opportunity before, eight responded that they had a new start business. Six suppliers responded that they were unaware of the system, or didn't know how to tender. Other responses as to why they had not tendered before included:

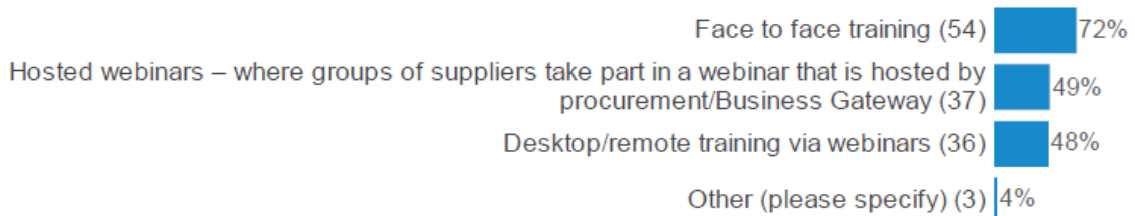
- "The opportunity has never arisen."
- "Not seen any suitable."
- "We have had the business for four years and my daughter has just gone to Primary 1, so I know have more free time to concentrate on my business and tendered opportunities."
- "Haven't really considered it until now."
- "I have only recently come into post and have not yet had the opportunity to be part of the tender process."
- "No reason really, just not considered it before."
- "Senior management undertake this process."



Future Preferences

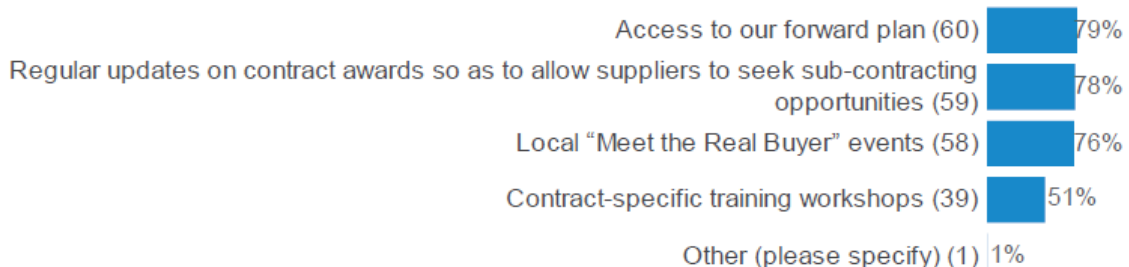
To develop a Moray SDP programme that is relevant, and will support either your business entering into public sector tendering, where in Scotland there is a cumulative annual spend of £11bn, 54 respondents (72%) showed a preference for face-to-face training. This was followed by 37 respondents (49%) with a preference for hosted webinars, 36 respondents (48%) with a preference for traditional remote webinars, and three other responses (4%) of other, but were unspecified.

In this respect, please tell us: what do you want from Supplier Development Programme? (select all that apply)



To develop a Moray SDP programme that is relevant, and will support either their business entering into public sector tendering, where in Scotland there is a cumulative annual spend of £11bn, 60 respondents (79%) showed a preference for access to the Moray Council Forward Plan. This was closely followed by 59 respondents (78%) who said that they wish to receive regular updates on contract awards so as to allow suppliers to seek sub-contracting opportunities. A high majority of 58 respondents (76%) want to engage with local “Meet the Real Buyer” events in the local authority, and more than half (51%) with 39 respondents said they want contract-specific training workshops in the future.

Please tell us: what do you want from Moray Council? (select all that apply)



All 76 respondents (100%) agreed that email is the best method of communication for their business.



Other Comments

“Information is very good and I thank you for that, most of the problems are probably down to ourselves, but we are getting better.”

“Buyer engagement with suppliers is required prior to live tending. Suppliers need advance warning of opportunities. More PIN Notices would both allow the buyer to test the market and it gives the supplier a much better prospect of offering a proposal to the buyer.”

“As a small business working in engineering consultancy, we find it problematic in establishing ourselves as alternatives to providing environmental and geotechnical consultancy services that are often being provided by the larger consultancies, notwithstanding a commitment to use SMEs as far as reasonably practicable. I am hoping that this chance to meet with Moray Council (and others) will give us a chance to put a face to the name when it comes to tender responses. We want to tailor our service offering to best suit the needs of the client, we can't do this when we are not getting beyond initial tendering stages.”

“As a sole trader, I'm looking to move the business forward and expand the workforce and try and open up new opportunities for business.”

“No real comments just pleased that Moray Council are pro-active with this venture. Thank you.”

“Working from your forward planning more supplier engagement prior to tenders being advertised.”

“More use of PIN notices in advance of tenders being advertised.”

“As a specialist company with niche skills I believe we can offer real value and quality for council jobs, however, as a micro business, we struggle to jump through all the bureaucratic hoops required to win contracts or are not able to undertake all aspects of a project and therefore get excluded from the opportunity.”

“We would welcome any opportunities to engage with The Moray Council in terms of supply chain engagement to foster a "working together" culture that identifies opportunities to improve the service to end users and other challenges and overcomes them through collaborative working.”

“We have built good working relationships with [name redacted] and [name redacted] which has helped with the smooth delivery of the service to new and existing service users.”



“Snap Poll” Survey

The “Snap Poll” was conducted during the official launch of SDP on 3 October 2019, after they had participated in presentations by Moray Council Procurement and the Supplier Development Programme. The purpose of the survey was to gather views of the suppliers that attended the official launch on the demand for future training within the SDP training guide. In total, 42 attendees at the launch returned a “Snap Poll” on the day. Respondents were encouraged to pick as many options as they wished. No demographic information was collected.

SDP Training Workshop	Respondents	Percentage
2.3 - Improving Your Bid Score	32	76%
2.1 - Tender Procedures and the ESPD	32	76%
3.1 - Seeking Feedback and Improving Your Bid	29	69%
Webinar: Quick Quotes Made Easy	27	64%
2.2 - Finding and Understanding Framework Agreements	25	60%
2.4 - Understanding Community Benefits and Sustainability	23	55%
Webinar: Helping You Bid Better; Examine the ESPD Question by Question	21	50%
1.1 Introduction to Tendering 3.2 - The Supplier's Role in Contract Relationship Management	20	48%
1.2 Using Public Contracts Scotland (PCS) and Other Portals	19	45%
0.1 – Introduction to Working with the Public Sector	13	31%
Webinar: Quality Management System - ISO9001 Policy Workshop	12	29%
3.3 - Expanding Your Procurement Marketplace	12	29%
Webinar: Health and Safety	7	17%

Other Comments

“Despite having been successful in winning a contract for Moray Council, as a “Micro” Business, I find using the PCS daunting.”

“Do you run similar training for Buyers? My experience of PCS is that Buyers are often less than professional in their approach e.g. lack of information about the opportunity in the abstract, or failure to meet their own timing targets for response to tenders (almost all of the tenders I have submitted have been late in announcing the decision).”



“You mentioned local content for tender meaning of local.”

“Tendered for over 10 years. Grown our business through PCS/PCS-T.”

“For me, the focus must be on how, as a micro business, we can deliver in our area of a much larger contract. We are specialists, very rarely does a contract come up that we can fulfil in full, but often we could provide our element of a larger contract better and cheaper than a general contractor would deliver.”

“Sector Specific Guidance relating to submitting bids for the provision of Healthcare Services - complex and bespoke care packages. [Personal contact information redacted]”

“How to pull resources with other companies to improve bids. Third sector organisations and working with them.”

“Reminder of contracts coming up for tender if application has been submitted before.”

“It would be useful to see "Meet the Real Buyer" events to understand what people are looking for. Also looking at how a tender is "marked" within TMC. Is this Department specific?”

Next Steps

Next steps include scheduling training events for SMEs and supported businesses based in Moray Council, which are based upon this quantitative and qualitative data.

More Information

For further information on the Supplier Development Programme, visit www.sdpScotland.co.uk or email info@sdpScotland.co.uk.

Appendix II

Supplier Development Programme, 2019 – 2020 Activities

Event name	Event date	Region	Total attendees	Attendees from Moray	Unique Businesses from Moray
Meet the Buyer North 2019	04/09/2019	North	560	54	10
Children and Families Service (CFS) Framework Training - AM Session - Dundee City Council	16/09/2019	Dundee	17	2	2
1.1 Introduction to Tendering - WEBINAR	24/09/2019	Webinar	48	2	1
WEBINAR: Quick Quotes made easy	02/10/2019	Webinar	25	1	1
Moray Council SDP Launch Event	03/10/2019	Moray	83	57	12
1.2 Using PCS and other portals - WEBINAR	09/10/2019	Webinar	13	1	1
Scotland Excel's Care & Support Services - National Flexible Framework	22/10/2019	Webinar	44	2	2
Quick Quotes made easy - WEBINAR	30/10/2019	Webinar	18	1	1
Meet the Buyer 2019	13/11/2019	Webinar	1135	13	6
Supply Chain Cyber Security Tool - supplier training- WEBINAR	21/11/2019	Webinar	7	1	1
2.3 Improving Your Bid Score - Moray	16/01/2020	Moray	10	9	8
2.1. Tender Procedures and the European Single Procurement Document (ESPD)	19/02/2020	Moray	11	10	9



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

SUBJECT: DIGITAL ROLL OUT IN MORAY

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of progress to date on digital roll-out and future plans.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 It is recommended that the Committee agree;
 - (i) to council officers developing a communications plan to encourage the uptake of broadband where it is available but underutilised;
 - (ii) council services involved in supporting businesses are prepared to provide advice on voucher schemes;
 - (iii) council services involved in providing advice to residents are prepared to signpost those looking for information on vouchers to the relevant place;
 - (iv) to engage with both governments to advocate for Moray; and
 - (v) to engage with both governments to advance Moray's position as set out in paragraph 4.6.

3. **BACKGROUND**

- 3.1 This report should be read in conjunction with **Appendix 3 – Glossary** for a full list of acronyms used.
- 3.2 In 2010/11 the UK Government set out its ambition for broadband which was for 90% of premises in the UK to have access to >24mbps broadband by the beginning of 2016. The programme was called BDUK and ultimately delivered to 95% of properties by the end of 2017.
- 3.3 The Scottish Government in 2012 announced its own ambition to deliver >24mbps to 95% of premises by the end of 2017. This resulted in the DSSB being set up, and responsibility for delivering in the Highlands and Islands was delegated to HIE.
- 3.4 Both the UK and Scottish Governments reached their targets nationally, however HIE did not reach the 95% target due to the rural nature of the region and the associated difficulties, such as less houses being served from each investment due to the distribution of housing. The Highlands and Islands figure at the end of 2018 was 84%. This is now likely to be slightly higher due to some reinvestment.
- 3.5 In Moray 84% of the population are now able to access a connection greater than 30mbps, 87% are able to access 24mbps and 8% are not able to access a connection faster than 10mbps. Worryingly 12% of businesses cannot access a connection faster than 10mbps, compared to 5% nationally. Of the 900,000 premises targeted by DSSB the national take up of the subsidised service is just below 50%. Interactive report can be viewed here.
<https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2019/interactive-report>
- 3.6 It is worth noting here that the 95% target is not the DSSB contract area with BT. The target with BT was to deliver 77% of the contract area, which were premises that would not otherwise be commercially viable and market failure exists. This obviously leaves 23% of the market failure areas unserved with large urban centres pulling up the national average.
- 3.7 The Better Broadband Voucher Scheme was developed to give people with less than 2mbps speeds access to alternative means such as satellite. The voucher was worth £350 however that would still require the consumer to contribute to the overall cost and more expensive than average contract costs.
- 3.8 Overall the DSSB programme cost £442 million, with £146 million from BT, and £296 million from the public sector. This includes Council contributions of £40 million and £11.4 million from HIE
- 3.9 Post DSSB the Scottish Government (SG) has moved on to the R100 programme, which is effectively a continuation of DSSB but using the EU

Superfast Broadband definition of >30mbps, up from DSSB's >24mbps. This programme was to be delivered by 2021.

- 3.10 It is important to note that the R100 programme does not aim to reach 100% of properties. It is an ambition to move towards reaching 100%. This is stated in the Scottish Government procurement documentation here https://www.publiccontractsscotland.gov.uk/search/show/search_view.aspx?ID=DEC304361. Furthermore, R100 will not target premises that get between 24 and 30mbps. For Moray this means that 13% of properties will be targeted with R100, with 3% below 30mbps but not being included in the programme scope.
- 3.11 The roll out of R100 is broken down into the geographical areas, or 'Lots' for procurement purposes. Moray is in Lot 1, the North. BT Openreach have won the tender, but not signed contracts, for Lots 2 & 3 and were named the preferred bidder for Lot 1. This was the subject of a legal challenge as there was more than one bidder however this has now been resolved and the Scottish Government are in the process of finalising the contract to BT Openreach
- 3.12 LOT 1 includes around 100,000 premises and the contract value is £384 million. This Lot is more than a year behind schedule already and it can be assumed the completion date will be later than 2023, possibly 2025. A further issue is that in the more accessible Lot 2 R100 will only reach 87% of the eligible premises.
- 3.13 The more difficult nature of Lot 1 means that the number of premises reached could well fall below 80%, meaning 20,000 properties without provision. Included in Lot 1 are the areas to the east of Moray and south to Dundee, which will be more easily reached. Aberdeen is excluded. It is important that the Scottish Government are alert to the risk that BT Openreach leave the least accessible properties but still hit their targets.
- 3.14 The Lot 1 roll out is further complicated by there being 9 mandated areas where 25% of the connections must be FTTP connections. This is both costly and time consuming and will delay the contract award and completion.
- 3.15 FTTP connections when installed can be expensive to the consumer. The Openreach network is not open to other providers as is FTTC connections. This therefore limits the choice consumers have and the lack of competition currently means higher prices.
- 3.16 A further complication is the UK Government pledge that every home in the UK will have access to a gigabit connection by 2025, which would overtake the Scottish Government not having 100% of premises on a 30mbps connection. As has been the case in all these programmes, there will likely be some roll back on the 2025 date however.
- 3.17 The Scottish Government has announced in the interim that those who will not be reached by R100 and those who will not be reached by 2021, even if R100 will eventually reach them, will be entitled to a voucher scheme for alternative methods of connection. Those who will not be reached by R100 or other

commercial investment will be entitled to a voucher of up to £5000, which includes business premises. Those who will not be reached by the end of 2021 will be entitled to a voucher of £400 plus an extra £250 if the area is particularly hard to reach.

- 3.18 These vouchers should be explored in detail by any consumer wishing to pursue them as there are state aid issues that may rule them out of any future investment from the public and private sector.
- 3.19 Currently 87% of Moray can receive a 4G signal from at least one provider, compared with 80% in Scotland and 91% in the UK. The Scottish Government 4G infill project is ongoing. Chapeltown near Glenlivet is the only location in Moray to be targeted in 2020.

4. FUTURE DIGITAL ROLL-OUT IN MORAY

- 4.1 With R100 delayed, and with the possibility of less than 80% of the 13% of properties included in R100 being serviced by 2023 the Council needs to be involved in discussions with SG to ensure the contract Moray receives an equitable proportion of investment and there is not a disproportionate investment by BT in easier to reach areas. This is especially true in light of the reliance on digital created by COVID.
- 4.2 The Council needs to work with partners to ensure that residents are aware of the voucher scheme, the benefits and costs involved and be in a position to guide them through the process. This can be achieved through communications from the Council in partnership with other public and 3rd sector organisations. The MyMoray website will be used to host information on the scheme that residents can be signposted to.
- 4.3 Rural Businesses with access speed issues will also be eligible for vouchers. Support can be given to access these through Business Gateway and HIE Digital if appropriate and new entrants will be made aware of these also. Business Gateway have experience in the digital landscape and are aware of the most recent developments and in partnership with HIE Digital can advise businesses accordingly. **Appendix 2** shows the digital training provided by Business Gateway in the past year.
- 4.4 There are a small number of providers of alternative broadband solutions across the region which may cause a backlog should there be a surge in uptake. Business Gateway services are available to these providers should they wish to take on additional staff or make additional investment to meet demand.
- 4.5 **Appendix 1** contains information on the Socio Economic Impacts of Broadband. The Ofcom report has shown that there are diminishing returns for investment in higher broadband speeds. Beyond 24mbps the returns are likely negligible to the individual so the impact of the delay when viewed with the voucher scheme can be mitigated. The UK government report shows however that in areas with poor broadband infrastructure where investment occurred 80% of the benefits to the local economy came from business

displacement from other areas. This is a serious risk to the Moray economy when we look at the other areas that are in Lot 1, Such as Aberdeenshire, Angus and Dundee as well as larger towns in Highland, as if these areas receive investment before Moray there is a risk of losing businesses and inward investment in the region.

- 4.6 To address this risk the Council should place emphasis on engagement with both governments for digital priority on the priority in the Digital Strategy for Scotland here. <https://www.gov.scot/publications/realising-scotlands-full-potential-digital-world-digital-strategy-scotland/>

1. *“Increase adoption of technologies within manufacturing through the delivery of our plan ‘A Manufacturing Future for Scotland’”.*

In practical terms Moray Council should lobby both Governments to ensure that all projects have the necessary funds made available to digitally future proof all investments at the outset in all Public Sector investment in Moray.

- 4.7 Take up of the existing provision should be encouraged. Currently from the DSSB project only just under 50% of premises with a connection to a 24mbps connection have taken it up. By encouraging take up the economy could realise benefits from individuals who are not yet providing diminishing returns in terms of economic benefit. This could be achieved through communications from the Council and partners.
- 4.8 The Scottish Government report (**Appendix 1**) appears to have focused on the benefit to business figure when stating the benefit is £12 for every £1 spent. As the UK report states they have measured the residential benefit at £1.18 and the business benefit at £12. It is therefore apparent that focus should be on delivery and uptake for business.

5. **SUMMARY OF IMPLICATIONS**

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

Digital is a cross cutting theme in the corporate plan. Inconsistent digital infrastructure is identified as a barrier to efficiencies that can be gained through digital service provision and lead to a more efficient Council. Poor digital infrastructure is also recognised a barrier to the people of Moray being able to access everyday digital services that are offered by the Council but also others.

The Corporate Plan explicitly states that the Council will look to work in partnership with the Scottish Government on the R100 programme.

The LOIP identifies digital as a barrier to empowering and connecting communities, and like the Corporate Plan places a responsibility on the Moray Economic Strategy to deliver digital.

The Moray Economic Strategy, as with the Corporate Plan has digital as a cross cutting theme that enables the growth of the economy as a whole across all industries.

(b) Policy and Legal

There are no policy or legal implications

(c) Financial implications

There are no financial implications

(d) Risk Implications

There are no risk implications

(e) Staffing Implications

The report suggests communications for residents from Moray Council and communications for businesses from Business Gateway. This would have staff time implications however following discussions with Highlands and Islands Enterprise they are willing to work with Business Gateway to support businesses in this field.

(f) Property

There are no implications for property

(g) Equalities/Socio Economic Impact

The report states that there could be implications for the Moray economy if the region does not receive an equitable share of the R100 roll-out.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, Paul Connor (Principal Accountant), Lissa Rowan (Committee Services Officer), the Business Gateway Manager and the Equalities Officer.

6. CONCLUSION

6.1 87% of properties in Moray could access a broadband connection speed of greater than 30mbps in 2018.

6.2 R100 programme aims to reach a further percentage of the 13% of the population who cannot receive these speeds however this programme has been delayed to a 2023 completion at the earliest

6.3 In the interim a voucher scheme will be made available to individuals and businesses.

6.4 The Council should engage with partners and consumers to explore the costs and benefits of the vouchers as well as encourage uptake of existing provision. Support will be provided to businesses and individuals to facilitate the process through MyMoray and Business Gateway.

Author: Michael O'Donnell, Senior Officer Economic Strategy and Development

Background Papers: Appendix 1 – Economic and Social Impacts of broadband
Appendix 2 – Digital Skills Provision in Moray
Appendix 3 - Glossary

Appendix 1 - Economic and Social Impact of Broadband

Economic Impact of Broadband

- 2.1 The economic impacts of public broadband infrastructure investment are difficult to quantify for a number of reasons. Firstly it is difficult to distinguish between the economic impact of the intervention and commercial investment. Secondly data is not readily or reliably available at the local level to analyse the impact where the public investment will have been greatest. Thirdly, it is a technical exercise to isolate the broadband element of the economy's performance which requires econometric techniques to be applied. Finally it is difficult to fully understand the private sector investment that would have otherwise occurred over time.
- 2.2 To provide a picture of what the Scottish Government and UK Government believe to be the public benefit there are two reports to look at.
1. [Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme](#): Department for Digital, Culture, Media and Sport: August 2018. Prepared by Ipsos Mori
 2. [Digital Scotland Superfast Broadband Contract One Benefits Realisation Study](#): Prepared for Scottish Government: April 2019. Prepared by Analysys Mason
- For a more independent review the results of a report by Ofcom on the impacts of broadband will be used.
3. [The Economic Impact of Broadband: Evidence from OECD Countries](#): Ofcom: April 2018
- 2.3 The UK Government report focuses on 3 key measures; employment, turnover and turnover per employee. The results are that the BDUK scheme increased employment by 0.8%, turnover by 1.2% and turnover per employee by 0.3% in the areas where investment took place. There are 2 key things to note here. BDUK focused on the most disadvantaged areas in terms of broadband, which are often rural and have low productivity so a low base. Secondly it is estimated that 80% of the increases came from businesses relocating into areas due to the investment, which means displacement from other areas. The 0.3% increase in turnover per worker is the key figure as it isn't influenced by displacement and shows a truer picture. Turnover is not profit however.
- In terms of value for money it is estimated that every £1 invested returns £1.96. This is made up of 2 components. Domestic benefit at £1.18 and commercial benefit at £12.28. These are then scaled to get £1.18 per £1.
- 2.4 The Scottish Government review presents one highlight figure that for every £1 of public money invested £12 of economic benefit will be derived. This figure is made up of two key elements. The consumer Surplus (the difference between what a consumer does pay and what they would be willing to pay. In this case £180 per household per year) and the business benefits which are a productivity rise of 5% over 10 years and private sector teleworking at 2% per year. Also included in this is the direct spend (money accruing to BT) and the indirect and induced spend of more money being in the economy from the productivity gains.

- 2.5 The report for Ofcom uses econometric modelling to assess the impact of broadband across the OECD nations. It is therefore the most high level report but the techniques used are the most advanced and likely the most accurate. The results of this study tell us that between 2002 and 2016 the UK experienced an increase in GDP from people adopting broadband of 5.28%. Over this period the UK went from having 3 lines per 100 people to 38.6. In addition to this the investment in the speed of the infrastructure saw an increase in GDP of 1.71%, giving a combined total of 6.99%.
- 2.6 The most interesting part of this study however is its ability to test the relationships between further investment and increases in GDP. It found that beyond a certain speed (9.8mbps) diminishing returns occurred. It was found that without additional investment in preparing an economy to utilise higher speeds the provision itself was not a good investment.

Social Impact of Broadband

- 3.1 The UK Government Report places the wellbeing value of broadband to each upgraded premises at £225 per person. This is based on surveys of life satisfaction measures that are then regressed controlling for variables that are known to affect life satisfaction between different groups. Unsurprisingly the results showed that 18-30 years old achieved the greatest increase in life satisfaction. Older than that the affect was negative. Interestingly the report states that there is no evidence that investment aided those looking for work, rather jobs were created through the investment in business.
- 3.2 The Scottish Government report does not place a value on wellbeing but concludes that there are benefits from smart homes, education, the environment through less travel and social inclusion
- 3.3 The Ofcom report does not focus on social wellbeing.

Appendix 2 - Digital Skills Provision

- 4.1 Digital skills are provided primarily through Business Gateways Digital Boost program. Highlands and Islands Enterprise liaise with Business Gateway on these however delivery lies with them.
- 4.2 Highlands and Islands Enterprise focus on growth companies in certain key sectors and account manage some businesses within those categories. They provide digital services to them alone. They also have the Hello Digital facility at the An Lochran building at Inverness campus.
- 4.3 The Business Gateway figures for businesses supported are in the table in Appendix 1. Over the previous financial year they supported 345 businesses across 23 workshops in Moray. This information was provided by the Moray Business Gateway Manager

Digital Boost Workshop	Sessions	Contractor	Venue
Web & Social Media Analytics (Intermediate)	1	TRP	The Inkwell Elgin
Digital Marketing Strategy	1	TRP	The Inkwell Elgin
Facebook for Business (Intermediate)	1	Tuminds	The Inkwell Elgin
LinkedIn for Business (Intermediate)	1	Tuminds	The Inkwell Elgin
eCommerce (Intermediate)	1	TRP	Horizon Centre Forres
Keep your Business Safe On-line Cyber Essentials (Intermediate)	1	TRP	Horizon Centre Forres
Paid for Advertising (Intermediate)	1	Tuminds	Horizon Centre Forres
E-mail Marketing (Intermediate)	1	Tuminds	Horizon Centre Forres
Producing Engaging On-line Content (Intermediate)	1	TRP	The Inkwell Elgin
Web & Social Media Analytics (Intermediate)	1	TRP	The Inkwell Elgin
Digital Marketing Strategy	1	TRP	Horizon Centre Forres
Facebook for Business (Intermediate)	1	TRP	Horizon Centre Forres
Enhance Your Business with Digital	1	TRP	The Inkwell Elgin
Pinterest, Instagram and Photography for Business	1	TRP	The Inkwell Elgin
Video Production for Social Media	1	TRP	Horizon Centre Forres
Facebook for Business (Intermediate)	1	Tuminds	The Inkwell Elgin
LinkedIn for Business (Intermediate)	1	Tuminds	The Inkwell Elgin
Effective E-commerce	1	TRP	The Inkwell Elgin
Keep your Business Safe On-line Cyber Essentials (Intermediate)	1	TRP	The Inkwell Elgin
Facebook for Business (Intermediate)	1	Tuminds	The Inkwell Elgin
Paid for Advertising (Intermediate)	1	Tuminds	The Inkwell Elgin
Twitter & Hootsuite (intermediate)	1	Tuminds	Horizon Centre Forres
LinkedIn for Business (Intermediate)	1	Tuminds	Horizon Centre Forres

Appendix 3 - Glossary

DSSB	Digital Scotland Superfast Broadband (24 bps speed target)
CBS	Community Broadband Scotland
R100	Reaching 100 (30 mbps speed target)
Superfast Broadband	Speeds above 30mbps (EU definition)
Ultrafast Broadband	Speeds above 100mbps on a 1GB capable connection
USO	Universal Service Obligation – UK Government commitment that everyone will receive 10mbps by end 2020.
Better Broadband Voucher Scheme	UK Government interim Scheme to provide basic broadband
BDUK	Broadband delivery UK
HIE	Highlands and Islands Enterprise
FTTP	Fibre to the premises
FTTC	Fibre to the cabinet



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

**SUBJECT: PERFORMANCE REPORT (ECONOMIC GROWTH AND
DEVELOPMENT SERVICES) – HALF YEAR TO MARCH 2020**

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the service for the period from 1 October 2019 to 31 March 2020.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) **scrutinises performance of the Service Plan, Operational Performance Indicators and Complaints to the end of March 2020;**
- (ii) **welcomes good performance; and**
- (iii) **notes the actions being taken to improve performance where required.**

3. BACKGROUND

- 3.1 At a meeting of the Moray Council on 7 August 2019, a revised Performance Management Framework was approved (para 5 of the minute refers). A key part of this framework covers the Managing, Delivering and Reporting of Performance. This was intended to increase focus on priority areas and

reduce the detailed narrative around lower priority indicators in order to ensure that debate, scrutiny and challenge was directed at the areas of strategic importance to the council rather than routine operational performance. Whilst the latter is clearly deserving of scrutiny if trends develop, consideration at committee should focus on the ability to deliver priorities in the LOIP, Corporate Plan and Service Plan. This half yearly performance report allows the Service Plan priorities, any relevant Operational Performance Indicators and Complaints Data for Economic Growth and Development Services, to be monitored by committee as outlined in this section of the framework.

- 3.2 The Performance Monitoring Statements document was developed to support the Performance Management Framework. This half-yearly performance report refers to this document. The document includes tabular updates on actions, indicators relating to Service Plan priorities as well as complaints data, and can be found at:
http://www.moray.gov.uk/moray_standard/page_92321.html

4. SUMMARY OF PERFORMANCE

- 4.1 At a meeting of the Planning and Regulatory Services Committee on 10 December 2019, approval was given for the Economic Growth and Development Services Service Plan covering the period 2019-2021 (para 9 of the minute refers). As per the Performance Management Framework, this Service Plan consists of two distinct sections;
- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan and the Corporate Plan.
 - Service Level Outcomes – reflecting service priorities not covered in higher level plans.
- 4.2 A total of 6 actions relevant to the Economic Growth, Housing and Environmental Sustainability Committee were included in the Economic Growth and Development Services Service Plan; overall the Plan is 67% complete. One action was due for completion by the end of 2019/20, although not yet complete it has recorded progress of 85%. Two actions not yet due for completion at the end of 2019/20 were completed by year end.

Level of Action	Number of Actions	Expected completion by end of 2019/20	Actual completion by end 2019/20
Strategic Outcome	2	1	0
Service Level Outcomes	4	0	2

Strategic Outcomes - successes

- 4.3 Contributing to the Corporate Plan priority 'Our Future: Create a vibrant economy for the future', In March, Moray was awaiting the signing of Heads of Terms which was delayed due to COVID-19 but this has now been completed. The programme aims to complete the outline business cases for all projects

by December 2020 with a view to getting a final sign off by March 2021 - EG&D19-20.ST-1.1.

Service Level Outcomes - successes

- 4.4 In supporting the development of the Climate change Strategy and Action Plan by progressing a Climate Change spatial framework, showing opportunities for food production, renewable energy development and woodland planting to inform future decision making; the Economic Growth and Development service have contributed to the formulation of the strategy and action plan, and some of these actions are now incorporated into key delivery plans such as the Local Development Plan Delivery programme - EG&D19-20.SL-2.
- 4.5 In contributing to the growing and diversifying a sustainable economy by supporting the development of Business Improvement districts; the City of Elgin BID re-ballot has been successfully completed with the results having been announced on 28 November 2019. The Visit Moray Speyside Tourism BID ballot has also been successfully completed with the results having been announced on 16 January 2020. For both BID's Operating agreements have been drawn up to cover the 5-year operational periods. All monitoring, support & levy collection systems are in place. EG&D19-20.SL-10.1.

Strategic Outcomes – challenges and actions to support

- 4.6 Within the Corporate Plan priority 'Our Future: Drive economic development to create a vibrant economy for the future' is the planned outcome to progress the Moray skills investment plan (SIP). The actions from the Skills Investment Plan were all progressed, mapping of courses from Moray College was completed but the stage of developing actions to address those gaps was not completed before the end of March. This work was overtaken by COVID-19 economic recovery work which will radically reshape the nature of skills investment and development nationally and locally. The Economic Recovery Action Plan is reported separately to this meeting. The SIP will be revisited when actions are progressing in terms of the Recovery Plan, as will other core economic strategic documents which predated the pandemic. The change management plan to bring the employability functions into one service has still to be progressed. EG&D19-20.ST-1.2.

Service Level Outcomes – challenges and actions to support

- 4.7 A couple of actions due to be complete in the coming financial year and related to town centres have been delayed by COVID-19 but are still advancing and one deadline has been extended by Scottish Government. Updated progress on these will be reported in the half year performance report to September 2020. Much of the detail is covered in the Economic Recovery Plan Report (being presented to this Committee on the 6 October 2020) and the Elgin Town Centre Masterplan (due to be presented to Planning and Regulatory Services Committee in November/January).
- 4.8 Some progress in the preparation and delivery of the Elgin Town Centre Masterplan and completion of the carbon free place pilot projects has been

made but subject to a 6 month delay due to the pandemic. The draft Masterplan is due to be submitted to Planning and Regulatory Services Committee by January 2020. EG&D19-20.SL-10.2

- 4.9 Town centre activities are supported through the delivery of the Town Centre Capital fund, delivering 59 projects with an investment of £3.2m, to date 25 projects have been completed. The Scottish Government has extended deadline by one year to September 2021. Town Centre related proposals are included in the Economic Recovery Plan Report presented as a separate agenda item to this Committee. EG&D19-20.SL-10.3

Operational Indicators - successes

- 4.10 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management (DMT). Since March the normal DMT reporting process has been disrupted with the main focus of work being the response and early recovery of services. With many services now fully recovered, the reporting process will be reinstated. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance is below comparators, will be reported to this committee for member scrutiny.
- 4.11 In relation to Business start-ups, although the number is down in this reporting period compared to the same time last year (particularly in quarter 4 potentially due to COVID-19) the 2019/20 total is still higher than the previous year with a total of 157 new business start-ups through the Business Gateway compared to 132 in 2018/19. This facilitated the creation of a total of 211 full time equivalent jobs and secured funding of £639k in 2019/20. Meantime the survival rate of Businesses at the 3-year stage has again risen slightly and now stands at 88% (based on 100% sampling).
- 4.12 The area of Employment Land (Marketable/Effective) available is higher than in previous years with an increase of 49.84 hectares to 129.68 hectares. Meanwhile the area of Immediately Available Services Employment Land remains above 39 hectares at 39.3 hectares.

Operational Indicators - challenges and actions to support

- 4.13 Due to COVID-19 no Town Centre Health Checks will be undertaken in Summer 2020. It is the service's intention to undertake a space-in-use survey in October.

Complaints & MP/MSP Enquiries

- 4.14 Between October and March 2020, Economic Growth and Development Services received 20 complaints; a rise of 25% compared to the same period last year but on low numbers. 11 complaints were closed with 4 (36%) dealt with as frontline, 7 were investigated further with none escalated. A total of 3 complaints (27%) were upheld or part upheld, compared to 7 upheld or part upheld in quarter 3 and 4 last year. In addition to the complaints received, 22 MP/MSP enquiries covering a variety of issues were dealt with in the same period.

5. SUMMARY OF IMPLICATIONS

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

Performance measurement is used to ensure the efficient and sustainable delivery of services to meet the Council's priorities in both the Corporate Plan and the LOIP.

(b) Policy and Legal

The Council has a statutory requirement to publish a range of information that will demonstrate that it is securing best value and assist in comparing performance both over time and between authorities where appropriate.

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because the report is to inform the Committee on performance.

(h) Consultations

The Head of Economic Growth and Development Services, the Depute Chief Executive (Economy, Environment and Finance), the Development Management and Building Standards Manager, Environmental Health and Trading Standards Manager, Strategic Planning and Delivery Manager, the Economic Growth and Regeneration Manager, the Legal Services Manager, the Equal Opportunities Officer, and Lissa Rowan, Committee Services Officer have been consulted with any comments received incorporated into this report.

6. CONCLUSION

- 6.1 At the end of 2019/20, 2 Service Plan outcomes have been completed ahead of time and one is overdue but is 85% complete. The remaining 3 have longer term due dates and will therefore be carried forward. Economic Growth and Development Services indicator performance has remained positive with no exceptions to report.**

Author of Report: Catriona Campbell, Research & Information Officer
Background Papers: Held by Author
Ref:



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

SUBJECT: NO ACCESS POLICY CONSULTATION

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

1. REASON FOR REPORT

- 1.1 This report provides the Economic Growth, Housing and Environmental Sustainability Committee with a summary of the feedback received during the agreed consultation period and presents the No Access Policy for approval.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

- 2.1 **It is recommended that the Economic Growth, Housing and Environmental Sustainability Committee:**
 - (i) **considers the feedback received during the consultation period set out in Section 4 and APPENDIX I;**
 - (ii) **approves the revised No Access Policy as set out in APPENDIX II; and**
 - (iii) **agrees that the revised No Access Policy will be implemented from 12 October 2020.**

3. BACKGROUND

- 3.1 On 3 March 2020 the Communities Committee agreed the draft No Access Policy, subject to a period of tenant consultation (paragraph 8 of the minute refers). The Committee also agreed that the consultation feedback and outcome of the public consultation would be presented to a future meeting of the Communities Committee. As per paragraph 1.2 above the report is now

presented to the Economic Growth, Housing and Environmental Sustainability Committee.

- 3.2 The draft No Access Policy was developed to ensure access to Council properties where required to meet any legislative, regulatory or contractual obligation. The policy adopts the same escalation and forced entry process as is currently in place for gas servicing. The draft policy also includes a focus on customer contact to make mutually convenient appointments wherever possible in an attempt to minimise the number of no access cases from the outset. Where there is no engagement from the tenant or co-operation, without a valid reason, the Council will follow the escalation process in an attempt to gain access. Where contact and access is repeatedly refused, the Council will ultimately exercise its legal right to gain access to the property. It is important to note that forced entry will always be a last resort while requirement to fulfil safety obligations remain paramount.
- 3.3 One of the main drivers of this policy was the introduction of the Housing Scotland Act 1987 (Tolerable Standard) (Extension of Criterion) Order 2019. This legislation extended the already high standard of protection regarding fire and carbon monoxide in social housing and placed a new duty on the Council to ensure all housing stock have satisfactory smoke, fire and carbon monoxide detectors by February 2021. Access to all Council properties is essential to meet this legal duty however due to the effect of the COVID-19 pandemic on a landlord's ability to now meet this tight deadline and on the planned maintenance schedule, the Scottish Government have extended this deadline by three months to May 2021.

4. CONSULTATION RESPONSES

- 4.1 The consultation period ran from 3 March 2020 to 24 March 2020. During this time the draft policy, along with an easy to read version, was published on the Council website and social media platforms. While a web-based survey was developed to seek feedback, hard copy surveys were sent to those who requested it.
- 4.2 All tenants were contacted by email or letter and given the opportunity to provide their feedback. Due to the sensitive nature of potentially having to force entry to their home Officers felt it was appropriate to give all tenants the opportunity to respond rather than a random sample.
- 4.3 A total of 342 responses were received from 5967 tenants. This is a response rate of 5.7%. The low return could be attributed to the timing of the consultation period, which coincided with the start of the coronavirus outbreak in the UK.
- 4.4 An overview of the feedback, including details of the questions asked, are included in **APPENDIX I**. A summary of the feedback for the No Access Policy is set out below:
- 224 respondents (68.5%) support the new No Access Policy. 37 (11%) do not support the policy and 66 (20.18%) either did not know or did not want to answer.

- 260 respondents (86%) stated that the policy was easy to read and understand. 19 respondents (6%) did not find it easy to read while 25 (8%) did not know or did not want to answer the question.
- 26 respondents (8.6%) thought that a section of the policy should be reworded. Please see below for more detail;
- 42 respondents (14.53%) thought something had been missed from the policy. Please see below for more detail.
- 16 respondents (5.67%) thought that something should be removed from the policy.

4.5 Tenants were given the opportunity to leave additional comments along with the answers to each question. Analysis showed that the comments generally fell into one of the following categories. The categories are listed from highest to lowest in relation to the number of comments under each category:

General agreement with the policy

4.5.1 The majority of respondent's comments were in support of the policy.

Concerns regarding levels of contact and methods used to contact tenants

4.5.2 The most common comments were in relation to the level of contact or methods of contact that tenants feel the Council should be using. Suggestions included text, email, WhatsApp, Facebook rather than just letters, particularly for those who work away from home. Some comments expressed concern that little or no contact had been made prior to no access letters or workmen turning up for appointments that the tenant had no knowledge of.

4.5.3 This will be raised with the relevant manager and any improvements identified will be implemented through the supporting procedures to ensure all available and/ or enhanced methods of communication are utilised to improve the service.

Flexibility with appointments

4.5.4 Several respondents requested consideration of more flexible appointments for tenants who work full time and are unable to take time off to allow access during the week. The Council offers late afternoon appointments to try and address this issue.

Issues already addressed and considered within Policy

4.5.5 Some comments related to concerns regarding tenants who have specific vulnerabilities, physical or mental health issues and would require enhanced communication as well as support and assistance. Section 7 of the policy addresses this and commits the Council to working with the tenant to try and find a mutually convenient solution to allow the work to be carried out with minimal disruption or, where possible, delay the work to a more convenient time. Officers will consider the recording of such vulnerabilities, with the tenant's consent where required, to ensure all cases are dealt with appropriately.

General disagreement with the policy

4.5.6 A few tenants disagreed with the policy in general.

Legislative notice periods for landlord gaining access to tenant's home

- 4.5.7 Several comments suggested that the council either do not have the right to force entry or they should increase the 24 hour notice period for forcing entry to 48 or 72 hours. The landlord's right to access the property and the 24 hour notice period is set out in legislation - Schedule 4 of the Housing (Scotland) Act 2001 and Section 5 of the Scottish Secure Tenancy Agreement. It is important to note that this 24 hours is the notice period at the final stage before forced entry. There would have already been multiple attempts to make contact with the tenant prior to this stage that would have spanned across several weeks or up to 2 months.

Disagreement with re-charges

- 4.5.8 As set out in section 4.8 of the Policy, the legally binding Scottish Secure Tenancy Agreement sets out that the tenant will be liable for the costs of any damage reasonably caused by the Council due to forcing entry to the property where the tenant has already been given every reasonable opportunity to give access.

Wording of letters

- 4.5.9 A few tenants expressed concerns that the letters that are sent regarding forced entry could be re-worded to make them more explanatory. This is something that can be addressed during the development of the procedures and finalisation of any supporting letters.

Pets

- 4.5.10 A few tenants expressed concern at forcing entry when there are pets in the property. This further justifies the need for tenants to communicate and agree a suitable appointment.

- 4.6 Having given full consideration to the comments returned during the consultation, no changes have been made to the No Access Policy. The above mentioned issues will be discussed with relevant managers and any improvement action identified will be incorporated during the procedure development to ensure they are robust.

- 4.7 The No Access Policy **APPENDIX II** is provided for Committee's approval.

5. POLICY IMPLEMENTATION

- 5.1 Subject to Committee's approval, Officers will develop an implementation plan. This will primarily focus on access to homes to meet the new legislative requirements regarding smoke alarms and carbon monoxide alarms. Further phases of implementation will include servicing, required improvement works, new build defects and property condition inspections.
- 5.2 Supporting procedures will be developed, which will incorporate safe working practices for staff and tenants during the continuing coronavirus pandemic. Detail within the procedures will ensure that no forced entry takes place where the tenant or any member of their household are displaying coronavirus symptoms or are self-isolating. The procedures will ensure the policy can be applied consistently with staff training provided where necessary.

- 5.3 Information resources will be developed to advise tenants of their responsibility to provide access to their homes and keep their contact details up to date. Officers will continue to highlight the Council's legal right of access for essential work in an attempt to raise tenants' awareness around the implications of no access cases to the tenant and the Council, as well as promoting the provision of support and assistance for tenants who need it. This information will be incorporated at sign-up interviews as well as articles in the Tenants' Voice newsletter and Council social media pages to encourage higher access rates.

6. SUMMARY OF IMPLICATIONS

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

The No Access Policy supports Priority 1 of the LOIP 'Growing, diverse and sustainable economy' and Priority 4 of the Local Housing Strategy to improve the condition and energy efficiency of social housing stock.

(b) Policy and Legal

This policy has been developed in line with the legal provisions set out within the Housing (Scotland) Act 1987, as amended by the Housing (Scotland) Acts 2001 and 2006 and the Housing Scotland Act 1987 (Tolerable Standard) (Extension of Criterion) Order 2019.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

Non-compliance by the Council in respect of their statutory duties under the Housing Scotland Act 1987 (Tolerable Standard) (Extension of Criterion) Order 2019 in relation to satisfactory smoke and carbon monoxide alarms presents a number of significant risks. It can lead to serious injury to life for those living in a non-compliant property. This risk also extends to neighbouring properties. The Council need to safeguard their tenants and minimise the risk to the Council of any potential prosecution or intervention from the Scottish Housing Regulator.

(e) Staffing Implications

Due to the scale of the improvement programme, external contractors are required and have been appointed through the necessary procurement process.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

Article 1 and 8 of the Human Rights Act 1998 provides basic rights to property and privacy. The policy content would provide objective justification to impede these rights due to the Council using proportionate means to adhere to legal duties in relation to tenant safety.

(h) Consultations

Consultation on this report has taken place with the Acting Head of Housing and Property Services, Housing Services Manager, Building Services Manager, Property Services Manager, Housing Strategy and Development Manager and Officers within the Housing Service, Legal Services Manager, Deborah O'Shea (Principal Accountant), the Equal Opportunities Officer and Lissa Rowan, Committee Services Officer. Any comments have been incorporated into the report.

7. CONCLUSION

- 7.1 This report provides the Economic Growth, Housing and Environmental Sustainability Committee with an overview of the feedback received from the consultation on the No Access Policy to ensure compliance with the legislative provisions amending the tolerable standard in relation to smoke alarms and carbon monoxide detectors.**

Author of Report: Emma Armit, Senior Housing Officer (Policy)
Background Papers: With author
Ref:

No Access Policy Consultation Results

Do you support the draft No Access Policy?	Number	%
Yes	224	68.50
No	37	11.32
Don't know	61	18.65
Didn't want to answer	5	1.53
Total	327	100

Did you find the draft No Access Policy easy to read and understand?	Number	%
Yes	270	85.99
No	19	6.05
Don't know	19	6.05
Didn't want to answer	6	1.91
Total	314	100

Is there a section you would like to see re-worded?	Number	%
Yes	26	8.58
No	215	70.96
Don't know	55	18.15
Didn't want to answer	7	2.31
Total	303	100

Is there something that we have missed that you think should be included?	Number	%
Yes	42	14.53
No	181	62.63
Don't know	60	20.76
Didn't want to answer	6	2.08
Total	289	100

Is there anything you think should be removed?	Number	%
Yes	16	5.67
No	207	73.41
Don't know	53	18.79
Didn't want to answer	6	2.13
Total	282	100

*Please note that the total number of responses decreases for each question decreases throughout the survey. This is due to some respondents not answering all the questions.



MORAY COUNCIL

Housing and Property Services

No Access Policy

1. Scope of the Policy

- 1.1 This policy sets out the framework used by Moray Council to ensure access to all of its social housing stock when required. Moray Council have many legal, regulatory and contractual duties as a social landlord. These include ensuring its social housing stock meets national legal standards in terms of conditions, as well as ensuring the safety of all their tenants. To enable the Council to meet these duties, it is vital that there are no barriers to accessing any of its tenant's houses when necessary. Where barriers do exist the Council will work with the tenant to ensure the access is mutually agreeable, providing support to the tenant where required.

2. Strategic context

- 2.1 The No Access Policy will assist the Council to meet the aims and priority four of its Local Housing Strategy 2019 – 2024 'To improve the stock condition and energy efficiency of housing in the social sector' as well as the Moray 2027 - Corporate Plan.

3. Objectives and Principles of the Policy

- 3.1 The overall aim of Moray Council's No Access Policy is to ensure that its social housing stock is safe and meets all minimum required standards as set out in legislation, regulation and any contractual obligations.
- 3.2 The specific objectives of the Policy are:
- to ensure a robust escalation process is in place to provide the tenant with the opportunity to give access at a mutually convenient time while advising that it may lead to forced entry where no access is provided;
 - to allow the Council to exercise its legal right as a landlord to enter the property, having given the tenant the legally required notice of 24 hours,

to inspect the property's condition or carry out works required to meet any legal, regulatory and/or contractual obligations;

- to provide a fair and transparent process to gain access to the property where the tenant has either:
 - not agreed to give access; or
 - ignores any contact requesting access;
- to ensure that any forced entries are carried out with minimum disruption, complying with relevant legislation and good practice;
- to ensure that any tenant(s) who do not allow access to a Council property are re-charged for any associated costs the Council incurs by having to force entry.

3.3 The principles underpinning the Policy are:

- the Council will implement supporting procedures to ensure compliance. These will incorporate agreed good practice to ensure consistency;
- staff training will be provided to ensure that staff are equipped to carry out the roles expected of them;
- communication with tenants and service users will be in 'plain language'; and
- performance will be monitored to ensure the policy is being adhered to.

4. Legal Provisions, Regulations and Standards

4.1 The primary housing legislation governing the rights of a landlord in relation to property condition and repairs, including access to carry out necessary repairs, is contained within the Housing (Scotland) Act 1987 as amended by the Housing (Scotland) Acts 2001, 2006 and the Housing (Scotland) Act 1987 (Tolerable Standard) Extension of Criterion) Order 2019.

4.2 [Section 86 of the Housing \(Scotland\) Act 1987](#) sets out a 'Tolerable Standard' which is the minimum standard required for all housing. Any property below this standard is unfit for human habitation. The [Housing \(Scotland\) Act 1987 \(Tolerable Standard\) \(Extension of Criterion\) Order 2019](#) revises the tolerable standard to include:

- satisfactory equipment for detecting and warning in the event of fire or suspected fires; and
- satisfactory equipment for early detection and warning of carbon monoxide (CO) at hazardous levels.

4.3 [Schedule 4 of the 2001 Act](#) states that landlords have a duty to ensure that a house is wind and watertight and reasonably fit for human habitation, both at the beginning of the tenancy and throughout its term:

- 1) The landlord in a Scottish secure tenancy must—
 - (a) ensure that the house is, at the commencement of the tenancy, wind and watertight and in all other respects reasonably fit for human habitation, and
 - (b) keep the house in such condition throughout the tenancy.
- 2) The landlord must, before the commencement of the tenancy—
 - (a) inspect the house and identify any work necessary to comply with the duty in paragraph 1(a), and
 - (b) notify the tenant of any such work.
- 3) The landlord must—
 - (a) ensure that any work necessary to comply with the duty in paragraph 1(b) is carried out within a reasonable time of the tenant notifying the landlord, or the landlord otherwise becoming aware, that it is required, and
 - (b) make good any damage caused by the carrying out of the work.
- 4) The landlord, or any person authorised by it in writing, may at any reasonable time, on giving 24 hours' notice in writing to the tenant or occupier, enter the house for the purpose of—
 - (a) viewing its state and condition,
 - (b) carrying out any work necessary to comply with the duty in paragraph 1(b) or 3.

4.4 [Part 3 of the Housing \(Scotland\) Act 2010](#) governs the performance of

social landlords through the introduction of the [Scottish Social Housing Charter](#) outcomes. This set out the standards and outcomes tenants can expect from social landlords regarding the quality and standard of their home, as well as the value for money regarding the services they receive.

- 4.5 Outcome 4 - Quality of Housing - All council properties should meet the Scottish Housing Quality Standards (SHQS) at the time of allocation, meaning they are clean, tidy and in a good state of repair. These standards describe what all social landlords should be achieving in all their properties unless there are exemptions. This outcome also incorporates the Energy Efficiency Standard for Social Housing (EESH) which plays a vital part in meeting national energy efficiency standards set by the Scottish Government's aim of warm, high quality, affordable, low carbon homes across Scotland.
- [SHQS Technical Guidance for Social Landlords](#) sets out the minimum housing standards required.
- 4.6 The Scottish Secure Tenancy Agreement (SST) is a legally binding contract based on the above legislation and must be signed by all tenants. It protects both the tenants' and the Council's interests as well as setting out the responsibilities of both parties.
- 4.7 Section 5 of the SST states Moray Council's right and responsibilities as a landlord to carry out any work (repairs) necessary to put the house into a state which is wind and watertight and, in all respects, reasonably fit for human habitation. This duty includes:
- taking into account the extent to which the house falls short of any current building regulations and or safety standards; and
 - keeping in repair the structure and exterior of the house;
 - keep in repair and in proper working order, any installations in the house provided by us for:
 - the supply of water, gas and electricity;
 - sanitation (for example basins, sinks, baths, showers, toilets);
 - hot water heating;

- space heating (for example central heating) including fireplaces, flues and chimneys.
- the right of access in order to lay wires, cables and pipes for the purposes of telecommunications, water, gas, electricity.

4.8 It explains the Council's right to enter the property, having given 24 hours' notice in writing. Where entry is refused, forcible entry can be made provided the tenant has been given every reasonable opportunity to give access voluntarily. The tenant will be liable for the costs of any damage reasonably caused by the Council due to forcing entry to the property.

4.9 Other relevant provisions include, but are not restricted to, the following:

- The Gas Safety (Installation and Use) Regulations 1998 as amended by the [Gas Safety \(installation and Use\) \(Amendment\) Regulations 2018](#). These are supported by the Health and Safety Executive's (HSE's) Approved Code of Practice (ACOP).
- [General Data Protection Regulations \(GDPR\)](#) and the [Data Protection Act 2018](#) - The Council will ensure that any information obtained will be processed and used accordingly.
- [Equality Act 2010](#)
- [Human Rights Act 1998](#) – right to property (article 1 of protocol 1) and right to privacy (article 8) apply however the safety of tenant's would provide an objective justification with these rights due to it being a proportionate means to a legitimate aim.

5. Reasons for access

5.1 The main reasons the Council would require access are listed as follows:

Servicing

5.2 Any legally required safety checks or services to all heating system types, gas appliances, flues, chimneys, smoke alarms, carbon monoxide alarms or any other landlord duty covered by Section 4 above. This would include any tenant installed systems the Council have taken over responsibility for.

Improvement Works

- 5.3 Any improvement work or upgrade needed to meet new safety or energy efficiency legislation, regulations or standards will be prioritised. The Council must fulfil its duties as a landlord in terms of safety of tenants, neighbours and communities. This may include electrical re-wiring, upgrades to smoke alarms and carbon monoxide alarms, energy efficiency measures such as insulation, heating system upgrades, carrying out EPC surveys, asbestos surveys etc.

New Build Council Housing

- 5.4 Each new Council house has a one year defects period to identify and/or address any issues with the property. The terms of construction contracts requires each contractor to fulfil their obligations in terms of addressing any defects within a set timescale. These include value for money and a set specification for standards.

Property Inspections

- 5.5 The Council has the right to access any of its properties to view the condition of the property so long as they have given the tenant 24 hours' notice in writing.
- 5.6 This list is not exhaustive and will apply to any situation where the Council need access to a property to inspect or carry out work required to meet any legal and regulatory standard or contractual obligation.
- 5.7 Each scenario will be assessed in accordance with the relevant legislation in relation to it at the time.

6. Notice

- 6.1 The Council will always attempt to make contact with the tenant(s) to give prior warning of any work/inspection required, giving as much notice as possible to arrange a mutually convenient time for the work/inspection to be carried out. Various methods of contact will be used, such as phone, email and letter at each stage of the process to ensure that those away from home

for any period of time will receive the relevant communication regarding their property.

Contact

- 6.2 Following any initial, unsuccessful attempts to make contact, the Council will send an appointment letter to the tenant. If the tenant does not provide access to the property, the Council will leave a No Access Letter explaining the need for access and giving the tenant five working days to respond to make an alternative appointment.
- 6.3 Where the tenant does not respond to the No Access Letter a second appointment letter will be sent out. If the tenant does not provide access for a second time, the Council will leave a No Access Letter 2, again explaining the need for access and giving the tenant five working days to respond to make a suitable appointment.
- 6.4 Where the tenant does not respond to any contact or fails to give access to the property, a third warning letter will be hand delivered to the tenant giving a final opportunity to make contact and arrange an appointment that suits them or the Council will force entry to their home to carry out the necessary work/inspection.

7. Special Circumstances

- 7.1 The Council will always take into account any special circumstances that tenants may have which may affect access to carry out any work. Where it is identified that the tenant has any physical or mental impairment, medical issues, disabilities and/or vulnerabilities that will prevent the work or inspection from going ahead, the Council will work with the tenant to try and find a mutually convenient solution to allow the work to be carried out with minimal disruption or where possible delay the work to a more convenient time.
- 7.2 The Council will provide assistance to the tenant. The level of assistance provided will depend on whether the tenant has household and/or family members who could be reasonably expected to support and assist them. The

Council will use its discretion to establish the level of assistance that will need to be provided in line with the circumstances of each case.

8. Forced Entry

- 8.1 Where the tenant has failed to engage or give access, the Council will follow their supporting escalation procedures, up to and including forced entry to the property where necessary. Each case will be assessed and authorised by the relevant Housing or Service Manager.
- 8.2 A Notice of Intention to Enter (NOITE) will be hand delivered to the property giving a minimum of 24 hours' notice from the date and time of the appointment specified in the notice.
- 8.3 The Area Housing Officer and any relevant tradesperson will be present at each forced entry. If there is any concern in relation to safety the Council will liaise with Police Scotland regarding their attendance at the forced entry appointment.
- 8.4 The Council will ensure the property is secure following a forced entry and will change locks where necessary. The Council will leave information at the property advising the tenant where they can collect new keys and of the re-charges they will incur for not allowing access to the property. The Council will request the tenant shows suitable identification before allowing the new keys to be collected.

9. Re-chargeable Costs

- 9.1 The Council will re-charge the tenant(s) for any costs associated with the enforcement of a NOITE. The re-charges will be based on the Schedule of Rates held by the DLO for the relevant financial year. This will include the costs of trades' time and any materials required to repair the damage caused by forcing entry such as locks.
- 9.2 In cases where the tenant initially agrees to give access for the work but then refuses at a later stage, the Council will also seek to recover any abortive

costs that have been incurred at the date of the subsequent refusal. This may include design costs, materials, bespoke materials and so on.

- 9.3 In line with the Council's Rechargeable Repairs Policy, where re-charges cause financial pressure, affordable repayment agreements will be offered to the tenant. Any re-charges not paid will be escalated to the Council's debt recovery process which can lead to any future offers of housing being suspended.

10. Complaints

- 10.1 Any tenant who is not satisfied with the manner in which the Council has dealt with any aspect of the no access process should contact the Housing Services Manager in the first instance who will investigate and respond within 14 days.
- 10.2 If the tenant is still not satisfied, the Council also has a corporate Complaints Policy. The Complaints Policy and explanatory information are available on the Council website and from any Council Office or Access Point.

11. Performance Monitoring

- 11.1 The Scottish Social Housing Charter sets out the outcomes and standards that all social landlords should aim to achieve when performing their landlord functions. The outcomes are as follows:
- the customer/landlord relationship;
 - housing quality and maintenance;
 - access to housing and support; and
 - getting good value from rents and service charges.
- 11.2 The Charter places a statutory duty on Moray Council to complete the Annual Return on the Charter (ARC) to the Scottish Housing Regulator (SHR). The ARC provides key information on the Council's performance throughout the financial year in relation to the quality and maintenance of its housing stock

using national indicator 6 - percentage of stock meeting the Scottish Housing Quality Standards (SHQS).

- 11.3 The Council internally monitor the number of forced entries to Council properties throughout the year

12. Review of Policy

- 12.1 This policy will be reviewed in 2023, unless an earlier review is required due to organisational or legislative changes.

DRAFT



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020

SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING – 31 MARCH 2020

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

1. REASON FOR REPORT

- 1.1 This report presents the budget position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 31 March 2020.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the budget monitoring report for the period to 31 March 2020.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2019/20 at a special meeting on 27 February 2019 (paragraph 6 of the Minute refers). Housing and Property budget monitoring reports are presented to each cycle of meetings.

4. HOUSING REVENUE ACCOUNT TO 31 MARCH 2020

- 4.1 **APPENDIX I** details the provisional and unaudited HRA budget position to 31 March 2020.
- 4.2 The main expenditure variances relate to:–
 - 4.2.1 **Supervision and management** – there are a range of variations within this budget resulting in a net underspend of £437k. The main underspends were in staffing (£224k), due to unfilled vacancies, and insurance premiums (184k)

due to a change in provider. There were also underspends in central support services/shared accommodation (£112k), mainly due to lower than anticipated costs for Legal and Customer Services, and more minor cumulative underspends (£16k) on other headings within this budget, including tenant participation, non-domestic rates and postages. This was reduced by overspends in voids rent loss (£99k). Despite the implementation of improvement actions during 2019/20, better performance on void management remains an ongoing priority for the Housing Service.

- 4.2.2 **Sheltered Housing** – there was an underspend of £4k due mainly to the transfer of the rates liability for the communal facilities at Gurness Circle to the Moray Integration Joint Board (£6k). This is an appropriate transfer given that these facilities are now being used to provide day care services for older people. The underspend was reduced by minor cumulative overspends (£2k) on energy costs.
- 4.2.3 **Repairs and maintenance** – there was an underspend of £375k in the repairs and maintenance budgets. There were underspends within Planned and Cyclical works under the budget headings of Insulation (£131k), House Condition Surveys (£110k), Asbestos (£143k) and Rainwater Goods (£81k). The insulation works progress was delayed due to funding negotiations with SSE, the House Condition Survey contract was concluded. However, the costs in relation to the survey work will now occur in 2020/21, the Asbestos Contracts were not able to progress due to the difficulty in securing decant accommodation and the Rainwater Goods contract was delayed on site due to additional repair works required to houses in Forres. The underspend on repairs and maintenance was reduced by overspends in response repairs (£70k) and void repairs (£42k).
- 4.2.4 **Financing Costs** – there was an underspend of £229k due to the lower cost of borrowing than anticipated.
- 4.2.5 **Bad and doubtful debts** – there was an underspend of £78k to date. This was a lower underspend than previously projected due to an increase in bad debt provision caused by a higher level of rechargeable repairs debt.
- 4.2.6 **CFCR** – There was an overspend of £195k due to low interest rates, it was considered more financially advantageous to increase borrowing than maximise CFCR. The effect of this is that HRA balance increased by £1m at the end of the year.
- 4.2.7 **Downsizing Incentive Scheme** – there was an underspend of £18k with fewer transfers than expected completed during the year. A number of moves were suspended due to COVID-19.
- 4.2.8 **Service Developments** – the budget of £39k included provision for ICT improvements (£5k), a review of the Housing Business Plan (£12k) and funding for the Research and Information Officer within the Community Safety Team (£22k). There was an underspend due to the Business Plan costing less (£3k) than expected and also an underspend in the ICT budget (£4k).

- 4.2.9 The income at 31 March 2020 was £94k higher than expected. This is due mainly to revenue from new build housing coming on-stream and a higher amount of invoices issued to tenants for re-charges.
- 4.2.10 The estimated HRA surplus at 31 March 2020 was £1.047m, increasing the HRA balance to £2.219m.

5 OTHER HOUSING BUDGET

- 5.1 **APPENDIX II** provides details of the provisional and unaudited budget position to 31 March 2020.
- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. There was an underspend of £91k as a result of underspends in discretionary grants (89k) and administration costs (£2k). Discretionary grants are given to homeowners for disabled adaptations with this budget now managed by the Moray Integration Joint Board.
- 5.3 **Housing Management** relates to the Gypsy/Traveller budget. This shows an underspend of £5k due to reduced costs for sanitation and clearance in unauthorised encampments (£4k) and a minor variation in staffing costs (£1k).
- 5.4 **Homelessness/Allocations** comprises of Homelessness and Housing Support services. There were variations across a range of budgets within this heading resulting in an overspend of £56k in this budget. Overspends in housing support (£21k), relating mainly to sheltered housing costs, and temporary accommodation (£51k) were reduced by an underspend in the homelessness budget (£16k).
- 5.5 **Miscellaneous General Services Housing** comprises of House Loans, a maintenance bond from Grampian Housing Association and the new complex needs development at Urquhart Place, Lhanbryde. There was an underspend of £35k across these three budgets. The main reason for this was lower than anticipated repairs and maintenance costs relating to Urquhart Place (£43k). The underspend was reduced by an overspend in the maintenance bond (£8k) which is now exhausted.
- 5.6 **The Building Services Budget** is reported in detail separately on this Committee's agenda.
- 5.7 **The Property Services Budget** includes the budgets for the Design and Property Resources. There was an underspend of £743k at year end with underspends in Design (£536k) and Property (£207k). This was due to variances across a range of budgets within these services. The main underspend in Design was within the Industrial Estate Portfolio (£507k) which largely relates to an insurance settlement following a fire at one of the units in Islabank, Keith. There was also an underspend in the energy efficiency budget (£36k). The underspend was reduced by a small overspend in Architectural Services (£7k) on software/subscription costs. In Property Resources, the main underspends were in shared buildings (£23k), central repairs and maintenance (£253k) and consultancy (£14k). The under spend on central repairs and maintenance was largely due to delays in stonework repairs at HQ/Rose

Cottage and roofing works at Forres Community Centre. The underspend on Property Resources was reduced by an overspend in property fees (£83k).

- 5.8 **Housing and Property Savings** – Staffing savings (£104k) above target were achieved by year end. These savings applied mainly to unfilled vacancies but also to lower scale point placement differences than anticipated and superannuation opt outs.
- 5.9 **Housing and Property Allocations** – there was an overspend (£16k) due to lower than expected service recharges.
- 5.10 As at 31 March 2020, the Other Housing Budget shows an unaudited net underspend of £901k.

6 SUMMARY OF IMPLICATIONS

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

The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan, the Council's Local Housing Strategy, the Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(b) Policy and Legal

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

(c) Financial Implications

The financial implications of this report are considered in Sections 4 and 5 of this report and detailed in **APPENDICES I and II**.

(d) Risk Implications

Budget Managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from the Committee in line with Financial Regulations.

(e) Staffing implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Consultations

This report has been prepared in close consultation with Finance staff. Consultation on this report has been carried out with Deborah O'Shea (Principal Accountant), Legal Services Manager, Senior Managers within Housing and Property Services, and Lissa Rowan (Committee Services Officer) who all agree the content of the report where it relates to their area of responsibility.

7. CONCLUSION

- 7.1 This report sets out the provisional and unaudited budget position for the HRA and General Services Housing budgets to 31 March 2020 and also comments on the variances on these budgets.**

Author of Report:	Moray MacLeod, Acting Head of Housing and Property
Background Papers:	Held by author
Ref:	CC/JS/LS – Housing Budgets –

Housing Revenue Account

Appendix I

Budget Monitoring to 31 March 2020

Service Description	Annual Budget 2019-20	Actual to 31st March 2020	Variance to 31st March 2020
Expenditure	£,000	£,000	£,000
Supervision & Management	4,272	3,835	437
Sheltered Housing	33	29	4
Repairs and Maintenance	6,707	6,332	375
Financing Costs	4,325	4,096	229
Bad & Doubtful Debts	250	172	78
CFCR	3,705	3,900	(195)
Downsizing Incentive Scheme	72	54	18
Service Development	39	32	7
Total Gross Expenditure	19,403	18,450	953
Income	£,000	£,000	£,000
Non-dwelling rents	214	215	1
House rents	19,062	19,108	46
IORB	35	46	11
Other income	92	128	36
Total Income	19,403	19,497	94
Surplus / (Deficit) for the year	0	1,047	1,047
Accumulated Surplus Balance brought forward		1,172	
Estimated Surplus Balance at 31st March		2,219	

General Services Housing & Property

Appendix II

Monitoring to 31st March 2020

Service Description	Budget 2019-20 £'000	to 31st March 2020 £'000	Variance at 31st March 2020 £'000
Planning & Development	259	168	91
Housing Management	16	11	5
Homelessness / Allocations	1951	2007	(56)
Miscellaneous General Services Housing	(21)	(56)	35
Building Services	(129)	(124)	(5)
Property Services	1039	296	743
General Services Housing & Property Savings	104	0	104
General Services Housing & Property Allocations	(170)	(154)	(16)
General Services Housing & Property Total	3049	2148	901



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020

SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING – 30 JUNE 2020

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

1. REASON FOR REPORT

- 1.1 This report presents the budget position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 30 June 2020.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the budget monitoring report for the period to 30 June 2020.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2020/21 at a Moray Council meeting on 12 February 2020 (paragraph 12 of the Minute refers). Housing and Property budget monitoring reports are presented to each cycle of meetings.
- 3.2 The COVID-19 pandemic and subsequent lock down period has impacted on the budget spend as the service concentrated on responding to the immediate crisis.

4. HOUSING REVENUE ACCOUNT TO 30 JUNE 2020

- 4.1 **APPENDIX I** details the HRA budget position to 30 June 2020.
- 4.2 The main expenditure variances relate to:–

- 4.2.1 **Supervision and management** – there are a range of variations within this budget resulting in a net underspend of £32k. There were underspends in staffing (£68k), Training (£2k), Software and Hardware (£21k), and other minor cumulative underspends (£3k). This was reduced by overspends in voids (£42k), Laptops for Homeworking (£13k) and Common Housing Register (£7k).
- 4.2.2 **Sheltered Housing** – there was an underspend of £2k due to lower than expected energy costs (£3k). This was reduced by minor cumulative overspends (£1k).
- 4.2.3 **Repairs and maintenance** – there was an underspend of £827k in the repairs and maintenance budgets. Underspends include planned maintenance (£335k), response repairs (£293k) and voids (£199k). The impact of COVID-19 lock down has restricted work that can be carried out on site by Building Services and external contractors. The Housing Business Plan will be impacted by the effects of the COVID-19 restrictions particularly in relation to Repairs and Maintenance investment. The Business Plan will be reviewed more frequently as we enter the recovery period.
- 4.2.4 **Bad and doubtful debts** – there was an underspend of £25k to date due to delays in processing write offs due to the COVID-19 lockdown affecting availability of staff.
- 4.2.5 **Downsizing Incentive Scheme** – there was an underspend of £13k with fewer transfers due to the COVID-19 lockdown.
- 4.2.6 **Service Developments** – the budget of £12k has not been spent due to the service responding to the COVID-19 pandemic.
- 4.2.7 The income at 30 June 2020 was £108k lower than expected. This is due mainly to new build handovers being delayed because of COVID-19 (£87k), and other income (£21k) recovered from rechargeable repairs.

5. **OTHER HOUSING BUDGET**

- 5.1 **APPENDIX II** provides details of the budget position to 30 June 2020.
- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. The position at 30 June 2020 shows an overspend spend of £2k. This includes underspends in discretionary grants (£20k), admin costs (£3k) and an overspend in HEEPS grant (£25k) due to timing of grants to cover expenditure.
- 5.3 **Housing Management** relates to the Gypsy/Traveller budget. The position at 30 June 2020 shows an underspend of £1k.
- 5.4 **Homelessness/Allocations** comprises of Homelessness and Housing Support services. There was an overspend of £1k in this budget. Homelessness is a “high risk” budget and pressures can quickly arise if homelessness increases. Service Managers continue to closely monitor this budget.

- 5.5 **Miscellaneous General Services Housing** comprises of House Loans, a maintenance bond from Grampian Housing Association and the new complex needs development at Urquhart Place, Lhanbryde. The budget is showing an underspend of £8k. An underspend at Urquhart Place (£11k) reduced by an overspend in the maintenance bond (£3k) which is now exhausted.
- 5.6 **The Building Services Budget** is reported in detail separately on this Committee's agenda and any surplus achieved will return to the HRA.
- 5.7 **The Property Services Budget** includes the budgets for the Design Team and Property Resources. There was an underspend of £99k to date with overspends in Design (£8k) and Property Resources (£107k). The main overspend in Design is in relation to a software subscription which will be spread across a 3 year period. There was also a small underspend in Energy (£5k) and Estates (£1k). The main underspends in Property Resources included shared buildings (£20k), consultancy (£12k) and central repairs and maintenance (£75k).
- 5.8 The service has also incurred £54k of expenditure to date directly relating to the response to the COVID-19 pandemic. This includes setting up additional homeless temporary accommodation at a cost of £36k and £18k for Property Services supplier relief in relation to the COVID 19 lockdown which stopped construction projects.
- 5.9 As at 30 June 2020, the Other Housing budget shows a net underspend of £35k.

6. **SUMMARY OF IMPLICATIONS**

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

The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan, the Council's Local Housing Strategy, the Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(b) **Policy and Legal**

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

(c) **Financial Implications**

The financial implications of this report are considered in Sections 4 and 5 of this report and detailed in **APPENDICES I and II**.

(d) **Risk Implications**

Budget Managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from the Committee in line with Financial Regulations.

(e) **Staffing implications**

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Consultations

This report has been prepared in close consultation with Finance staff. Consultation on this report has been carried out with Deborah O'Shea (Principal Accountant), Legal Services Manager, Senior Managers within Housing and Property Services, and Lissa Rowan (Committee Services Officer) who all agree the content of the report where it relates to their area of responsibility.

7 CONCLUSION

7.1 This report sets out the budget position for the HRA and General Services Housing budgets to 30 June 2020 and also comments on the variances on these budgets.

Author of Report:	Moray MacLeod, Acting Head of Housing and Property
Background Papers:	Held by author
Ref:	CC/JS/LS – Housing Budgets

Housing Revenue Account

Appendix I

Budget Monitoring to 30th June 2020

Service Description	Annual Budget 2020-21	Budget to 30th June 2020	Actual to 30th June 2020	Variance to 30th June 2020
Expenditure	£,000	£,000	£,000	£,000
Supervision & Management	4,239	851	819	32
Sheltered Housing	22	6	4	2
Repairs and Maintenance	6,981	1,074	247	827
Financing Costs	4,236	0	0	0
Bad & Doubtful Debts	250	25	0	25
CFCR	4,793	0	0	0
Downsizing Incentive Scheme	72	18	5	13
Service Development	50	12	0	12
Total Gross Expenditure	20,643	1,986	1,075	911
Income	£,000	£,000	£,000	£,000
Non-dwelling rents	227	72	73	1
House rents	20,217	5,419	5,332	(87)
IORB	37	0	0	0
Other income	90	23	1	(22)
Total Income	20,571	5,514	5,406	(108)
Surplus / (Deficit) for the year	(72)	3,528	4,331	803
Accumulated Surplus Balance brought forward			2,219	
Estimated Surplus Balance at 31st March			2,147	

General Services Housing & Property

Appendix II

Monitoring to 30th June 2020

Service Description	Annual Budget 2020-21 £'000	Budget to 30th June 2020 £'000	Actual & Comm to 30th June 2020 £'000	Variance at 30th June 2020 £'000
Planning & Development	283	156	158	(2)
Housing Management	17	8	7	1
Homelessness / Allocations	2140	510	511	(1)
Miscellaneous General Services Housing	(20)	(5)	(13)	8
Building Services	0	0	16	(16)
Property Services	1058	15	(84)	99
General Services Housing & Property Savings	(262)	0	0	0
General Services Housing & Property Allocations	(170)	0	0	0
Covid 19 - GS Housing & Prop	0	0	54	(54)
General Services Housing & Property Total	3046	684	649	35



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020

SUBJECT: HOUSING PERFORMANCE REPORT – QUARTERS 3, 4 AND ANNUALLY FOR 2019/20

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the Housing Service for the period from 1 October 2019 to 31 March 2020 and the annual performance for 2019/20.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

- 2.1 **It is recommended that the Economic Growth, Housing & Environmental Sustainability Committee:**
 - i) **scrutinises performance of the Service Plan, Operational Performance Indicators and Complaints to the end of March 2020;**
 - ii) **welcomes the areas of good performance and notes the actions being taken to improve performance where required;**
 - iii) **notes that Operational performance targets for 2020/21 are currently under review but that services will continue to measure performance against 2019/20 targets pending completion of the review;**
 - iv) **notes the temporary changes to the Regulatory Framework; and**
 - v) **approves the second Annual Assurance Statement in APPENDIX I.**

3. BACKGROUND

- 3.1 On 7 August 2019, the Moray Council approved a revised Performance Management Framework for services (paragraph 5 of the Minute refers). The framework introduced new arrangements for Managing, Delivering and Reporting of Performance with the aim of increasing focus on priority areas, reducing the level of reporting on lower priority indicators and directing scrutiny towards areas of strategic importance trends. Whilst the key performance trends in operational performance will continue to be reported, the focus of committee scrutiny will be on the delivery of priorities in the Local Outcome Improvement Plan (LOIP), Corporate Plan and Service Plan. This report covers progress in achieving the Housing and Property Service Plan priorities, as well the important trends in the key housing performance indicators.
- 3.2 On 27 August 2019, the Communities Committee approved the key housing performance indicators and targets (paragraph 11 of the Minute refers). The indicators are mainly based on the Scottish Housing Regulator's (SHR) Regulatory Framework and statutory performance indicators reported through the Annual Return on the Charter (ARC).
- 3.3 The Performance Monitoring Statements document was developed to support the Performance Management Framework. The Half-yearly performance report refers to this document. The document includes tabular updates on actions, indicators relating to Service Plan priorities as well as complaints data, and can be found at:
http://www.moray.gov.uk/moray_standard/page_92321.html
- 3.4 This report is split into two sections: paragraphs 4-5 which cover the Council's own Performance Management requirements and section 6 which covers those required by the SHR.

4. SUMMARY OF PERFORMANCE

- 4.1 On 17 December 2019, the Communities Committee approved the Housing and Property Service Plan covering the period 2019-2022 (paragraph 9 of the Minute refers). In line with the Performance Management Framework, the Service Plan covers two distinct levels:
- Strategic Outcomes - locked down against commitments in National Outcomes, the LOIP and the Corporate Plan.
 - Service Level Outcomes – reflecting service priorities not covered in higher level plans.

Summary of Service Plan Performance

- 4.2 A total of 9 actions included in the Service Plan were due for completion by the end of 2019/20 with 5 completed as planned. 2 out of 4 actions that have not met the target timescales have recorded progress at over 90% and 2 at 60%.

Action Level	No. of Actions	Completion by end of 2019/20	Actual Completion by end of 2019/20
Strategic Outcome	4	4	2
Service Level Outcomes	10	5	3

Strategic Outcomes - successes

- 4.3 The Property Asset Management Appraisal actions in the Service Plan for 2019/20 were completed during 2019/20.
- 4.4 The total income from the sale of surplus properties was £1.4m and significantly exceeded the target of £1m.
- 4.5 A draft Climate Change Strategy and Action Plan was prepared in 2019/20, overseen by the Climate Change Working Group, but consideration by committee before year-end was delayed by COVID-19. With the new simplified committee structure introduced in 2020/21, the strategy and action plan was approved for public consultation by the Full Council on 2 September 2020.

Service Level Outcomes - successes

- 4.6 Progress on the delivery of the affordable housing programme was good with targets met across the performance measures. 78 house completions were achieved against a target of 72 (including the target of 28 Council houses); 63% of the houses delivered were specialist against a target of 30%; and total programme spend was £9.704m against a target of £9.08m. The Strategic Housing Investment Plan (SHIP) was submitted to the Scottish Government in November 2019.
- 4.7 The Council's Rapid Rehousing Transition Plan (RRTP) to transform the approach to addressing homelessness in Moray was submitted to the Scottish Government on 29 April 2019. In July 2019, the Scottish Government confirmed that the Council would receive funding of 183k for Year 1 of the plan and £93k for Year 2. In 2019/20, 51% of the Council's house allocations were to homeless applicants, slightly higher than the target of 50%. There was a reduction of 26 households moving into temporary accommodation at year-end against a target of 20.
- 4.8 In relation to actions to reduce fuel poverty in Moray, the Council achieved the target of fully expending the Scottish Government's funding allocation of £1.453 for the 2018/19 Moray Home Energy Efficiency Programme (HEEPS).
- 4.9 Proposals to improve repairs and maintenance to Council buildings by reshaping staff resources and functions within Property Services/Building Services DLO took a major step forward during 2019/20 with Change Management Plan proposals covering these services going out to staff for consultation in March 2020.

- 4.10 Although the procurement of a contractor for the statutory smoke alarm upgrades to Council homes was completed during 2019/20, progress with the delivery of the works was delayed by restrictions on home visits caused by COVID-19. With the easing of restrictions during the second half of 2020/21, works are proceeding but achieving full compliance with the legislation by February 2021 will be extremely challenging.

Strategic Outcomes – challenges and actions to support

- 4.11 Although Change Management Plans for Property Services and Building Services DLO were agreed by 31 March 2020, implementation was carried forward to 2020/2021.

Service Level Outcomes – challenges and actions to support

- 4.12 Plans to improve the energy efficiency of the Council's housing stock were significantly behind programme. At 31 March 2020, only 55% of the stock met the Energy Efficiency Standard for Social Housing (ESSH) against a target of 66%. All social landlords are required to bring properties up to ESSH standard by December 2020. Although the Council allocated a significantly higher budget and increased the scale of its ESSH programme during 2020/21, with delays caused by COVID-19 in delivering heating upgrades, it is now evident that the Council will not achieve ESSH compliance by the required date. Although comparative data on the performance of other social landlords has not yet been published by the SHR, information from the Scottish Housing Network benchmarking service indicates that Moray is the lowest performer in the list of 114 SHN members (27 local authorities and 87 RSLs) who have provided figures for 2019/20. Aberdeenshire is second lowest but has very similar result (54.74%), followed by Edinburgh (71.10%) and Highland (73.92%) but the vast majority of landlords are reporting compliance at over 80%. This is an area of material non-compliance with the Scottish Social Housing Charter (SSHC), which is covered Section 6 of this report, and is reported in the Council's Assurance Statement at **APPENDIX I**.
- 4.13 During 2019/20, the Housing Services ran a successful pilot to identify improvements in void management. The introduction of new processes led to some improvement in Q3 with a 36 day average void period against the target of 32 days. However, performance fell back again in Q4 to 49 days and the annual 2019/20 figure was 46 days. This performance also impacted on the percentage of rent loss due voids which was 0.95% for 2019/20 against at target of 0.63%. Restrictions in letting houses caused by COVID-19 impacted on void turnaround times in Q4. As with all social landlords across Scotland, these restrictions continue to create barriers to letting houses. Although actions around voids in 2020/21 have focussed mainly on overcoming these barriers, the Void Improvement Group continues have responsibility for building on the lessons of the pilot, driving improvement in working processes, learning from best the performing councils and overseeing the development and implementation of the void improvement plan.
- 4.14 Although the procurement of consultants for the Stock Condition Survey was completed in 2019/20, COVID-19 delayed progress with staff unable to carry out survey work in tenants' homes. The survey work commenced in September 2020, following the easing of lockdown restrictions, and is due to be complete by the end of the calendar year with the interim report available by January 2021. This is a delay beyond the original May 2020 completion

date but the results of the survey should be available to inform the details of the housing investment programme for 2021/22 and beyond. However, against the continuing backdrop of the pandemic, challenges in accessing tenants' homes may impact on progress in achieving this programme.

- 4.15 A report on the financial performance of Building Services DLO during 2019/20 is submitted as a separate item on the agenda of this Committee and addresses the challenges and actions around this outcome.

Summary of Operational Performance

- 4.16 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management (DMT). Since March 2020 the normal DMT reporting process has been disrupted with the main focus of work being the response and early recovery of services. With many services now fully recovered, the reporting process will be reinstated. Areas performing well and/or areas subject to a decreasing trend, or where benchmarking results show performance is below comparators, will be reported to this committee for member scrutiny.

Operational Indicators – areas of good performance

- 4.17 Good performance continues on response repair timescales. The target timescale of 4 hours for emergency repairs (*indicator 2.7*) was achieved in Q3 (2.6 hours), Q4 (2.9 hours) and annually for 2019/20 (2.5 hours). The target timescale of 10 working days for non-emergency repairs (*indicator 2.8*) was also achieved in both Q3 (8.7 working days), Q4 (9.8 working days) and annually for 2019/20 (9.5 working days).
- 4.18 Following the introduction of a new process for collecting data from tenants, there was a marked improvement in satisfaction with the repairs and maintenance service (*indicator 2.11*) which achieved the 90% target for 2019/20 (99.2%).
- 4.19 The 100% target for the percentage of households requiring temporary accommodation to whom an offer was made (*indicator 4.7*) was achieved throughout 2019/20.
- 4.20 The 100% target for visiting new unauthorised encampments (*indicator 6.2*) was achieved throughout 2019/20.

Operational Indicators – areas of improvement

- 4.21 The percentage of stock meeting the Scottish Housing Quality Standard (SHQS) (*Indicator 2.1*) is below the 100% target for 2019/20 (90.7%). This is an area of material non-compliance with the Scottish Social Housing Charter (SSHC) and is covered Section 6 of this report and in the Council's Assurance Statement at **APPENDIX I**.
- 4.22 The Council must complete a gas safety check within 12 months of a gas appliance being fitted or its last check (*indicator 2.13a*). This is an area of non-compliance with the SSHC and is covered in the Assurance Statement at **APPENDIX I**.

Complaints

- 4.23 Performance in responding to complaints was good. The Housing Service met the 5 working day target to respond to stage 1 complaints (*indicator 1.5c*) in Q3 (5 working days), Q4 (5 working days) and annually for 2019/20 (5 working days). The 20 working day target to respond to stage 2 complaints (*indicator 1.5d*) was also met in Q3 (20 working days), Q4 (19 working days) and annually for 2019/20 (20 working days).
- 4.24 Between October 2019 and March 2020, the Housing Service received 101 complaints, a fall of 6% compared to the 96 in the same period last year. 104 complaints were closed with 83 dealt with as front line (62%), 19 investigated further with 2 escalated. A total of 68 complaints (65%) were upheld, slightly higher than the same period last year (55%).
- 4.25 In addition to complaints, 65 MP/MSP enquiries (*indicator 1.7a*) were received in the same period. Performance responding to MSP/MP enquiries (*indicator 1.7b*) was almost at the 90% target in Q3 (89.5%) and Q4 (89.7%). Performance on this indicator has improved in each of the past three reporting years and the target was achieved for 2019/20 (91.7%).

5. PERFORMANCE TARGETS FOR 2020/21

- 5.1 Performance targets would normally be based on historical and national performance but publications have been delayed until October 2020. For this reason it is recommended that services continue to measure performance using existing targets until this information can be fully reviewed. Service disruption due to the pandemic will adversely affect 2020/21 performance in some areas and some targets may not be realistic or achievable.

6. SCOTTISH SOCIAL HOUSING CHARTER PERFORMANCE

- 6.1 The Scottish Housing Regulator (SHR) requires landlords to monitor progress against the outcomes and standards of the Scottish Social Housing Charter (SSHC). The Council's Annual Return on the Charter (ARC) was submitted in July 2020.
- 6.2 In August 2020, the Scottish Housing Regulator (SHR) consulted landlords, tenants and other stakeholders on temporary changes to the Regulatory Framework in response to the COVID-19 pandemic. The consultation response has been published and the key changes are summarised below.

Annual Assurance Statement

- 6.3 The SHR requires social housing landlords to submit an assurance statement between April and October of each year. Due to COVID-19, the SHR has extended the deadline to submit this year's annual assurance statement to 30 November 2020.
- 6.4 The statement must be made by the landlord's governing body or relevant committee and be available to tenants and other service users. The statement will form the basis of the SHR's risk assessment and level of engagement with the landlord. The statement must:

- confirm the landlord meets all of the relevant requirements set out in its regulatory framework which can be found online at www.housingregulator.gov.scot/for-landlords/regulatory-framework;
 - set out any areas of material non-compliance and describe improvement actions and timeframes for these;
 - confirm that appropriate evidence has been considered to support the level of assurance given by the governing body or Committee; and
 - confirm the date of the meeting of the governing body or Committee.
- 6.5 In reaching a decision about non-compliance, the Committee must decide whether the issue is material. The Committee should consider whether an issue:
- seriously affects the interests and safety of tenants or other service users;
 - threatens the stability, efficient running or viability of service delivery arrangements; or
 - brings the landlord into disrepute, or raises public or stakeholder concern about the organisation or the social housing sector.
- 6.6 In line with the guidance issued by the SHR on the content of the assurance statement, a draft has been prepared for the Committee to consider and approve. This can be found in **APPENDIX I**. Officers have identified the following areas of non-compliance due to the following reasons:
- properties have been identified which fail to meet the Scottish Housing Quality Standard as detailed in section 4.10;
 - properties will not achieve the Energy Efficiency Standard for Social Housing by the December 2020 deadline as detailed in section 6.2; and
 - gas safety checks were not carried out within the 12 month timeframe for all properties as detailed in section 4.24.
- Annual Performance Report**
- 6.7 Social landlords must produce an annual report on their performance for tenants and other service users which details how they are achieving or progressing towards the outcomes and standards of the SSHC. The SHR expects tenants to be involved in decisions about the content and format of the report.
- 6.8 Due to COVID-19, the deadline for the requirement to publish the annual performance report to tenants and other service users has been extended to 31 December 2020. The will reported to this committee in December 2020 for approval prior to publication. Officers will consider options on how to meaningfully involve tenants and service users in the development which may be more challenging given that tenant meetings have been temporarily suspended.
- Engagement Plans**
- 6.9 The SHR will publish engagement plans for all landlords by 31 March 2021 but with a proportional risk assessment based on the context of COVID-19 which takes account of the take account of the unprecedented and demanding circumstances in which social landlords are operating.

7. SUMMARY OF IMPLICATIONS

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

The monitoring and management of performance assists the Council to continue to improve its housing services and helps to manage assets more effectively to provide the best outcomes for tenants and other service users. It also promotes safer communities and adults living healthier, sustainable independent lives safeguarded from harm, which meets the key objectives of the Corporate Plan and the Housing and Property Service Plan.

(b) Policy and Legal

Reporting on Scottish Social Housing Charter performance indicators is a legal requirement under the Housing (Scotland) Act 2010.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications

There are no risk implications arising directly from this report.

(e) Staffing Implications

There are no staffing implications arising directly from this report.

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impact implications arising directly from this report.

(h) Consultations

Consultation on this report has been carried out with the Acting Head of Housing and Property Services, senior managers within Housing and Property and the Committee Services Officer (Lissa Rowan) and comments, where relevant to their areas of responsibility, have been incorporated in this report.

8. CONCLUSION

8.1 This report provides an analysis of performance in achieving Service Plan outcomes the end of 2019/20. Key trends in operational performance at year-end have also been highlighted in the report.

8.2 The report includes information on the temporary amendments to the Regulatory Framework and includes a draft of the Council's second Assurance Statement for consideration and approval prior to its submission to the Scottish Housing Regulator.

Author of Report:	Daska Murray, Senior Housing Officer (Information)
Background Papers:	Held by the author
Ref:	



Moray Council Housing and Property Service Assurance Statement

We comply with the regulatory requirements set out in Chapter 3 of the Scottish Housing Regulator's Regulatory Framework with the exception of the areas set out below.

We achieve all but the following outcomes and standards in the Scottish Social Housing Charter:

Outcome 4 – Quality of Housing

- At 31 March 2020, we reported that 257 of our 6,149 properties do not meet the Scottish Housing Quality Standard.

93 of these properties which do not meet the EESSH were reported last year and have been programmed in for energy efficiency works. Our work programmes have been placed on hold due to COVID-19 and will resume as soon as it is safe to do so.

The remaining 164 are new failures, with 75 of these properties being cloned against a failing property. These properties will be reviewed and included in a future work programme.

- At 31 March 2020, we reported that 1,874 of our 6,149 properties do not meet the Energy Efficiency Standard for Social Housing.

The Council has allocated significantly increase resources to the delivery of its EESSH programme. £5.2m was set aside in 2020/21 for heating upgrades, an increase of £1m from the previous year. The funding aimed to deliver an ambitious programme of over 900 upgrades during the year. In addition, the Council secured funding of £1.072m from the Warm Homes Fund to replace electrical heating with new energy efficient gas boilers in 245 homes. Progress on the works programme during 2020/21 has been delayed by restrictions on working in homes caused by COVID-19. With the easing of restrictions, the programme recommenced in

September 2020, nearly 6 months later than planned. Although the Council is behind programme and will not achieve EESSH compliance by December 2020, it will continue to maximize the number of energy efficiency improvements it can deliver to its housing stock. However, it is expected that ongoing uncertainties around COVID-19 will continue to impact on progress.

Our stock condition survey has also been delayed but will be carried out during 2020/21. This will continue to improve the data held by the Council, particularly on our cloned properties, and will enable a more accurate assessment to be made of the extent of our progress in achieving EESSH compliance.

We comply with all relevant legislative duties, including our legal obligations relating to housing and homelessness, equality and human rights, and tenant and resident safety with the exception of:

Gas safety

- In 2019/20, we did not meet our statutory duty to complete a gas safety check within the required timescale for 3 properties.

One of these instances was due to COVID-19 where a household member was self-isolating. The other two instances were due to a programming error and a recording error. All of these properties have since been serviced or the supply has been capped and made safe. We are currently trialing an automated system called Gas Tag which if rolled out would reduce the potential for human/system errors.

We confirm that we have seen and considered appropriate evidence to give us this assurance.

We approved our Assurance Statement at the meeting of the Economic Growth, Housing and Environmental Sustainability Committee on 6 October 2020 and I sign this statement on behalf of the Committee.

Councilor Louise Nicol
Chair of Communities Committee



**REPORT TO: ECONOMIC GROWTH, HOUSING & ENVIRONMENTAL
SUSTAINABILITY ON 6 OCTOBER 2020**

SUBJECT: REVENUE BUDGET MONITORING TO 30 JUNE 2020

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

1. REASON FOR REPORT

- 1.1 To advise Committee of the revenue budget monitoring position to 30 June 2020.
- 1.2 This report is submitted to Committee in terms of Section III A(8) of the Council's Administrative Scheme relating to monitoring current revenue expenditure against approved budget.

2. RECOMMENDATION

2.1 It is recommended that Committee considers and notes:

- (i) the budget monitoring position of £523,000 under budget for 2020/21 as at 30 June 2020;
- (ii) that this position consists of an underspend on Devolved School budgets of £608,000, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £261,000 and an underspend on other services of £176,000;
- (iii) movement of £4,137,000 in the General Revenue Grant, as detailed in paragraph 3.4;
- (iv) emerging budget pressures as summarised in paragraph 6.2; and
- (v) a reduction in the planned use of reserves in 2020/21 to £770,000 as summarised in section 8.

3. BACKGROUND

- 3.1 When the revenue budget for 2020/21 was approved by Moray Council on 3 March 2020 (paragraph 3 of the minute refers), General Revenue Grant of £162,442,000 was estimated for the year, based on the latest amount notified to the Council and including estimates for further distributions of grant during the year. Council Tax receipts of £45,700,000 were anticipated. Budgeted expenditure of £210,490,000 was agreed, and this required projected use of £2,348,000 of the Council's General Reserves to balance the budget.
- 3.2 On 2 September 2020 Council approved adjustments to the base budget to reflect variances during 2019/20 which were projected to continue into 2020/21. The net effect of these adjustments was to reduce budgeted expenditure by £156,000. On 12 August 2020 the Emergency Cabinet approved additional expenditure of £437,000 to be funded from General Reserves. None of these adjustments have yet been posted to departments but will be actioned for the quarter 2 budget monitoring report.
- 3.3 In addition to the Council's core budget, monies allocated to schools through the Devolved School Management (DSM) scheme and not spent are brought forward from previous years. The DSM balance brought forward in 2020/21 is £683,000 (2019/20 £10,000). In addition to this, unused funding of £443,000 received in 2019/20 for the Pupil Equity funding has been carried forward into 2020/21 in accordance with the grant conditions.
- 3.4 Variations to General Revenue Grant (GRG) amounting to £4,137,000 have been notified. This predominately relates to additional funding for Covid agreed by Scottish Government: £2,644,000 from Barnett consequentials; £853,000 Hardship fund; £261,000 for Scottish Welfare Fund top up; Food Fund £448,000, registrars of death £11,000; additional DHP funding of £35,000. There were also adjustments totalling a net reduction of £115,000 made for the Parental Employee Support Fund (PESF) funding. As at 30 June 2020 the Scottish Welfare Fund top up has been drawn down, as have £390,000 of the Food Fund and the additional DHP funding, to match expenditure in quarter 1.
- 3.5 With these adjustments the Council's overall General Services revenue budget currently stands at £215,753,000.
- 3.6 Funding of £3,940,000 for the expansion of Early Learning and Childcare (ELC) was included in base budget. Grant funding of £9,345,000 has been notified for 2020/21 and the budget will be adjusted to reflect this additional funding. ELC is funded by specific grant, but for transparency it is included in the government grant figure in **APPENDIX 2**.
- 3.7 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 2 March 2020 is shown in **APPENDIX 2** and allocations to departments from the provisions for Inflation and Contingencies, Additional Costs and Savings are listed in **APPENDIX 3**.

4. BUDGET POSITION

- 4.1 **APPENDIX 1** summarises the current position for each service area, comparing the actual expenditure for the year to 30 June 2020 with the budget to 30 June 2020.
- 4.2 Overall the budget position at 30 June 2020 is expenditure under budget to date of £523,000 or 1% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 4.3 The principal areas of overspend and underspend across the Council are summarised below:
- 4.3.1 In Integrated Children's Services, there is an underspend of £395,000 on a contract for residential care for children with disabilities, due to two of the three children originally in this service having made the transition to adult services.
- 4.3.2 Devolved School budgets are underspent by £608,000 at the end of the first quarter, £291,000 in primary schools and £317,000 secondary schools.
- 4.3.3 The impact of the Covid pandemic and lockdown measures that have been put in place have had significant impact on the budgets during the first quarter. All services are seeing less income than expected in the first quarter totalling £1,889,000. This includes loss of leisure income, catering income, car parking income, planning and building control. The initial estimate of loss of income in quarter 1 was reported to the Emergency Cabinet on 21 May 2020 (paragraph x of the minutes refers). At that juncture loss of income for the quarter was estimated at £1,962,000. In the Short Term Financial Planning Update reported to Council on 2 September 2020 (para x of the minute refers) loss of income from fees and charges and service closures were estimated at £2,644,000 for the year. There will be a further update of this as part of the estimated actuals due to be reported in December.
- 4.3.4 This is partially offset by underspends in many services in the core service expenditure due to works and spend being unable to be incurred or completed. The main service variances total £1,282,000, which includes repairs and maintenance, energy costs, landfill tax from reduced tonnage landfilled, Passenger Transport Unit (PTU), catering supplies, purchases of tyres and parts for the Council's fleet of vehicles, corporate training. Payments from the Scottish Welfare Fund (SWF) are also below budget. After an initial spike in demand, requests reduced, partly due to the circumstances of lockdown, with house moves being prevented as so claims for grants for household furniture and white goods reducing and partly due to alternative sources of funding being made available. Of particular note is the success of the Council's Flexible Food Fund, which provides up to two months payments as a contribution to households struggling financially. This supported over 640 households. Additional support to maximise income through benefits and grants and help with budgeting and managing bills and debts was also provided. When the first estimate of costs were reported to the Emergency Cabinet on 21 May 2020, reduced costs of £612,000 were reported. The difference is partly due to SWF (£186,000) which was assumed to spend in full, and to landfill tax (£108,000) where no impact was estimated

from changed activity patterns. Savings on transport running costs was understated.

- 4.3.5 There is also directly related Covid expenditure totalling £585,000. This is made up of £469,000 in Education, relating to set up costs of the Hub and supply teachers payments; £54,000 in Housing, mainly relating to the setting up of temporary accommodation and agency costs and £62,000 in Environmental and Commercial services for relief staff and agency staff payments. Estimated revenue costs of £576,000 for quarter 1 were reported to the Emergency Cabinet on 21 May 2020.
- 4.3.6 The Council budgeted for a temporary saving of £540,000 from a VAT refund. The actual sum received is £677,000 and this is showing as an underspend in Financial Services.
- 4.3.7 When MIJB set its budget for 2020/21 it included a financial recovery and transformation plan amounting to £1,944,000 for 2020/21. In quarter 1 the MIJB is reporting £256,000 toward this target. However, the overspend across both Council and NHS services during quarter 1 is £149,205. The figures included in this report relate purely to the services delivered by Moray Council on behalf of the MIJB and amount to an overspend of £261,000.
- 4.4 **APPENDIX 7** gives details of budget monitoring for Environmental and Commercial services and Economic Growth and Development services that are usually reported to the Economic Development and Infrastructure Services Committee, and are included with this report.

5. BUDGET PRESSURES

- 5.1 Budget pressures recognised when the budget was approved on 3 March 2020 are released when the pressure crystallises to the extent that it can be accurately quantified. Provisions to meet budget pressures and new duties totalling £1,436,000 have been released in quarter 1.
- 5.2 Provisions still held centrally at the end of quarter 1 total £5,337,000 and are detailed in **APPENDIX 4** and given a RAG assessment for likelihood of requirement.
- 5.3 Four provisions are assessed as red or no longer required: £65,000 for RHI payments; £2,000 for reduction in public service pension scheme discount rate; £139,000 for school meals and £57,000 for NDR reform. The budget pressure for Renewable Heat Incentive (RHI) payments which were to cease after 7 years is no longer required as per the service payments will continue for 20 years. The additional budget required for reduction in public service pension scheme discount rate has been allocated and the balance is not now required. Implementation of the new regulations for school meals has been postponed until April 2021 so the provision for additional funding is not required in this financial year. The budget pressure for NDR reform is no longer required as it has been confirmed that it is already included in the Grampian Valuation Joint Board budget requisition.

- 5.4 Six provisions are assessed as amber, for uncertainty of requirement: additional whole life costing for Lossiemouth High School (£40,000); DWP funding; Microsoft licences; clearance of Bilbohall site for housing development (£120,000); Rapid housing transition (£101,000) and registrars of death (£11,000). Increased cost for Lossiemouth High School will not be required until the school is operational. The DWP funding and Microsoft licenses budget pressure exceeded the original expected requirement by £37,000 in total. This will be covered by the budget pressure allowed for NDR reform but not required. The rest of the budget pressures rated as amber are required but awaiting further information to confirm that the funding will be required during this financial year.
- 5.5 All other provisions are expected to be required in full at this juncture.

6. EMERGING BUDGET PRESSURES

- 6.1 Emerging budget pressures are noted throughout the year as they are identified. Pressures that were identified during quarter 1 are listed in the table below:

	Para Ref	Estimated full year effect £000s
Cleaning of public conveniences	6.2	15
		15
		=====

- 6.2 The Moray Council Emergency Cabinet on 12 August 2020 (paragraph 19 of the Minute refers), agreed to keep the public conveniences previously considered for closure or alternative service delivery open until a review is completed in January 2021. This meant the previously agreed savings of £32,000 will not be achieved but also additional costs were approved up to £15,000 for cleaning. Costs are expected to be incurred in quarter 2.
- 6.3 The budget will continue to be reviewed for any emerging pressures and further recommendations made to Council in December 2020 if required.

7. SAVINGS

- 7.1 Savings of £3,102,000 were approved when the budget was set on 3 March 2020. These savings comprised increased income of £48,000 from inflationary uplifts to charges for services; one-off savings of £582,000, and other permanent savings of £2,472,000.
- 7.2 To date budgets for charges have been adjusted by £46,000. The remaining balance of £2,000 will be reviewed as part of the estimated actual process and budgets adjusted accordingly. Temporary savings of £43,000 have been posted to departmental budgets. The balance relates to the VAT refund and will be posted in quarter 2.
- 7.3 Of the originally approved permanent savings, a balance of £875,000 remains in central provisions as at the end of June. These are detailed in **APPENDIX 5** and given a RAG assessment for anticipated achievement.
- 7.3.1 Five savings totalling £204,000 are assessed as red. Savings of £20,000 from Accounts Payable electronic processing have not yet been realised and are dependent upon an ICT solution. £14,000 saving for customer services use of e-forms, uptake has been lower than anticipated, therefore saving unlikely to be achieved. £55,000 property service review was included in savings taken from the IMP management restructure. £83,000 relating to the sport/ leisure service commercialisation is delayed and the change management plan is still being prepared so the saving is unlikely to be achieved in this financial year. £32,000 relating to public conveniences is no longer achievable after the Committee decision to keep the service open until a further review can be completed in January 2021.
- 7.3.2 Six savings totalling £415,000 are assessed as amber. Savings of £3,000 relating to the members service reduction in hours is delayed until the return from maternity leave in January 2021, some savings will be achieved in the year. £52,000 saving relating to the relocation of staff from Auchernack and Forres community centre are delayed, a change management plan is in progress which should return some savings but unlikely to achieve the full amount. £360,000 relating to 4 projects under the Improvement and Modernisation Programme were paused during lockdown at this point it is unclear whether savings will be achieved during this financial year.
- 7.3.3 The other unposted savings are assessed as green - these are expected to be achieved or substantially achieved during this financial year.

8. FREE GENERAL RESERVES

- 8.1 The balance on general reserves (excluding DSM and ear-marked reserves) as at 1 April 2020 was £14,639,000. Use of reserves totalling £2,348,000 was approved to balance the 2020/21 budget. Since then the BRIS retention of £1,859,000 for a three year period was notified to the Council and this reduces the need to use reserves in 2020/21.
- 8.2 The Moray Council on 12 August 2020 approved an additional use of reserves totalling £437,000, as listed in **APPENDIX 6**, and on 2 September 2020

approved a net budget reduction of £156,000, reducing the underlying need to use reserves.

- 8.3 The planned use of free general reserves is currently £770,000. This figure does not take into account the estimated impact of the pandemic, as reported to Council on 2 September 2020.

9. SUMMARY OF IMPLICATIONS

- (a) Moray 2026: A Plan for the Future and Moray Corporate Plan**
Effective budget management is an essential component of delivery of council priorities on a sustainable basis.
- (b) Policy and Legal**
No policy or legal implications arise directly from the contents of this report.
- (c) Financial implications**
The financial implications are addressed throughout the report.
- (d) Risk Implications**
There are no risk implications arising directly from this report. Budget managers are aware of their responsibilities for managing their budgets in accordance with the Council's Financial Regulations. There is a risk to the Council arising from the agreement that if the Moray Integrated Joint Board overspends the Council will meet 37% of the additional costs incurred.
- (e) Staffing Implications**
No staffing implications arise directly from this report.
- (f) Property**
No property implications arise directly from this report.
- (g) Equalities**
No equalities implications arise directly from this report.
- (h) Consultations**
Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

10. CONCLUSION

- 10.1 The financial position of the Council at the end of June 2020 is an underspend against General Services Revenue Budget of £523,000 (including services delivered on behalf of the Moray Integration Joint Board).**
- 10.2 Variations in General Revenue Grant totalling £4,137,000 have been notified to the council.**
- 10.3 There are additional budget pressures of £15,000 noted for Council services at quarter 1. This figure excludes the cost of the pandemic.**
- 10.4 The Council has approved use of £770,000 from general reserves. There will be a further unplanned call on reserves to meet the net unfunded costs of the pandemic.**

Author of Report: Deborah O'Shea, Principal Accountant

Background Papers: Held by author

Ref:

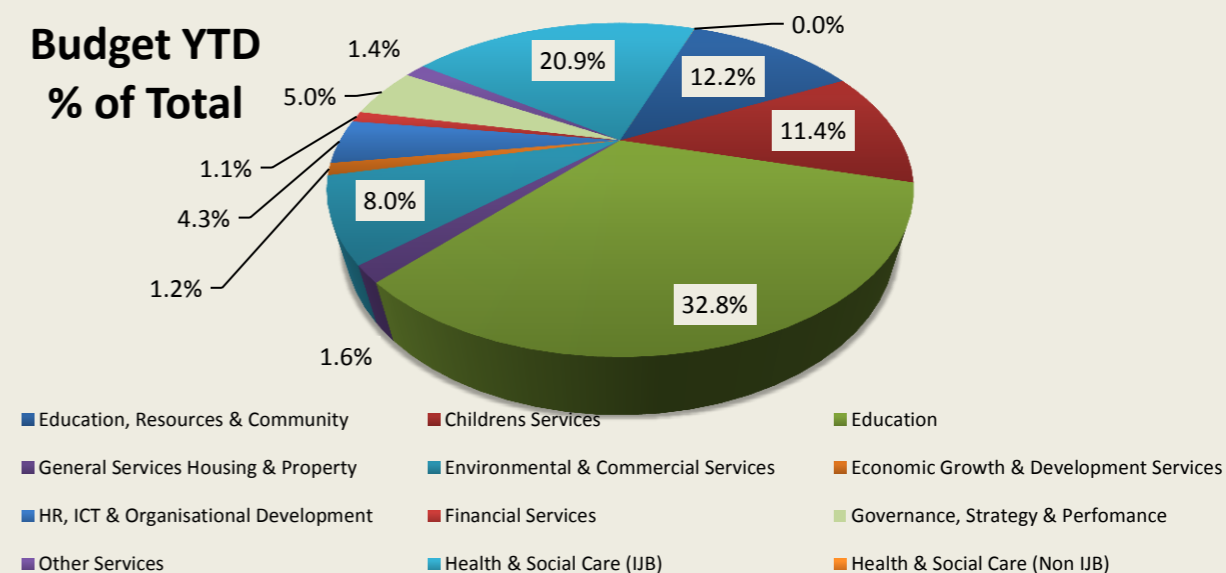
MORAY COUNCIL - APPENDIX 1
BUDGET MONITORING REPORT
QUARTER 1 to 30 JUNE 2020

Item 17

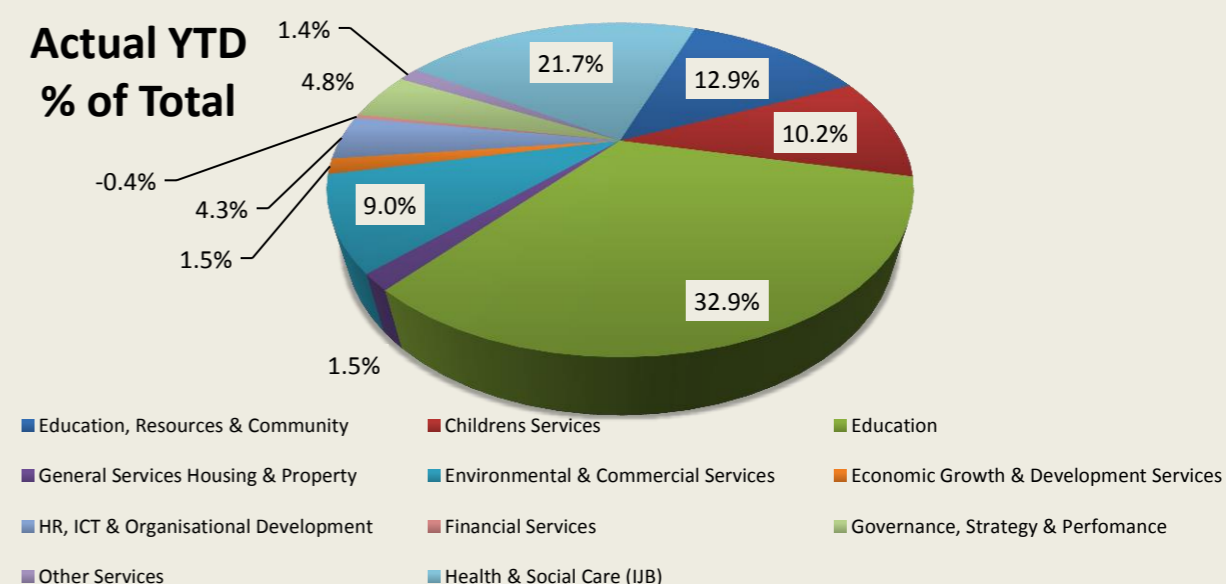
Service

	Revised Budget 2020/21 £000s	Budget to 30 June 2020 £000s	Actual & Committed to 30 June 2020 £000s	Year to date variance £000s
Education, Resources & Community	24,716	6,189	6,502	(313)
Childrens Services	19,138	5,789	5,119	670
Education	65,043	16,674	16,569	105
General Services Housing & Property	3,046	800	765	35
Environmental & Commercial Services	22,422	4,089	4,512	(423)
Economic Growth & Development Services	2,973	596	757	(161)
HR, ICT & Organisational Development	5,233	2,199	2,179	20
Financial Services	1,645	552	(180)	732
Governance, Strategy & Performance	5,873	2,553	2,391	162
Other Services	2,450	735	727	8
SERVICES excl HEALTH & SOCIAL CARE	152,539	40,176	39,341	835
Health & Social Care (IJB)	44,049	10,644	10,905	(261)
Health & Social Care (Non IJB)	(19)	(6)	45	(51)
TOTAL SERVICES incl HEALTH & SOCIAL CARE	196,569	50,814	50,291	523
Loans Charges	15,207	0	0	0
Provision for Contingencies and Inflation	460	0	0	0
Additional Costs	4,911	0	0	0
Unallocated Savings	(1,394)	0	0	0
TOTAL PROVISIONS	3,977	0	0	0
TOTAL GENERAL SERVICES EXPENDITURE	215,753	50,814	50,291	523

**Budget YTD
% of Total**



**Actual YTD
% of Total**



Commentary on Quarter 1 Performance

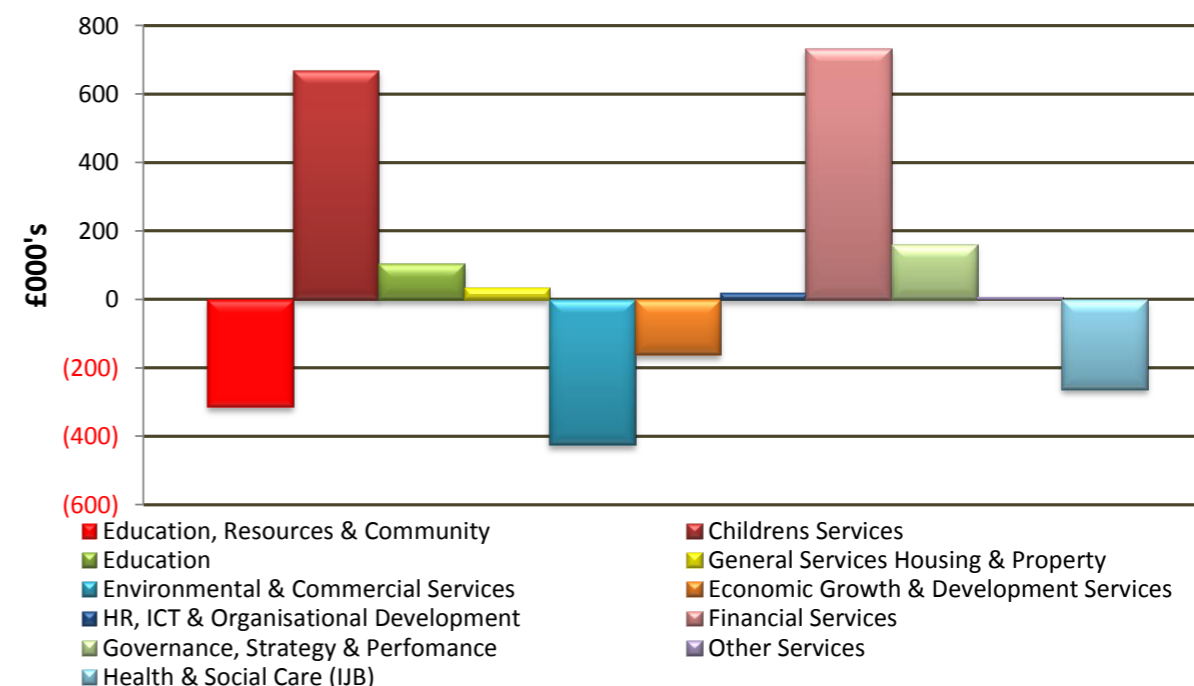
Childrens' Services: there is an underspend of £395,000 on a contract for residential care for children with disabilities due to two of the three children originally in this service having made the transition to adult services.

Education: Devolved School budgets are underspent by £608,000 at the end of the first quarter, £291k in Primary and £317k in Secondary schools.

General: The impact of the Covid pandemic has had a major impact on budgets during the first quarter. All services have seen less to a degree by lower expenditure due to works and spend unable to be incurred or completed during lockdown

Financial Services: underspend includes a one-off refund for VAT

YTD Actual Variance to Budget (excl Loans & Provisions)



£000s	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
3 March 2020	188,834	4,478	6,773	(3,102)	196,983	13,507		210,490
School carry forwards	683				683			683
PEF carry forwards	443				443			443
Additional GRG			4,137		4,137			4,137
Adjustment 1	6,609	(4,444)	(5,573)	1,708	(1,700)	1,700		0
EGH&ES 6 Oct 2020	<u>196,569</u>	<u>34</u>	<u>5,337</u>	<u>(1,394)</u>	<u>200,546</u>	<u>15,207</u>	<u>0</u>	<u>215,753</u>

ALLOCATIONS FROM PROVISIONS

Provision for Contingencies and Inflation	Committee reference	£000s	£000s
Approved when budget set:			4,478
ELC to be funded from specific grant	N/A	(426)	
DSM energy contract	N/A	(48)	
School transport: contract increase for additional 5 days	N/A	(98)	
Landfil tax: increase in rate	N/A	(64)	
Other contract Increases	N/A	(147)	
Pay award	N/A	(3,537)	
Maximum Basic Scale (MBS) Primary & Secondary	N/A	(15)	
Other	N/A	(109)	
		<u>(4,444)</u>	
Balance at 30 June 2020			34
Additional Costs		£000s	£000s
Approved when budget set:			6,773
Movements in General Revenue Grant			
Additional Covid-19 funding			
From Barnett consequentials		2,644	
Hardship fund		853	
Scottish welfare fund topup		261	
Food fund		448	
Registrars of death		11	
Additional DHP Funding		35	
Amendments to opening position (PESF)		<u>(115)</u>	
			4,137
Budget pressures approved when budget set			
Business support post		(18)	
DWP Funding		(27)	
Winter gritting		(15)	
Health and Social Care (per settlement letter)		(1,792)	
Microsoft licence		(131)	
Improvement & Modernisation program		(90)	
Public Service Pension discount rate		(911)	
School roll numbers (2017 census)		(203)	
Additional DHP funding		(35)	
Loan Charges		<u>(1,700)</u>	
Additional Covid-19 funding			
Scottish Welfare Fund top up		(261)	
Food fund		<u>(390)</u>	(5,573)
Balance at 30 June 2020			5,337

Savings & Charges	Committee reference	£000s	£000s
Approved when budget set:			(3,102)
Permanent savings	MC 27/02/19	1,620	
Charges for service -Annual Review	MC 14/02/18	45	
One-off savings	MC 14/02/18	<u>43</u>	
		1,708	
Balance at 30 June 2020			(1,394)

Ref	Description	Para Ref	Amount £000s	Status	Committee reference	Reasons
RECOGNISED WHEN BUDGET SET						
	General Services Housing & Property Services					
	RHI payments cease (after 7 years)		65,000	not required		not required as payments will continue for 20 years as per the service
	Social Work					
	Creation of new 2 Senior Social Worker posts Children's & Families (MC 8/05/19)		92,000	Required		Released in July
	Additional Support for Learning		257,000	Required		Will be required when the Change Management Plan(CMP) is implemented Oct - March
	Education					
	Linkwood primary school running costs		249,000	Required		Partly release and the balance to be allocated after September Census
	School roll numbers		274,000	Required		Will be allocated after September Census.
	Additional whole life costing Lossiemouth High School		40,000			Will be required once the school is operational
	Reduction in Public Service Pension Scheme Discount Rate - teachers' pension costs		2,000	Not required		Requirement (£911,000) released
	School meals (change in regulations)		139,000	Not required		New regulations not now until Apr 21, not required this year
	Income					
	DWP funding		(6,000)			drawn down more than original budget pressure
	Economic Growth & Development					
	Moray Growth Deal economic impact assessments		80,000			Will be required
	Cross Service					
	Removal of statutory mitigation for flexi-leave and TOIL accruals		150,000			Not required until year end
	Microsoft licences - corporate and schools FYE		(31,000)			drawn down more than original budget pressure

	Loans Fund					
	Clearance of Bilbohall Site for housing development		120,000			Will be required, awaiting service to confirm if it will need it this year
	Funding Capital Receipts		(2,000,000)			funding line for below
	Improvement & Modernisation Programme		1,910,000			Will be required. Drawing down as and when used for now but need details of what has been approved
	Total		1,341,000			
Ref	Description	Para Ref	Amount £000s	Status	Committee reference	Reasons
FUNDING FOR NEW DUTIES						
	Rapid Rehousing Transition		101,000	Held		Will be required but not likely until 2021/22
	School Counselling		272,000	Held		Will be required
	NDR Reform		57,000	Held		Confirmed already included within GVJB budget requisitions so not required
	Additional Covid-19 Funding		2,644,000	Held		Will be required
	Hardship Fund		853,000	Held		Will be required
	Food Fund		58,000	Held		Will be required
	Registrars of Death		11,000	Held		Potentially not required.
	Total		3,996,000			
	Total		5,337,000			

SAVINGS			APPENDIX 5	
Ref	Description	Amount £000s	Committee reference	Update Qtr1
Approved for 2020/21 budget:				
	Financial Services			
	AP Electronic processing - staff saving	20,000	MC 27/02/2019	Delayed - No savings can be taken until ICT work completed
	Governance, Strategy & Performance			
	Customer Services - reduce stationery cost with e-forms	14,000	MC 27/02/2019	Lower than estimated take up will mean savings unachievable
	Members service reduction in hours	3,000	MC 03/03/2020	Delayed - No savings can be taken until return from maternity leave Jan 21
	Environmental & Commercial Services			
	Reduce vehicle fuel consumption	77,000	MC 12/02/2020	Achievable this year due to downtime of vehicles because of Covid. But is not likely to be recurring savings and unachievable in full unless vehicle usage is reduced.
	Economic Growth & Development			
	Museums - transfer to trust/closure of service	30,000	MC 27/06/2019	As per P&R report 10.3.20, savings will be achieved and exceeded in Qtr 2
	GS Housing & Property Services			
	Property Services - review of service	55,000	MC 27/02/2019	Already included as part of IMP management restructure
	Education Resources & Communities			
	Sports/Leisure Service - commercialisation of service	83,000	MC 27/02/2019	Delayed - CMP being prepared therefore unlikely to achieve in full this year
	Relocate staff from Auchernack plus Forres Community Centre staff restructure	52,000	MC 27/02/2019	Delayed - CMP being prepared therefore unlikely to achieve in full this year
	Approved Subject to Consultation			
	Housing Information Officer	34,000	MC 12/02/2020	Not yet taken but vacant post so achievable
	Homelessness central admin	53,000	MC 12/02/2020	Not yet taken but vacant post so achievable
	Cleaning and catering management restructure	21,000	MC 12/02/2020	Expected to be achieved
	Transportation management restructure	7,000	MC 12/02/2020	Expected to be achieved

	Building Standards establishment	34,000	MC 12/02/2020	Expected to be achieved	
	Closure of public conveniences	32,000	MC 12/02/2020	Not happening this year, will not be achieved	
	Indicative Savings from I&M programme				
	Stream 1: Asset Management	148,000	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year	
	Stream 2: ICT & Digital - Schools Admin	87,000	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year	
	Stream 2: ICT & Digital - Open Revenues Portal (Council Tax)	85,000	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year	
	Stream 2: Customer Services RE-Design - Access Point	40,000	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year	
	Total	875,000			
	Charges	1,000			
	Temporary Savings	540,000		Achievable, currently showing as underspend under Misc Finance	
	Balances from roundings:				
	Savings	(10,613)			
	Additional Savings Identified :				
	Business Gateway review	(11,414)	ED&I 21.1.20		
		1,393,973			

APPENDIX 6

General Reserves	Committee reference	Approved £000s	Budget released £000s
General Reserves @ 1 April 2020		14,639	
Less commitments against reserves when budget was set:			
To balance the 2020/21 budget	MC 03/03/20	(2,348)	
Budget reduction from variance report	MC 02/09/20	156	
Funding from reserves approved in 2020/21:			
Additional Support for Learning	MC 12/08/20	(257)	
Whole System Approach	MC 12/08/20	(43)	
DHP	MC 12/08/20	(29)	
Syrian refugees	MC 12/08/20	(26)	
Core paths network	MC 12/08/20	(10)	
Community Planning Partner projects	MC 12/08/20	(10)	
Moray Growth Deal	MC 12/08/20	(36)	
Energy efficiency small projects	MC 12/08/20	(6)	
Elgin traffic survey	MC 12/08/20	(20)	
		<u>(437)</u>	-
Adjustment for BRIS	MC 02/09/20	1,859	
Approved use of reserves		(770)	
Free balance @ 30 June 2020		13,869	
Estimated free balance @ 31 March 2021		-	



**REPORT TO: ECONOMIC GROWTH, HOUSING & ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

SUBJECT: CAPITAL PLAN 2020/21

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

1. REASON FOR REPORT

- 1.1 To advise the Committee of the expenditure to 30 June 2020 under the capital plan for financial year 2020/21 and of estimates of projected expenditure profiled into quarters.
- 1.2 This report is submitted to Committee in terms of Section III (B) 5 of the Council's 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 Committee:

- (i) **Considers and notes expenditure to 30 June 2020 of £2,638,000;**
- (ii) **Considers and notes the current projected expenditure of £47,242,000 for 2020/21 profiled into quarters, as set out in APPENDIX 1;**
- (iii) **Considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2;**
- (iv) **Considers and notes the projected overall expenditure for services which would normally report to Economic Development and Infrastructure Committee, as set out in APPENDIX 3; and**
- (v) **Approves amendments to the 2020/21 and 2021/22 capital plan as detailed in section 6.3 of this report.**

3. BACKGROUND

- 3.1 The capital plan for 2020/21 of £42,319,000 was approved by a meeting of Moray Council on 3 March 2020 (paragraph 2 of the minute refers). Amendments approved by the Council at the meeting of the Emergency Cabinet on 1 July 2020 (paragraphs 3c and 3e of the minute refer) have been incorporated to give a current approved capital plan for 2020/21 of £51,834,000. The current projected expenditure is £47,242,000, but this estimate requires further review following the lockdown and other restrictions imposed as a result of the COVID-19 pandemic. A preliminary review was reported to the Emergency Cabinet on 1 July 2020 but budget managers advised that a thorough review was not possible at that early stage. Further work has been done and that is reflected in this report but some of the larger construction contracts are still in the process of being reviewed. This will be reflected in the next capital monitoring report to Committee in December.
- 3.2 Regular monitoring reports were provided to Policy and Resources Committee or to Moray Council showing expenditure to date for each project and details of capital receipts received. Policy and Resources Committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report “Major Capital Investment in Councils” (paragraph 7 of the Minute refers). Accordingly this report includes a separate **APPENDIX 2**, giving details of expenditure on projects which span more than one financial year.

4. CAPITAL PLAN 2020/21

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 30 June of £2,638,000. This is just over 5% of the currently approved Capital Plan, reflecting a very low level of activity during the lockdown period. General Capital Grant of £2,024,000 has been received from the Scottish Government. In addition to this, Developer Contributions of £27,000 have been received in quarter 1 of this financial year and capital receipts of £272,000 for the sale of assets. Capital receipts would normally be used as funding for the Capital Plan but the Council is taking advantage of the flexibility given by Scottish Government to use capital receipts to fund transformation of services and consequently this sum is not included in the summary at **APPENDIX 1**.
- 4.2 Expenditure on land and buildings to 30 June 2020 totals £1,436,000. The major items of expenditure are £247,000 on the new Lossiemouth High School, £74,000 on Linkwood Primary School and £133,000 on the expansion of Early Learning and Childcare, mainly at Cullen. The expansion of Early Learning and Childcare projects are fully funded by capital grant received from the Scottish Government. Expenditure of £82,000 has been incurred for the construction of a new cell at the Dallachy Landfill Site and £817,000 for the Council’s contribution to the construction of the NESS Energy for Waste plant.

- 4.3 Expenditure on infrastructure assets to 30 June totals £107,000. The main item of expenditure was £93,000 on refurbishment work on Craigellachie Bridge on the A941.
- 4.4 Expenditure on vehicles, plant and equipment to 30 June totals £1,095,000. The major items are £509,000 on the vehicle replacement programme, £145,000 on a replacement baler and £235,000 for a replacement green waste shredder, both for the Moycroft recycling centre. There was also spend of £205,000 on ICT projects.
- 4.5 This report includes the capital monitoring for services that would normally be reported to Economic Development and Infrastructure Services Committee as **APPENDIX 3** to this report.

5. **PROJECTED OUTTURN**

- 5.1 Budget managers have been requested to update projected estimates of expenditure on capital projects in 2020/21. Projects are graded for confidence of achieving projected expenditure with high confidence rated as green, medium confidence as amber and low confidence as red. A summary of the ratings is given in the table below.

Risk Status	RAG	No of Projects	Projected Expenditure 2020/21 £000
High confidence of spend to estimate	G	69	18,519
Medium confidence of spend to estimate	A	5	24,823
Low confidence of spend to estimate	R	24	3,900
		98	47,242

- 5.2 At this early stage in the financial year, most of the capital plan is projected to spend to budget. Work is still ongoing on by budget managers to identify the impact of lockdown and continuing restrictions on projects and on anticipated spend and an update will be provided to this Committee in December.

5.3 **Red rating**

A red status highlights areas where there is low levels of confidence in project ability to spend. The following have been highlighted as having a red status:

5.3.1 **Land and Buildings (16 Projects)**

Schools BB Works

The schools maintenance programme for 2020/21 was agreed and well progressed in discussion with the appointed Contractor when the COVID-19 crisis commenced in March. Senior Management made the decision to suspend all internal works in schools for summer 2020, particularly when critical preparations for safe return of pupils in August was considered highest priority. The Contractor had already placed some orders for materials when lock-down commenced. Payment was made for this, with all other works postponed until summer 2021. Property Services have commenced preparations to substitute some essential maintenance projects to external

building fabric that can be carried out safely during school term time, to utilise budget capacity in 2020/21 but this has still to be formally agreed at the next meeting of the Education, Communities and Organisational Development Committee. If these works (involving external render repairs and replacement roofing) are approved, the revised planned fabric repairs are expected to be well progressed by 31 March 2021, with the balance of spend into 2021/22. . The postponed projects were budgeted at £3,200,000 and it is projected that spend will be £1,134,000, leaving a balance of £2,066,000. These replacement projects are budgeted at £1,701,000 in total across the two years and it is estimated that spend will be £1,350,000 in 2020/21. It is therefore recommended that the budget in 2020/21 be reduced by £716,000.

5.3.2 Infrastructure (7 Projects)

Roads Improvements & Street Lighting Capital Projects

No planned works were carried out in quarter 1 due to lockdown restrictions imposed by the Covid-19 pandemic. The easing of these restrictions is currently at Phase 4 of the 6 Phase Construction Re-start plan, which only allows 40-50% of staff to be on site. In addition, some of the planned works such as surface dressing can only be undertaken during the summer months which means it is unlikely that the full budget will be spent this year. It is currently anticipated that expenditure will be £2,020,000 against an approved budget of £3,560,000. It is recommended that the budget for 2020/21 is reduced accordingly. No expenditure is projected to be incurred on Timber Traffic Structural Works due to no match funding being received as the Council's application to the Strategic Timber Transport Scheme (STTS) was unsuccessful. The reason given by STTS was that the planned projects were not strategic large improvement schemes. It is requested that the underspend of £250,000 be carried forward to 2021/22 to enable projects to be developed that will meet the STTS guidelines aimed at more strategic resurfacing projects. The LED Street Lighting project has seen delays due to the Covid-19 pandemic and it is requested that the projected underspend of £134,000 be carried forward to 2021/22 in order that this spend to save project be completed.

5.3.3 Vehicles, Plant and Equipment (1 Project)

Contact Centre Telephony System and other ICT

The other exception is the project for a new telephony system for the Contact Centre. The original design was based on a predominantly office based workforce. However the current pandemic has meant a move towards more flexible and home working, which has impacted on the project requirements. Discussions are currently ongoing with the provider to assess the implications of this.

- 5.3.4 The Covid-19 pandemic has seen a move towards flexible working giving rise to a requirement for additional laptops and mobile phones to be purchased to allow for this shift to take place. Additional expenditure of £364,230 is anticipated to maximise flexible working. It is anticipated that this cost will be absorbed by underspends in other ICT projects.

5.4 Amber rating

An amber rating of confidence to spend budget highlights areas where there are issues impacting on the ability to project spend – generally indicating

factors outwith the budget manager's control. At this stage, 5 projects have been rated as Amber. The School ICT Strategy is amber – this is for the final phase of the rollout of interactive panels, originally delayed due to the Covid-19 pandemic but is now dependent on the requirements of the Education Strategy, which may see resources diverted to other areas to support online learning should a second lockdown occur. The servers infrastructure project has commenced, with the storage project due to complete in quarter 2, and server upgrades to meet security requirements scheduled for quarter 3. Requirements for quarter 4 are not known at this stage, hence the amber status. Work is still being undertaken on a number of projects to ascertain the impact of the restrictions imposed on construction sites and the potential impact this will have. These projects are the new Lossiemouth High School, the expansion of Early Learning and Childcare capital projects, and the building of the NESS Energy for Waste Plant. These projects have been rated as amber while this work is undertaken. Significant slippage in expenditure is anticipated. The annual budget and quarter 1 expenditure for these projects illustrates the level of underspend to date and are as follows:

Project	Annual Budget 2020/21 £000s	Quarter 1 Expenditure £000s
Lossiemouth High School	11,797	247
Early Learning & Childcare	2,808	133
NESS Energy from Waste	9,721	817

6. AMENDMENTS TO CAPITAL PLAN

6.1 The slippages described in section 5 give rise to amendments to the Capital Plan as set out in paragraph 6.3 below.

6.2 Further amendments to the capital plan are requested as follows:

6.2.1 Land and Buildings Waste Management

A budget of £1,525,000 (£550,000 in 2020/21 and £975,000 in 2021/22) is included in the capital programme to investigate and develop an alternative site for the Household Waste Recycling Centre (HWRC) in Elgin. This is a busy site which is constrained for space, in turn making the site difficult to operate to ensure health and safety requirements are maintained and at busy periods requires traffic management to avoid back up onto the A96. Other HWRC sites do not have these problems.

The booking system that was put in place to ensure social distancing for the Elgin HWRC is considered to be a success due to ease of use by the public. In addition, because the number of vehicles entering the site is now controlled, we are able to reduce the health and safety risk and avoid queuing traffic. Therefore it is the intention to maintain the booking system for the

Chanonry site in Elgin only, beyond the need to maintain social distancing, thus avoiding the need to seek an alternative site.

The booking system currently needs an additional member of staff to manage vehicles entering the site to ensure a valid booking slot has been made. The Council has applied to Zero Waste Scotland for a maximum of £10,000 grant towards a vehicle registration number plate recognition system and automated barrier which will be linked to the booking system. The total cost of this is estimated to be £50,000 for one site which, when implemented, will avoid the need for an additional member of staff.

Therefore it is proposed that £50,000 of the existing capital allowance for the HWRC is reassigned to install a vehicle number plate recognition system in the Chanonry site in Elgin, with this being reduced to £40,000 if we are successful in our bid to Zero Waste Scotland, and the balance removed from the Capital Plan as no longer required

6.2.3 Vehicles, Plant and Equipment

Waste Management – Domestic & Trade Waste Bins

On average there are circa 450 new builds accommodated within Moray each year. The residents of each are required to buy a full set of household bins prior to any collections being carried out. The Council approved a charge for the full set of bins which is currently £118.95 (£99.13 +VAT). This fully covers the cost to the Council of providing the bins. There are 4 wheeled bins (green, brown, blue & purple) issued to each property at a cost of £20.90 per bin as well as a food waste caddy (£2.02) and a green sack for glass recycling (£1). In addition to the new build requests, we have to replace damaged and/or stolen bins throughout the year. Based on the current prices on Scotland Excel the cost of this household requirement for new build and replacement bins in 2020/21 is £72,720.

Some households are eligible for a 360ltr green bin for residual waste. We must have a stock of these to account for requests in line with the Household Waste Recycling Charter. The price per unit for a 360ltr bin is £37.75 or £41.25, depending on the size of the order. We have little control over the demand for these bins. We currently only have 99 x 360ltr bins in stock so an order is required at this point. On the basis of a quarter load (104 units) this equates to £4,290.

We also require a stock of 4 wheeled bins for Trade Waste customers and to provide bins for special events, both of which are chargeable services and provide an income to the Council.

It is requested that the Capital budget be increased to £85,000 to account for all the service requirements, an increase of £35,000. This proposed increase would result in an increase in the interest costs of borrowing of £711. Income from the provision of household bins was £25,000 in 2019/20. This is credited to revenue and comfortably covers the proposed increase in capital spend.

There is a revenue budget of £8,000 for purchase of bins and it proposed that this be given up as an additional saving in 2020/21.

6.3 In summary, the requested amendments to the capital plan are as follows:

Amendments	Para	2020/21 £000s	2021/22 £000s
Schools BB programme	5.3.1	(716)	-
Slippage in roads improvements	5.3.2	(1,540)	-
STTS	5.3.2	(250)	250
LED street lighting	5.3.2	(134)	134
Replacement HWRC in Elgin	6.2.1	(550)	(975)
Vehicle registration software	6.2.1	50	-
Increase in budget for Waste Bins	6.2.3	35	-
Total		(3,105)	(591)

7. RISK AND EMERGING ISSUES

- 7.1 Budget managers have been requested to identify any specific areas of risk for the projects in the capital plan for which they are responsible.
- 7.2 The Covid-19 pandemic is a major risk to the Council capital programme. Various projects have already seen delays as a result of the situation and this is likely to continue through 2020/21. Work is ongoing to identify the impact on projects, and the projected levels of spend. Requirements for additional ICT equipment to support flexible working have added to the Capital Plan.
- 7.3 Projects can be subject to other risks which are outwith the direct control of the Council. Poor weather can impact on project timescales.
- 7.4 Lack of staff resources and staff turnover can impact on project timescales. Other emerging work priorities can impact on scheduled works.
- 7.5 There is a potential risk to grant funding of the new Lossiemouth High School should the project not complete on time. The Covid-19 pandemic has meant the completion date has been extended and discussions are taking place on what this means in terms of the funding.
- 7.6 Land compensation claims remain a risk for the major flood alleviation scheme in Forres although this risk is decreasing as time passes.
- 7.7 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales.
- 7.8 No other project risks have been specifically identified by budget managers.

8. SUMMARY OF IMPLICATIONS

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

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

The capital plan is one of the vehicles through which the Council's priorities can be delivered. The approved capital plan for 2020/21 and the outline ten year plan incorporates measures designed to address the Moray 2026 priorities of achievement and attainment by children and young people, adults leading safer lives and sustainable economic development.

(b) Policy and Legal

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

(c) Financial implications

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

(d) Risk Implications

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

(e) Staffing Implications

There are no staffing implications arising directly from this report

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report

(h) Consultations

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

9. CONCLUSION

9.1 Capital expenditure in the first quarter of the year amounts to £2,638,000 to the end of June 2020.

9.2 Capital expenditure is currently projected to be £4,592,000 lower than the approved capital plan for 2020/21.

9.3 Amendments to the Capital Plan of a reduction of £3,105,000 in 2020/21 and £590,000 in 2021/22 are recommended.

Author of Report: Laurie Milne, Senior Accountant
Background Papers:
Ref: LM/LJC

APPENDIX 1

Moray Council Capital Programme 2020/21
As at 30th June 2020

	Capital Plan 2020/21 £000	Actual £000	Projected Expenditure				Total Projected Expenditure £000
			Q1 £000	Q2 £000	Q3 £000	Q4 £000	
Land and Buildings							
Children and Young People's Services Committee	21,482	505	1,327	7,554	5,277	5,258	19,416
Economic Development and Infrastructure Committee	14,020	929	1,075	1,979	6,018	4,814	13,886
Policy and Resources Committee	1,198	2	0	0	20	1,178	1,198
Infrastructure							
Economic Development and Infrastructure Committee	8,509	107	102	533	1,984	3,631	6,250
Vehicles Plant and Equipment							
Children and Young People's Services Committee	99	1	0	55	15	29	99
Economic Development and Infrastructure Committee	4,956	889	889	417	715	2,802	4,823
Policy and Resources Committee	1,570	205	205	156	483	726	1,570
	51,834	2,638	3,598	10,694	14,512	18,438	47,242
Funding							
Prudential Borrowing	41,662	614					
General Capital Grant (exc PSHG and CYPA)	7,751	2,024					
Other Grants & Contributions	100						
Expansion of Early Learning & Childcare	1,900						
Specific Capital Grant - CWSS	421						
	51,834	2,638	0	0	0	0	0

Major Capital Projects spanning more than 1 financial year (as at 31 March 2020)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2020-21	Actual spend 2020-21	Remaining Budget 2020-21	Project Life Spend to 31/12/20	Projecte dFuture Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
New Linkwood Primary School	12,810	9,886	2,919	74	2,845	9,960	5	12,810	0
New Lossiemouth High School	43,000	29,935	11,797	247	11,550	30,182	1,268	43,000	0
Early Years Learning & Childcare	7,143	4,335	2,808	133	2,675	4,468	0	7,143	0
LED Street lighting replacement programme	5,000	3,783	334	0	334	3,783	1,033	5,000	0
Moycroft Integrated Waste Facility	2,947	2,401	546	2	544	2,403	0	2,947	0
NESS Energy from Waste	27,224	7,123	9,721	817	8,904	7,940	10,380	27,224	0
Total	98,124	57,463	28,125	1,273	26,852	58,736	12,686	98,124	0

Capital Projects - Economic Growth and Development Services & Environmental & Commercial Services

Project	Capital Plan 2020/21 £000	Actual Expenditure 30 June 20 £000	Total Projected Expenditure 2020/21 £000	RAG
Development				
Moray Growth Deal	500	0	500	G
Car Parks				
Replace waterproofing and expansion joints at multi-storey car parks	329	0	329	G
Various car parks - Replace Lighting, resurfacing, St Giles top storey	155	0	155	G
Waste Management				
Dallachy Landfill Site	1,879	82	1,745	G
NESS energy from waste - IAA3	9,721	817	9,721	G
Replacement Recycling Centre - Elgin	550	0	550	G
Moycroft	546	2	546	G
Upgrade Recycling Centre facilities	77	0	77	G
Domestic & Trade Waste Bins	50	0	50	G
Upgrade of containers at recycling centres	10	0	10	G
Upgrade Recycling Centres	275	0	139	G
MRF Relocation & Replacement Baler	191	145	203	G
Replacement Green Waste Shredder at Moycroft	235	235	235	G
Parks & Open Spaces				
Cemetery Provision in Moray	10	0	10	G
Children's Play Areas (Parkland)	35	0	35	G

Road Safety

Disability Adaptations	69	0	69	G
New Road Signs and Markings	62	0	62	G
Road safety barrier provision	107	0	107	G
Road safety provision	130	2	130	G
CWSS	421	2	421	G

Road Improvements

Carriageway resurfacing / reconstruction / surface dressing	2,500	0	1,800	R
Drainage and other works	460	0	110	R
Footways	300	0	110	R
Kerb Edge Replacement	50	0	0	R
Timber Traffic Structural Works	250	0	0	R
A95 Landslip River Isla	40	0	40	G

Traffic

Traffic Data Collection Equipment	7	0	7	G
Traffic Signal Replacement	220	0	220	G

Street Lighting

Replace SOX and SON street lights with LED lights	334	0	200	R
Replacement columns and lights	800	2	210	R

Bridges

C2E/20 Cloddach Bridge	48	0	48	G
U31E/10 Cappies Hill Bridge	48	0	48	G
E57H/10 MacDowall Bridge	360	0	360	G
E88E/20 Bantrach Bridge	336	0	336	G
U97H Tomliath Bridge	160	0	160	G
A941 Craigellachie Bridge	555	93	555	G
Arthur's Bridge	28	0	28	G
Remote footbridges	127	0	127	G

Flood Risk Management & Coastal Protection

Findhorn Flood Alleviation	0	1	1	G
Portknockie Landslip	15	2	15	G

Sustainable Travel Projects (grant funded)

LCTT ERDF car charge points	0	5	0	G
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Harbours

Harbour Structures	831	0	831	G
Findochty Pontoons	300	0	300	G
Economic Development	18	0	160	G
Buckie Harbour Infrastructure Improvements - Ice Plant	160	0	160	G
Pilot Boat Replacement Buckie	100	0	100	G
Vehicle & plant replacement programme	3,823	509	3,823	G
Facilities Management Equipment	10	0	10	G

Total	27,232	1,897	24,853	
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REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020

SUBJECT: PERFORMANCE REPORT (FINANCIAL SERVICES) – HALF YEAR TO MARCH 2020

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the service for the period from 1 October 2019 to 31 March 2020.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) **scrutinises performance of the Service Plan, Operational Performance Indicators and Complaints to the end of March 2020;**
- (ii) **welcomes good performance;**
- (iii) **notes the actions being taken to improve performance where required.**

3. BACKGROUND

- 3.1 At a meeting of the Moray Council on 7 August 2019, a revised Performance Management Framework was approved (para 5 of the minute refers). A key part of this framework covers the Managing, Delivering and Reporting of Performance. This was intended to increase focus on priority areas and reduce the detailed narrative around lower priority indicators in order to ensure that debate, scrutiny and challenge was directed at the areas of

strategic importance to the council rather than routine operational performance. Whilst the latter is clearly deserving of scrutiny if trends develop, consideration at committee should focus on the ability to deliver priorities in the LOIP, Corporate Plan and Service Plan. This half yearly performance report allows the Service Plan priorities and any relevant Operational Performance Indicators for Financial Services to be monitored by committee as outlined in this section of the framework. .

4. SUMMARY OF PERFORMANCE

- 4.1 At a meeting of the Policy and Resources Committee on 2 October 2019, approval was given for the Corporate Services Department Service Plans for 2019/20, which included the Financial Services Service Plan (para 6 of the minute refers).
- 4.2 As per the Performance Management Framework, this Service Plan consists of two distinct sections;
- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan and the Corporate Plan.
 - Service Level Outcomes – reflecting service priorities not covered in higher level plans.
- 4.3 A total of 12 actions were included in the Service Plan, with 2 at Strategic Level due to be completed in 2019/20. Both actions have been completed as has one other that was due for completion in March 2021. Note that the timescales for 7 of the actions were dependent upon other agencies including the progress made with the Moray Growth Deal. For the actions due to be completed in future years progress is as planned for all actions except 2, both of which are Service Level outcomes.

Level of Action	Number of Actions	Expected completion by end of 2019/20	Actual completion by end 2019/20
Strategic Outcome	5	2 ¹	3
Service Level Outcomes	7	2	0

Strategic Outcomes - successes

- 4.4 Financial Services had 2 Service Plan actions that contributed to the Corporate Plan priority 'Creating a Sustainable Council'. The medium to long term financial strategy was approved by Moray Council at their meeting of 3 March 2020 (ACTION FIN19-20.01a) and at the same meeting the Moray Council's 3-year financial plan covering the period 2020 to 2023 was also approved (ACTION FIN19-20.01b).
- 4.5 Two actions contributed to the Corporate Plan priority 'Empowering Communities'. The first action was the development of a Participatory Budgeting (PB) Framework and Policy Document (ACTION FIN19-20.03a),

¹ Two actions were planned to be completed by March 2021, and one by June 2021.

² Actions were due to be completed in October and December 2020 and June 2021.

which was written with input from Community Groups and approved by the Policy and Resources Committee at their meeting of 14 January 2020 (para 16 of the minute). As a result, the Corporate Management Team/Senior Management Team is the Steering Group for PB responsible for directing work associated with PB.

- 4.6 The second action linked to this priority is to provide advice and support to Community Asset Transfer (CAT) process (ACTION FIN19-20.03b). This activity will continue beyond the end of 2019/20 but this year has included support for the following CAT business cases: Alice Littler Park, Cullen Community & Residential Centre, Dufftown Community Centre, Lesser Borough Briggs and Buckie Fishermen's Hall.

Service Level Outcomes - successes

- 4.7 In 2019 the Scottish Government mandated the adoption of IFRS 16, an International Financial Reporting Standard (IFRS) promulgated by the International Accounting Standards Board (IASB) providing guidance on accounting for leases. A project plan, action plan and timeline were completed, and the project was on target to achieve the implementation deadline of April 2020, which would be incorporated into the financial accounts for 2020/21 (ACTION FIN19-20.04b). However, implementation has now been postponed by Scottish Government.
- 4.8 Financial Services have provided support to 2 major projects within Moray Council. The budget for the Expansion of Early Learning and Childcare has been comprehensively reviewed (ACTION FIN19-20.05a) and work on the NESS Energy Project continues to progress on the site at East Tullos, with payments matching the schedule supplied by the prime contractor, Accionna (ACTION FIN19-20.05b).
- 4.9 Work continues, and is on target, to implement the recommendations from external audits, with discussions being held with the external auditors to ensure all actions are implemented in time for the 2019/20 final accounts (ACTION FIN19-20.06).

Strategic Outcomes – challenges and actions to support

- 4.10 Support with the Moray Growth Deal was provided as required, but the expected timescale for heads of terms was delayed and support will continue to be provided into 2020/21 (ACTION FIN19-20.02a).

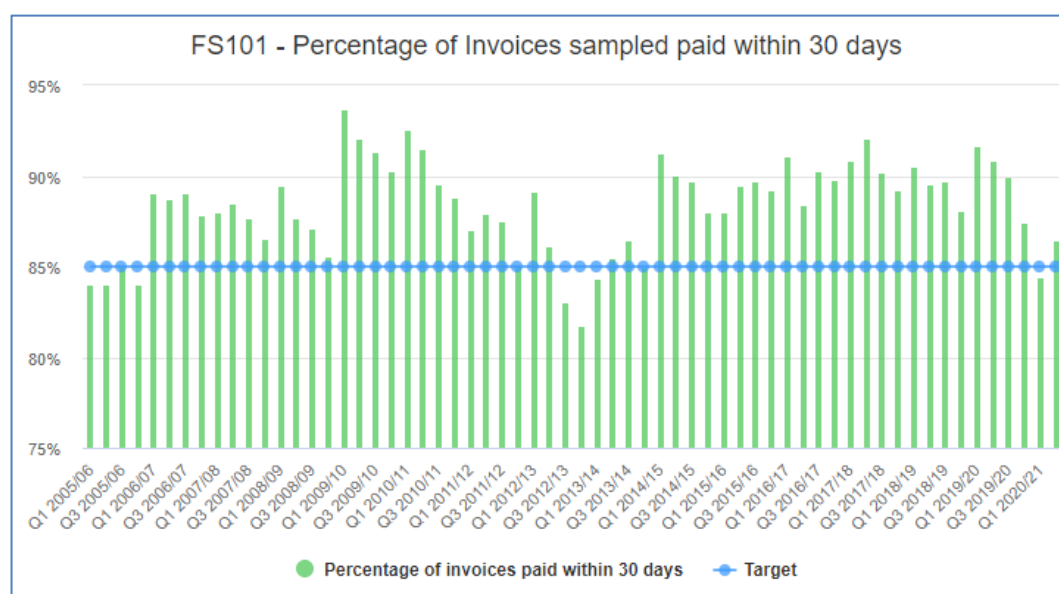
Service Level Outcomes – challenges and actions to support

- 4.11 The action to implement the Procurement Strategic Action Plan (ACTION FIN19-20.07) have not been progressed due to a lack of resources. The assistant manager post remains vacant and a member of staff has been away from work due to long-term sickness. The completion date for this action has been reviewed and rescheduled for the end of December 2020.
- 4.12 The implementation of the new Business Tax Portal within the Financial Management System (ACTION FIN19-20.04a) was making good progress with Phase 1 completed at the end of January. Testing is underway for phase 2, but due to the lockdown and the support required from the Council's software provider this work has been suspended for the time being. Originally

the deadline for obtaining acceptance from HMRC was 1 April 2020, so the target for implementation was 31 March 2020, but HMRC has now rescheduled to October 2020.

Operational Indicators - successes

- 4.13 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance below comparators will be reported to this committee for member scrutiny.
- 4.14 The Accountancy team have 4 indicators that were all on target:
- 4.14.1 The annual accounts were submitted on time (INDICATOR FS001) and an unqualified audit certificate has been received (INDICATOR FS002).
- 4.14.2 A financial report was submitted to the February meeting of the Full Council to enable members to set the 2020/21 Council Tax (INDICATOR FS003).
- 4.14.3 All budget monitoring reports were issued to budget managers on time during the second half of 2019/20 (INDICATOR FS004).
- 4.15 The Payments team paid 90.87% of invoices (a selected sample) within 30 days (INDICATOR FS101). The team has consistently exceeded the target of 85% in recent years. (Note, the graph includes data for quarters 1 and 2 for 2020/21).



Operational Indicators - challenges and actions to support

- 4.16 None of the Financial Services operational indicators are performing below the required level.

Complaints & MP/MSP Enquiries

- 4.17 Between October 2019 and March 2020, Financial Services received 2 complaints both of which were closed during the same period. One complaint was upheld while the other related to insurance and was passed to Housing Services. No MP/MSP enquiries were received.

5. SUMMARY OF IMPLICATIONS

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

Performance measurement is used to ensure the efficient and sustainable delivery of services to meet the Council's priorities in both the Corporate Plan and the LOIP.

(b) Policy and Legal

The Council has a statutory requirement to publish a range of information that will demonstrate that it is securing best value and assist in comparing performance both over time and between authorities where appropriate.

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because the report is to inform the Committee on performance.

(h) Consultations

The Chief Financial Officer, Depute Chief Executive (Economy, Environment and Finance) and Service Managers have been consulted with any comments received incorporated into this report.

6. CONCLUSION

- 6.1 At the end of 2019/20 all the planned Service Plan outcomes have been achieved. All operational performance indicators are performing well, and Financial Services have delivered financial savings of £716,000, compared to the target of £360,000, due to savings from the procurement of insurance.

Author of Report: Carl Bennett, Research & Information Officer
Background Papers: Held by Author
Ref:



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

**SUBJECT: COMMUNITY ASSET TRANSFER REQUEST (2015 ACT):
FINDOCHTY TOWN HALL**

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

1. REASON FOR REPORT

- 1.1 This report invites the committee to consider a community asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015 for the transfer of title to Findochty Town Hall.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 The committee is invited to:

- (i) **approve the request to transfer ownership of the property known as Findochty Town Hall to Findochty Town Hall, a registered Scottish Charity, subject to the terms and conditions set out in section 5 of this report;**
- (ii) **authorise the Legal Services Manager to apply to the Sheriff Court for consent to transfer the property to the Charity; and,**
- (iii) **note that, if the request is approved and unless otherwise agreed with the Charity, it will have 6 months from the date of the decision notice to submit a formal offer to purchase the property, failing which the agreement will have no further effect and the statutory asset transfer process will come to an end.**

3. BACKGROUND

- 3.1 On 14 February 2018, the Council agreed savings relating to town halls and community centres as part of its budget process. The decision was to secure community asset transfers (CAT) or, failing which, to close the facilities.
- 3.2 On 11 April 2018, the Council approved transitional arrangements aimed at enabling successful transfers of seven of its town halls and community centres (para 6 of the Minute refers). These arrangements included entering into short term leases at nominal rents with eligible groups. On 1 November 2018, Findochty Town Hall (the Charity) took entry to Findochty Town Hall (the property) in accordance with these arrangements.
- 3.3 On 18 February 2020, the Charity submitted an asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015 (the Act) for the transfer of ownership of the property for nil consideration.
- 3.4 As Findochty Town Hall is held on a potentially inalienable Common Good title, court consent would be required before the property could be transferred.
- 3.5 The request was the subject of an 8-week public consultation, details of which were published on the Council's website. The redacted submissions, representations and responses are available on the Council's Committee Management System under the CAT reference number 073 at <https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1623/Committee/37/SelectedTab/Documents/Default.aspx>.

4. ASSESSMENT

- 4.1 Findochty Town Hall is a registered Scottish Charitable Incorporated Organisation (SC048650), whose governing documents meet the criteria for being classed as a community-controlled body able to request a transfer of ownership under the Act.
- 4.2 The Charity was formed to benefit the communities of Findochty, Moor of Scotstown, Moor of Findochty, Westerton, Bawds and Law Hillock with the following purpose:
 - 'Providing recreational facilities or organising recreational activities with the aim of improving the conditions of life for the people for whom the facilities or activities are mainly intended.'
- 4.3 The Charity achieved the KeyStone Award in December 2019, having met the required standards of governance and management.
- 4.4 Best Value characteristics are in evidence in the Charity's proposal. Its members have the necessary skills and experience to deliver its objectives. It has demonstrated that there is community support for its proposals. Its governance and financial management arrangements are sound and sustainable. It has secured the necessary resources to deliver its objectives and monitor the achievement of these. It has appropriate Equalities policies in place and has taken into consideration the needs of its community.

- 4.5 Findochty Community Council, a statutory consultee under the Act, has confirmed its support for the proposal.
- 4.6 The projected benefits of the requested transfer relate primarily to social wellbeing, covering a range of activities intended to reduce social isolation, bring people together and create a stronger community spirit. These benefits support the Local Outcome Improvement Plan priority of empowering and connecting communities.
- 4.7 During the lockdown, the Charity prepared a risk assessment and recovery plan for the re-opening of the property. The plan demonstrates an understanding of the implications of COVID-19 for re-opening. The plan is contained within the supplementary submission made by the Charity on 27 July 2020, a copy of which is available on the Council's Committee Management System at <https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1623/Committee/37/SelectedTab/Documents/Default.aspx>.
- 4.8 In February 2020, the Council's Estates Manager advised that the estimated market value of the property amounted to £87,000. The Charity has requested that the property be transferred for nil consideration. The impact of COVID-19 and its associated government restrictions on property markets and values remains unclear. Consequently, the valuation estimate carries a significantly higher degree of uncertainty than usual. It is clear that the request involves a disposal at significantly less than the best price that could reasonably be obtained, equating to a discount of 100% on the estimated market value of £87,000. The projected benefits of the proposal are considered to be commensurate with the discount sought.

5. ASSET TRANSFER TERMS

- 5.1 If the recommendations are agreed, the following terms would apply to the transfer:
- (a) Subjects – the asset comprises the Town Hall, 22 Station Road, Findochty, as shown outlined in red in **Appendix 1**;
 - (b) Price – the price payable would be £nil.
 - (c) Existing Lease to the Charity – the existing lease terms would apply until the date of the transfer;
 - (d) Court Consent – agreement to the transfer would be subject to the Sheriff Court granting the Council consent to dispose of the asset.
 - (e) Contamination – the Council is to transfer the property “with information” in terms of Contaminated Land legislation with the Findochty Town Hall Group indemnifying the Council against any future claims relating to contaminated land. A desktop study by the Council's Environmental Health Section concluded that there are no known contaminative uses within 50 metres.
 - (f) Fees/Expenses – each party would meet its own legal expenses in the processing of the transaction, including legal expenses and surveyors fees; and,

- (g) Other Terms – any other detailed terms agreed with the Council’s Legal Services Manager and Estates Manager.

5.2 The Charity will have a right to ask the Council to review its decision if the request is refused or the terms differ materially from those requested.

6. SUMMARY OF IMPLICATIONS

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

Where a property is held on a Common Good title, the interests of the inhabitants of the former burgh take precedence over the Council’s Corporate Plan and 10 Year Plan (LOIP). Nevertheless, transferring assets to the community supports the 10 Year Plan aim of creating more resilient and sustainable communities and is consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities to take on more responsibility.

(b) Policy and Legal

On 21 March 2017, the Policy and Resources Committee approved the following policy statement (paragraph 5 of the Minute refers):

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

Section 82(5) of the Community Empowerment (Scotland) Act 2015 requires the Council to agree to the asset transfer request unless there are reasonable grounds for refusing it.

Section 104 of the Community Empowerment (Scotland) Act 2015 requires that before taking any decision to dispose of a Common Good property the Council must first publish details of the proposed disposal. In publishing these details, the Council must:

- (i) notify the relevant community council and any community body that is known to have an interest in the property, and
- (ii) invite those bodies to make representations in respect of the proposals.

In deciding whether or not to dispose of the property, the Council must have regard to any representations made, whether by those invited or by some other relevant party.

In accordance with the Asset Transfer Request (Procedure) (Scotland) Regulations 2016 and section 104 of the Community Empowerment

(Scotland) Act 2015, the Trust's request was the subject of an 8-week public consultation exercise.

In administering Common Good assets, the Council is required by section 15(4) of the Local Government etc. (Scotland) Act 1994 to have regard to the interests of the inhabitants of the area to which the Common Good related prior to 16 May 1975. As Findochty Town Hall is considered to be a potentially inalienable Common Good asset, the Council must also obtain the consent of the Sheriff Court in terms of Section 75(2) of the Local Government (Scotland) Act 1973 before it can be transferred.

Assets transferred to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires the Council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any of the following purposes:

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

Reasonableness in this context is taken to imply that the requested discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project.

(c) Financial Implications

The property is currently leased to the Charity at a concessionary rent. Under the terms of the lease, the Charity is responsible for meeting all costs incurred. It has now requested a free transfer of the property, which the Estates Manager has estimated to have a market value of £87,000. A sale of the property for this sum would generate a capital receipt that would be invested to provide an annual income to the Common Good. In reaching its decision the committee should consider whether the projected benefits arising from the transfer are commensurate with the requested discount of £87,000.

The costs of obtaining court consent to dispose of the property would amount to a minimum of £2,000. These costs would be met by the Council. It is not possible to provide a more accurate estimate of the potential costs involved as this would depend upon whether there are any objectors to the application.

(d) Risk Implications

The risks associated with the proposal have been considered by the Charity and appropriate actions identified to mitigate these. Although the asset transfer request was made before the lockdown, the Charity's supplementary submission includes a risk assessment and recovery plan that shows an understanding of the implications of COVID-19 for the re-opening of the property.

The risk of the Charity failing are considered to be low. However, in the event of its dissolution, its constitution provides that any remaining assets would transfer to another community body or charity with purposes closely resembling its own.

As stated in para 4.7 of this report, the impact of COVID-19 on property markets and the estimate of value for this property are currently unclear. As such, the estimate of value provided is subject to material valuation uncertainty. Consequently, a higher degree of caution should be attached to the estimate of value than would normally be the case.

The transfer requires the consent of the Sheriff Court, which has the power to refuse or grant permission either with or without conditions. If permission is refused, the Council would be unable to recover its costs. In reaching its decision, the court is likely to take into consideration the level of community support for the proposed transfer.

There is a low risk of the presence of State Aid as the proposed service is considered to be local and, therefore, unlikely to affect intra-community trade among EU member states.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

The property implications are as detailed in this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as agreeing to the asset transfer request would have no adverse impact on service delivery. The proposals are projected to have a positive socio-economic impact.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Head of Economic Growth and Development, Head of Education Resources and Communities, Head of Housing and Property, Legal Services Manager, Estates Manager, P. Connor Principal Accountant, Acting Community Support Manager, L. Rowan Committee Services Officer, and Equal Opportunities Officer have been consulted and comments incorporated in the report.

The local Ward Members, Councillors Cowie, Eagle and Warren, are aware of the proposals and may make their views known at Committee.

7. CONCLUSION

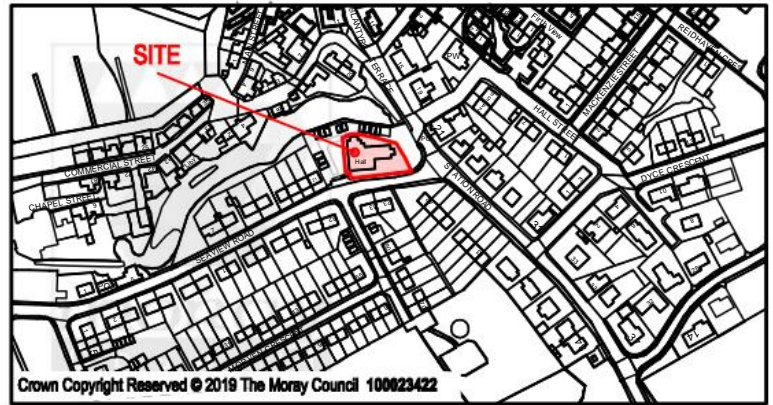
7.1 The proposed transfer contributes to the priorities set out in the Council's Corporate Plan and the Local Outcomes Improvement Plan.

- 7.2 The strength of the Charity's overall business case is considered to be moderate to strong. That is,**
- (a) Its governance and financial management arrangements are sound and sustainable,**
 - (b) Best Value characteristics are in evidence in the proposal, and**
 - (c) The projected benefits are acceptable, could lead to value for money, and are sufficient to justify a disposal at less than market value.**

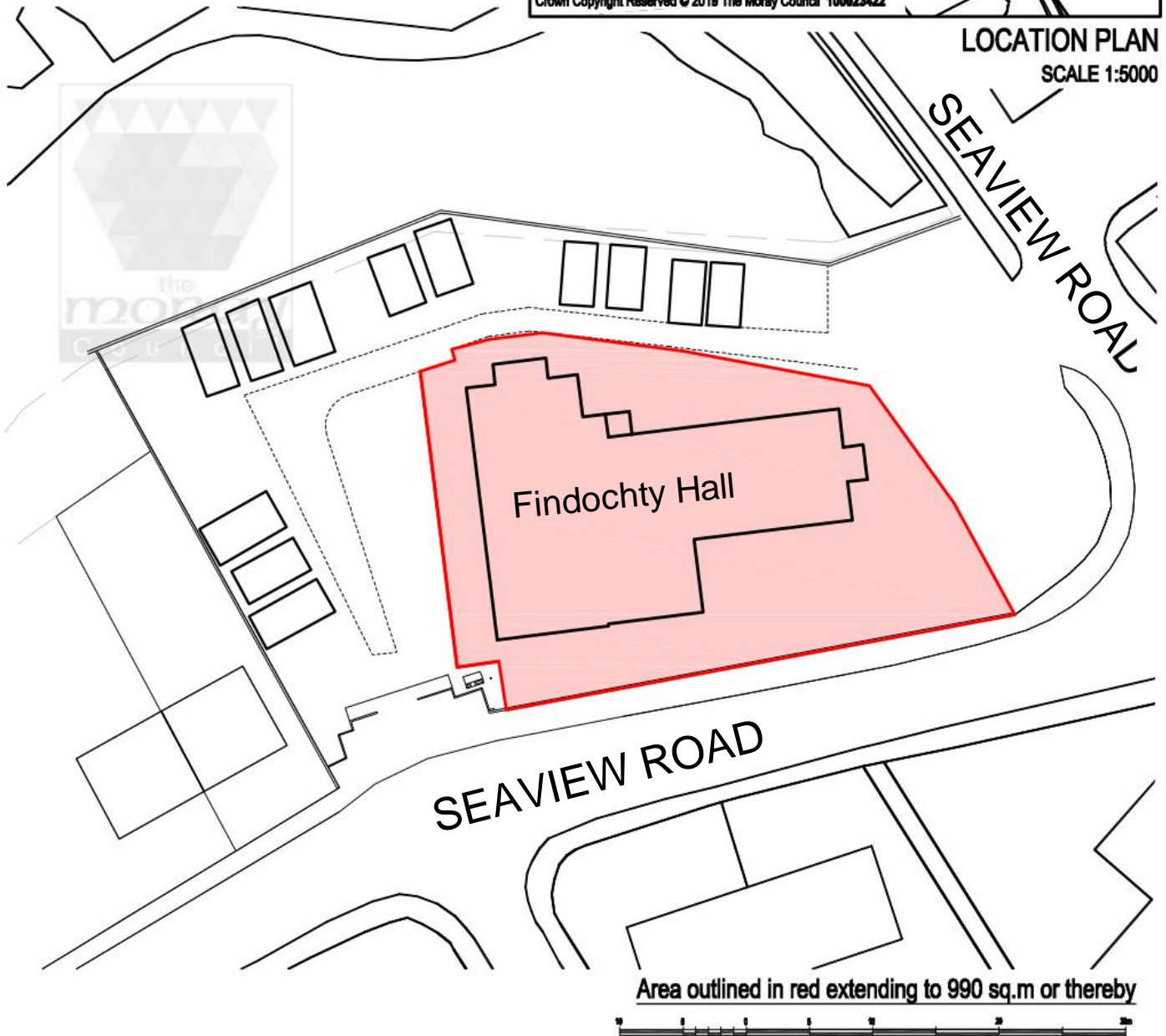
The lower assessment of moderate relates to the projected benefits and is a direct result of the greater degree of uncertainty caused by the impact of COVID-19 and the ongoing lockdown

- 7.3 No reasonable grounds have been identified for refusing the request.**

Author of Report:	Andrew Gray, Asset Management Coordinator
Background Papers:	Held by author
Ref:	CAT/073/ATR(CEA)



LOCATION PLAN
SCALE 1:5000



Drawing title

Findochty Town Hall



Scale
1:500

Date
Nov. 2019

Drawn By
CP

Deed Pack
F110

Drawing Number
DP \ MC \ FD \ 38

Housing & Property Services
Estates

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**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

**SUBJECT: COMMUNITY ASSET TRANSFER REQUEST (2015 ACT):
SITE FOR SKATEPARK, COULARDBANK, LOSSIEMOUTH**

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

1. REASON FOR REPORT

- 1.1 This report invites the committee to consider a community asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015 for a 25-year lease of common good land at Coularbank, Lossiemouth.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 The committee is invited to:

- (i) **approve the request to grant a 25-year lease of 0.175 hectares of land at Coularbank, Lossiemouth, to Lossiemouth Community Development Trust, a registered Scottish Charity, subject to the terms and conditions set out in section 5 of this report;**
- (ii) **authorise the Legal Services Manager to apply to the Sheriff Court for consent to lease the property to the Trust; and,**
- (iii) **note that, if the request is approved and unless otherwise agreed with the Trust, it will have 6 months from the date of the decision notice to submit a formal offer to lease the site, failing which the agreement will have no further effect and the statutory asset transfer process will come to an end.**

3. BACKGROUND

- 3.1 On 27 January 2020, the Trust submitted a valid asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015 (the Act) for a 25-year lease of 0.175 hectares of land at Coularbank, Lossiemouth, at a nominal rental for the purpose of developing a skatepark.
- 3.2 As the site at Coularbank is held on a potentially inalienable Common Good title and a 25 year lease would be considered to be a disposal, court consent would be required before the site could be leased to the Trust.
- 3.3 The Trust's request was the subject of an 8-week public consultation exercise, details of which were published on the Council's website. The redacted submissions, representations and responses are available on the Council's Committee Management System under the CAT reference number 052 at <https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1623/Committee/37/SelectedTab/Documents/Default.aspx>.

4. ASSESSMENT

- 4.1 The Trust is a company (SC491983) and a registered Scottish charity (SC045972), whose governing documents meet the criteria for being classed as a community-controlled body that is able to make an asset transfer request under the Act.
- 4.2 The Trust was formed to benefit the people residing or working in the area covered by Lossiemouth Community Council with the following objectives:
- The advancement of community development, including the advancement of rural regeneration, in line with the principles of sustainable development.
 - The enhancement of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.
 - The advancement of citizenship.
 - The advancement of environmental protection or improvement.
 - The relief and prevention of poverty.
 - The relief of unemployment.
- 4.3 The Trust's governance and financial management arrangements are considered to be strong and sustainable. Best Value characteristics are evident in the Trust's proposal. Its members have the necessary skills and experience to deliver its objectives. It has demonstrated that there is community support for its proposals. It has identified funding sources to deliver its proposal. Its submission provides evidence that the needs of groups protected under the Equality Act 2010 have been considered.
- 4.4 Lossiemouth Community Council, a statutory consultee under the Act, has confirmed its support for the proposal.
- 4.5 The projected benefits relate primarily to: regeneration through increasing potential access to leisure facilities; public health through encouraging public

participation in sport leading to healthier lifestyles; and, social wellbeing through encouraging activities that bring people together leading to the creation of a stronger community spirit. These support the Local Outcome Improvement Plan priority of empowering and connecting communities.

- 4.6 In December 2019, the Council's Estates Manager advised that the estimated rental value of the site amounted to £2,275 per annum. The Trust has requested that the site be leased to them at a nominal rent equating to a discount of 100% on the estimated rental value. The impact on property markets and values of COVID-19 and its associated government restrictions remains unclear. Consequently, the valuation estimate carries a significantly higher degree of uncertainty than usual. Although the request involves a disposal at less than the best price that could reasonably be obtained, the projected benefits of the proposal are considered to be commensurate with the discount sought.

5. ASSET TRANSFER TERMS

- 5.1 If the recommendations are agreed, then the following terms would apply:
- (a) The asset comprises the area of land extending to 0.175 hectares or thereby located at Coularbank, Lossiemouth, all as shown outlined in red in **Appendix 1**;
 - (b) Discussions have taken place with the Trust and the following main lease terms and conditions are proposed:
 - (i) Period – 25 years.
 - (ii) Date of Entry – to be agreed.
 - (iii) Rent – £1 per annum, without review.
 - (iv) Use – establishment and use as a skatepark.
 - (v) Maintenance/repair – tenant's responsibility.
 - (vi) Insurance – tenant's responsibility.
 - (vii) Planning – the tenant to obtain planning consent and building warrant for its proposals.
 - (viii) Development – the tenant to complete its development within timescales to be agreed.
 - (ix) Contamination – the tenant to indemnify the Council against any future claims. The Council's Environmental Health section has advised that there is no evidence of contaminative uses on this site which would affect the proposals.
 - (x) Alienation – no sub-letting or assignments without the consent of the Council.
 - (xi) Fees – each party would meet its own professional fees and expenses in concluding the transaction.
 - (xii) Other terms – any other detailed terms and conditions that may be agreed with the Council's Legal Services Manager and Estates Manager.

- (c) Agreement would be conditional upon the Sheriff Court granting the Council consent to dispose of the site by means of a 25-year lease.
- 5.2 The Trust will have a right to ask the Council to review its decision if the request is refused or the terms differ materially from those requested.

6. SUMMARY OF IMPLICATIONS

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

Where a property is held on a Common Good title, the interests of the inhabitants of the former burgh take precedence over the Council's Corporate Plan and 10 Year Plan (LOIP). Nevertheless, transferring assets to the community supports the 10 Year Plan aim of creating more resilient and sustainable communities and is consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities to take on more responsibility.

(b) Policy and Legal

On 21 March 2017, the Policy and Resources Committee approved the following policy statement (paragraph 5 of the Minute refers):

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

Section 82(5) of the Community Empowerment (Scotland) Act 2015 requires the Council to agree to the asset transfer request unless there are reasonable grounds for refusing it.

Section 104 of the Community Empowerment (Scotland) Act 2015 requires that before taking any decision to dispose of a Common Good property the Council must first publish details of the proposed disposal. In publishing these details, the Council must:

- (i) notify the relevant community council and any community body that is known to have an interest in the property, and
- (ii) invite those bodies to make representations in respect of the proposals.

In deciding whether or not to dispose of the property, the Council must have regard to any representations made, whether by those invited or by some other relevant party.

In accordance with the Asset Transfer Request (Procedure) (Scotland) Regulations 2016 and section 104 of the Community Empowerment

(Scotland) Act 2015, the Trust's request was the subject of an 8-week public consultation exercise.

The land at Coulardbank is classed as public open space. In accordance with the requirements of section 27 of the Town and Country Planning (Scotland) Act 1959, details of the asset transfer request were published in a local newspaper.

In administering Common Good assets, the Council is required by section 15(4) of the Local Government etc. (Scotland) Act 1994 to have regard to the interests of the inhabitants of the area to which the Common Good related prior to 16 May 1975. As the site requested is contained within an area of land that is considered to be a potentially inalienable Common Good asset, the Council must also obtain the consent of the Sheriff Court in terms of Section 75(2) of the Local Government (Scotland) Act 1973 before it can be transferred.

Assets transferred to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires the Council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any of the following purposes:

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

Reasonableness in this context is taken to imply that the requested discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project.

(c) Financial Implications

Whilst no income is currently generated from this part of the Coulardbank site, and there are no alternative proposals under consideration, the Council's Estates Manager has advised that the estimated rental value of the site amounts to £2,275 per annum. The Trust has requested that the site be leased to them at a nominal rent equating to a discount of 100% on the estimated rental value. Although there would be no loss of income to the common good if the request were to be agreed, in reaching its decision the committee should consider whether the projected benefits arising from the transfer are commensurate with the requested discount.

The costs of obtaining court consent to dispose of the property would amount to a minimum of £2,000. These costs would be met by the Council. It is not possible to provide a more accurate estimate of the potential costs involved as this would depend upon whether there are any objectors to the application.

(d) Risk Implications

The risks associated with the proposal have been considered by the Trust and appropriate actions identified to mitigate these. The risk of the Trust failing are considered to be low. However, in the event of its dissolution or winding up, the site would revert to the Council.

As stated in para 4.6 of this report, the impact of COVID-19 on property markets and the estimate of value for this property are currently unclear. As such, the estimate of value provided is subject to material valuation uncertainty. Consequently, a higher degree of caution should be attached to the estimate of value than would normally be the case.

The transfer requires the consent of the Sheriff Court, which has the power to refuse or grant permission either with or without conditions. If permission is refused, the Council would be unable to recover its costs. In reaching its decision, the court is likely to take into consideration the level of community support for the proposed transfer.

There is a low risk of the presence of State Aid as the proposed service is considered to be local and, therefore, unlikely to affect intra-community trade among EU member states.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

The property implications are as detailed in this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as agreeing to the asset transfer request would have no adverse impact on service delivery.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Head of Economic Growth and Development, Head of Education Resources and Communities, Active Schools and Sports Development Manager, Legal Services Manager, Estates Manager, P. Connor Principal Accountant, Acting Community Support Manager, L. Rowan Committee Services Officer, and Equal Opportunities Officer have been consulted and comments incorporated in the report.

The Ward Members, Councillors Allan, Cowe, Edwards and Taylor, are aware of the proposals and may make their views known at Committee.

7. CONCLUSION

7.1 The proposed transfer contributes to the priorities set out in the Council's Corporate Plan and the Local Outcomes Improvement Plan.

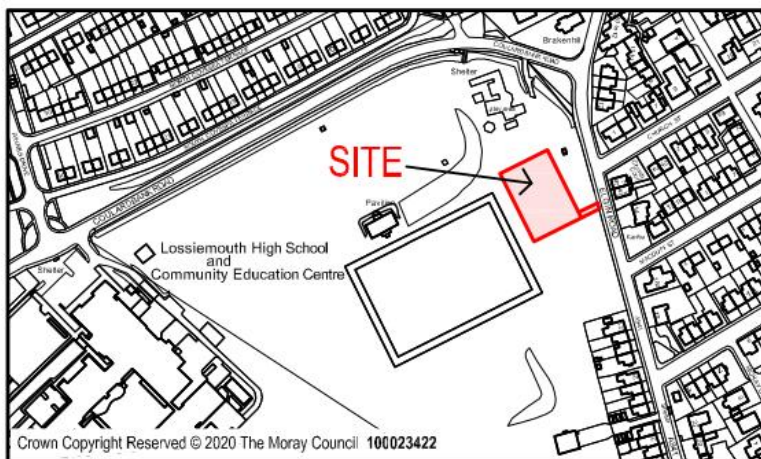
7.2 The strength of the Trust's overall business case is considered to be moderate to strong. That is,

- (a) Its governance and financial management arrangements are strong and sustainable,**
- (b) Best Value characteristics are in evidence in the proposal, and**
- (c) The projected benefits are acceptable, could lead to value for money, and are sufficient to justify a disposal at less than market value.**

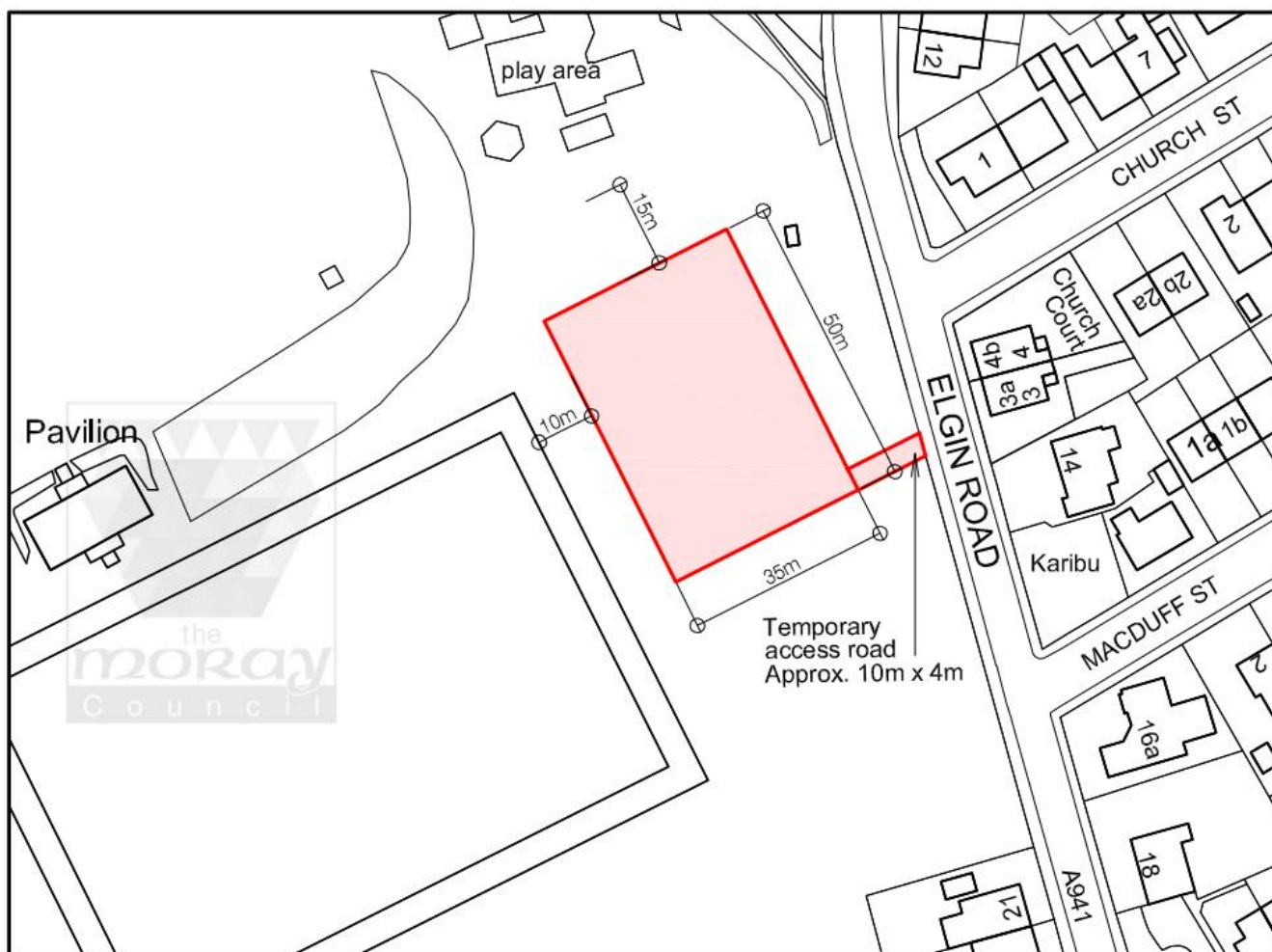
7.3 No reasonable grounds have been identified for refusing the request.

Author of Report:	Andrew Gray, Asset Management Coordinator
Background Papers:	Held by author
Ref:	CAT/052/ATR(CEA)

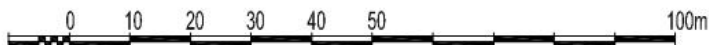
APPENDIX I



LOCATION PLAN SCALE 1:5000



Area outlined in red extending to 1,750 sqm or thereby



Drawing title

Coulardbank Playing fields, Lossiemouth.



Scale
1:1250

Date
Aug. 2020

Drawn By
CP

Deed Pack

Drawing Number

R\MC\L\ 318

Housing & Property Services
Estates

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**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

**SUBJECT: COMMUNITY ASSET TRANSFER REQUESTS (2015 ACT):
ALICE LITTLER PARK, ABERLOUR**

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

1. REASON FOR REPORT

- 1.1 This report invites the committee to consider two competing community asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015 for the transfer of title to Alice Littler Park, Aberlour.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 The committee is invited to:

- (i) **note that the Council has received two competing asset transfer requests under the Community Empowerment (Scotland) Act 2015 for Alice Littler Park, Aberlour, which means that it is prohibited by section 84(2) of the Act from disposing of the asset until both requests have completed the full process set out in legislation;**
- (ii) **refuse the request to transfer ownership of Alice Littler Park to Play Aberlour for the reasons set out in section 6; and,**
- (iii) **approve the request to transfer ownership of Alice Littler Park to Aberlour Community Association, subject to:**
 - (a) the terms and conditions set out in section 7, and**
 - (b) the prohibition against disposal being lifted.**

3. BACKGROUND

- 3.1 In 1990, the Alice Littler Memorial Trust granted the Council a rent-free lease in perpetuity of Alice Littler Park for recreational purposes for the benefit of the general public and, in particular, the people of Aberlour. In 2015, ownership of the park transferred to the Council at no cost following the conversion of its lease into ownership by virtue of the Long Leases (Scotland) Act 2012.
- 3.2 Aberlour Community Association (the Association) is currently responsible for the Alice Littler Park Play Area under a lease agreement dating back to 1998. On 22 August 2019, the Association submitted a valid asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015 (the Act) for the transfer of ownership of the whole of Alice Littler Park. On 3 January 2020, Play Aberlour also submitted a valid asset transfer request under the Act for the transfer of ownership of the park.
- 3.3 Section 82 of the Act requires the Council to give notice to each party of its decision to agree to or refuse its request within 6 months of the relevant validation date of the request. The Association agreed to extend the deadline for determination of its request to allow both requests to be considered side-by-side. The Council is prohibited by section 84(2) of the Act from disposing of the park until the process is completed for both requests. This prohibition will remain in place while any review or appeal process is underway.
- 3.4 In determining each request, the Council is required to take into consideration any benefits that might arise if it were to agree to any alternative proposal in respect of the land to which the request relates.
- 3.5 Both requests were the subject of public consultation exercises, details of which together with the responses thereto were published on the Council's website. The redacted submissions, representations and responses are available through the Committee Management System at <https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1623/Committee/37/SelectedTab/Documents/Default.aspx>.

4. CAT/085/ATR(CEA) – ABERLOUR COMMUNITY ASSOCIATION

- 4.1 The Association is a registered Scottish Charitable Incorporated Organisation (SC009817) that meets the criteria for being classed as a community-controlled body able to request a transfer of ownership under the Act.
- 4.2 The Association was formed to benefit the inhabitants of Aberlour and the wider community of Speyside with the following purposes:
- The advancement of citizenship and community development through the promotion of civic responsibility and volunteering and the promotion of economic and social development; and,
 - The provision of recreational facilities and activities for the purpose of social welfare, leisure, recreation and with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

- 4.3 The Association's governance and financial management arrangements are considered to be sound and sustainable. Best value characteristics are in evidence in its proposal. Its members have demonstrated through their proven track record of managing community assets for the community that they have the necessary skills and experience to deliver the Association's objectives. It has the necessary resources to deliver its objectives and has arrangements in place to monitor the achievement of these. Its business case demonstrates that its proposals are affordable and financially sustainable.
- 4.4 The public consultation confirmed strong support from the community for a transfer of the park to the Association. The Association's request is supported by the Alice Littler Memorial Trustees. No objections to the proposed transfer were received through the public consultation.
- 4.5 The Association has confirmed its willingness to work closely with other interested community groups, including Play Aberlour, to achieve the best outcomes for the local community. The Association's business case demonstrates that it promotes equality of opportunity and fosters good relations between various groups protected under the Equality Act 2010.
- 4.6 The projected benefits of the Association's proposal relate to economic development, public health, social wellbeing and environmental wellbeing. They support the Local Outcome Improvement Plan priorities of developing a growing, diverse and sustainable economy, building a better future for our children and young people, and empowering and connecting communities. They also support the Corporate Plan priorities of ensuring caring and healthy communities, encouraging economic development and growth, while contributing towards ensuring a financially stable Council. Overall, the projected benefits are demonstrated well and represent value for money.
- 4.7 The Association has requested that the property be transferred for nil consideration. In January 2020 the Council's Estates Manager advised that the estimated market value of the park could reasonably be stated as £46,000. The impact on property markets and values of COVID-19 and its associated government restrictions remains unclear. Consequently, this valuation estimate carries a significantly higher degree of uncertainty than usual. The request involves a disposal at less than the best price that could reasonably be obtained, equating to a discount of 100% on the estimated value. However, the projected benefits of the proposal are considered to be commensurate with the discount sought.

5. CAT/064/ATR(CEA) – PLAY ABERLOUR

- 5.1 Play Aberlour is a registered Scottish Charitable Incorporated Organisation (SC047670) that also meets the criteria for being classed as a community-controlled body able to request a transfer of ownership under the Act.
- 5.2 Play Aberlour was formed to benefit the community of Aberlour in particular and Moray as a whole with the following purposes:
- To provide recreational facilities and activities by undertaking an upgrade to existing facilities and/or creating new recreational activities within the village of Aberlour.

- 5.3 Play Aberlour has failed to provide information on its finances to the Scottish Charity Regulator (OSCR) within the required 9 months of its financial year end and, at the time of writing this being more than 75 days overdue, the organisation is now classed as 'defaulting'. Consequently, its governance and financial management arrangements are considered to be weak.
- 5.4 Although Play Aberlour has demonstrated a clear vision for the park and despite there being a broad range of skills and experience available through its trustees, it has not provided a costed plan or feasibility study showing how its vision can be achieved. In February this year, the trustees were given an opportunity to address this omission but have failed to provide any further information. Therefore, its asset transfer request must be assessed on the basis of the limited information provided in its submission.
- 5.5 A total of 48 responses were received during the public consultation carried out by the Council as part of the statutory CAT process, 25 of which were in support of the proposals and 22 being against. One representation provided additional information but did not register clear support for, or objections to, the proposal. Play Aberlour's request is not supported by the Alice Littler Memorial Trustees.
- 5.6 Although Play Aberlour has stated its willingness to work with the Association to bring positive change to Aberlour, it is considered that it has failed to demonstrate a collaborative approach to the challenges faced by its community.
- 5.7 Overall, its arrangements for securing Best Value are considered to be weak and not well demonstrated in its proposals.
- 5.8 The primary focus of Play Aberlour's proposal is the play area, which is currently held on lease by the Association. The projected benefits of the overall proposal relate to improved amenity through redevelopment of the play area and improved maintenance within the park.
- 5.9 If the projected benefits were to be achieved they would support the Local Outcome Improvement Plan priorities of developing a growing, diverse and sustainable economy, building a better future for our children and young people, and empowering and connecting communities. They would also support the Corporate Plan priorities of ensuring caring and healthy communities, encouraging economic development and growth, while contributing towards ensuring a financially stable Council.
- 5.10 Play Aberlour's request also involves a disposal at less than the best price that could reasonably be obtained, equating to a discount of 100% on the estimated value. However, if the projected benefits could be achieved, they would be considered to be commensurate with the discount sought.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The transfer of the park to an appropriate community-controlled body would be in keeping with the purposes of the original lease from the Alice Littler Memorial Trust to the Council.

- 6.2 The strength of the Association's overall business case is considered to be strong. That is,
- (a) Its governance and financial management arrangements are sound and sustainable,
 - (b) Best Value characteristics are in evidence in the proposal, and
 - (c) Projected benefits are demonstrated well and represent value for money.
- 6.3 The strength of Play Aberlour's overall business case is considered to be weak. That is, although the projected benefits would be considered acceptable and could lead to value for money,
- (a) Its governance and financial management arrangements are weak, and
 - (b) Best Value characteristics are not well demonstrated in its proposal.
- Consequently, there is a high risk that Play Aberlour's projected outcomes would not be achieved.
- 6.4 Both Play Aberlour and the Association have a right to request that the Council reviews its decision if the request is refused or the terms of the decision differ from those requested.

7. TERMS OF TRANSFER

- 7.1 If the recommendations are agreed the following terms and conditions would apply to the transfer:
- (a) Subjects – the asset comprises the two areas of ground at Alice Littler Park, Aberlour, designated as areas A and B and outlined in red in the **Appendix**;
 - (b) Condition – the transfer is conditional upon the prohibition from disposal contained in section 84(2) of the Community Empowerment (Scotland) Act 2015 no longer being in force.
 - (c) Access Rights Retained – the Council would retain rights of access over the route of the Speyside Way and those areas required to be used in connection with potential future bridge works as shown in the **Appendix**.
 - (d) Access Rights Granted – the purchaser would be granted access rights over the roadway to Alice Littler Park as shown in the **Appendix**. Maintenance and repair costs of the roadway would be shared by the purchaser and the Council based on respective usage.
 - (e) Price – the price payable would be £nil.
 - (f) Existing Lease – the terms of the existing lease agreement in respect of the play area would apply until the date of the transfer;
 - (g) Fees/Expenses – each party would meet its own legal expenses in the processing of the transaction, including legal expenses and surveyors fees;
 - (h) Other Terms – any other detailed terms agreed with the Council's Legal Services Manager and Estates Manager.

8. **SUMMARY OF IMPLICATIONS**

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

Transferring assets to the community supports the 10 Year Plan (LOIP) aim of creating more resilient and sustainable communities and is consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities to take on more responsibility.

(b) Policy and Legal

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

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

Both asset transfer requests were made under Part 5 of the Community Empowerment (Scotland) Act 2015. In reaching its decision, section 82(3)(f) of the Act requires the Council to take into consideration any benefits that might arise if it were to agree to any alternative proposal in respect of the land to which the request relates. Section 82(5) requires the Council to agree to the requests unless there are reasonable grounds for refusing them. Section 82(7) requires the Council to give notice, within the period prescribed by Scottish Ministers, to the community transfer bodies of its decision to agree or refuse their requests. The decision notices must include the reasons for its decision. The prescribed period is 6 months from the validation date of each request. Section 84(2) of the Act prohibits the Council from selling, leasing or otherwise disposing of the requested asset until the whole process is completed in respect of both requests

Each valid asset transfer request that is received must be processed in line with the procedures and timescales set out in legislation, even if further requests are received for the same asset. There is no provision to allow the Council to delay a decision on one request until it has considered another, unless the community transfer body making the first request agrees to extend the timescale.

In accordance with the Asset Transfer Request (Procedure) (Scotland) Regulations 2016, both requests were the subject of public consultation exercises. As Alice Littler Park is classed as public open space, details

were also published in a local newspaper in accordance section 27 of the Town and Country Planning (Scotland) Act 1959.

Assets transferred to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires the Council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any of the following purposes:

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

Reasonableness in this context is taken to imply that the requested discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project.

(c) Financial Implications

The Estates Manager has advised that the estimated market value of the park could reasonably be stated as £46,000. Both parties have requested that the park be transferred for nil consideration. The projected benefits of a transfer are considered to be commensurate with the requested 100% discount on the purchase price.

The Alice Littler Memorial Trust has assumed responsibility for funding maintenance of the grass areas within the park for the current season. Consequently, transferring the park would be cost neutral.

(d) Risk Implications

Project risks have been considered by the Association and appropriate actions identified to mitigate these. The Association has a proven track record in managing local facilities, having taken over responsibility for the former Speyside Way Visitor Centre, tea room and public toilets following a successful asset transfer request in 2016. The Association has also managed the operation of the town's Fleming Hall since 1 April 2001 under a lease from the Council. Consequently, the risks of the Association's project failing are considered to be low.

For the reasons outline in the report, there is a high risk that Play Aberlour's projected outcomes would not be achieved.

As stated in para 4.7 of this report, the impact of the coronavirus on property markets and the estimate of value for this property are currently unclear. As such, the estimate of value provided is subject to material valuation uncertainty. Consequently, a higher degree of caution should be attached to the estimate of value than would normally be the case.

There is a low risk of the presence of State Aid as the proposed service is considered to be local and, therefore, unlikely to affect intra-community trade among EU member states.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

The property implications are as detailed in this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as agreeing to the asset transfer request would have no adverse impact on service delivery.

(h) Consultations

The Depute Chief Executive (Economy, Environment And Finance), Chief Financial Officer, Head of Economic Growth and Development, Head of Education Resources and Communities, Environmental Protection Manager, Legal Services Manager, Estates Manager, P. Connor Principal Accountant, Acting Community Support Manager, L. Rowan Committee Services Officer, and Equal Opportunities Officer have been consulted and comments incorporated in the report.

The local Ward Members, Councillors Nicol, Ross, and Wilson, are aware of the proposals and may make their views known at Committee.

9. CONCLUSION

- 9.1 The strength of Play Aberlour's overall business case is considered to be weak and there is a high risk that its projected outcomes would not be achieved. Consequently, it is considered that there are reasonable grounds to refuse this request.**
- 9.2 The proposed transfer to the Association contributes to the priorities set out in the Council's Corporate Plan and the Local Outcomes Improvement Plan and its projected benefits are considered sufficient to justify a disposal at less than market value. No reasonable grounds have been identified for refusing its request for a transfer of ownership.**
- 9.3 The Council is prohibited from disposing of the site until the statutory processes have been completed for both asset transfer requests.**

Author of Report:	Andrew Gray, Asset Management Coordinator
Background Papers:	Held by author
Ref:	CAT/064/ATR(CEA) and CAT/085/ATR(CEA)

