



Moray Council

Wednesday, 23 February 2022

NOTICE IS HEREBY GIVEN that a Meeting of the **Moray Council** is to be held at **Remote Locations via Video Conference**, on **Wednesday, 23 February 2022** at **09:30**.

BUSINESS

1. Sederunt

2. Declaration of Group Decisions and Members Interests *

3. Resolution

Consider, and if so decide, adopt the following resolution:
"That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 11 - 14 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."

4. Minute of Meeting of 19 January 2022

7 - 16

5. Written Questions **

6. Revenue Budget Monitoring Quarter 3

17 - 42

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

- | | |
|---|---------|
| 7. Capital Plan 2021-22
Report by Depute Chief Executive (Economy, Environment and Finance) | 43 - 64 |
| 8. Funding for Development of the Raising Attainment
Report by Depute Chief Executive (Education, Communities and Organisational Development) | 65 - 68 |
| 9. Chief Social Work Officer Annual Report 2020-21
Report by Chief Social Work Officer | 69 - 80 |
| 10. Question Time ***
Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration. | |

Item(s) which the Committee may wish to consider with the Press and Public excluded

- | |
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| 11. Regrading of Post of Chief Financial Officer MIJB [Para 1] <ul style="list-style-type: none">• Information relating to staffing matters; |
| 12. Childrens Services Transformational Proposal [Para 1] <ul style="list-style-type: none">• Information relating to staffing matters; |
| 13. Moray Affordable Housing Programme - Council Land Aquisition [Para 9] <ul style="list-style-type: none">• Information on terms proposed or to be proposed by or to the Authority; |
| 14. Living Wage Consolidation [Para 12] <ul style="list-style-type: none">• Information relating to any consultations or negotiations in connection with any labour relations; |

Moray Council Committee meetings are currently being held virtually due to Covid-19. If you wish to watch the webcast of the meeting please go to:
http://www.moray.gov.uk/moray_standard/page_43661.html
to watch the meeting live.

* **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.

THE MORAY COUNCIL

Moray Council

SEDERUNT

Councillor Shona Morrison (Chair)
Councillor Graham Leadbitter (Depute Chair)

Councillor George Alexander (Member)
Councillor James Allan (Member)
Councillor David Bremner (Member)
Councillor Frank Brown (Member)
Councillor Theresa Coull (Member)
Councillor John Cowe (Member)
Councillor Gordon Cowie (Member)
Councillor Lorna Creswell (Member)
Councillor John Divers (Member)
Councillor Tim Eagle (Member)
Councillor Ryan Edwards (Member)
Councillor Claire Feaver (Member)
Councillor Donald Gatt (Member)
Councillor Marc Macrae (Member)
Councillor Aaron McLean (Member)
Councillor Maria McLean (Member)
Councillor Ray McLean (Member)
Councillor Louise Nicol (Member)
Councillor Laura Powell (Member)
Councillor Derek Ross (Member)
Councillor Amy Taylor (Member)
Councillor Sonya Warren (Member)
Councillor Walter Wilson (Member)

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

Minute of Meeting of the Moray Council

Wednesday, 19 January 2022

Remote Locations via Video Conference,

PRESENT

Councillor George Alexander, Councillor David Bremner, Councillor Frank Brown, Councillor Theresa Coull, Councillor John Cowe, Councillor Gordon Cowie, Councillor Lorna Creswell, Councillor John Divers, Councillor Tim Eagle, Councillor Ryan Edwards, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Maria McLean, Councillor Ray McLean, Councillor Shona Morrison, Councillor Louise Nicol, Councillor Laura Powell, Councillor Derek Ross, Councillor Amy Taylor, Councillor Sonya Warren, Councillor Walter Wilson

APOLOGIES

Councillor James Allan

IN ATTENDANCE

In attendance at the above meeting were the Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Governance, Strategy and Performance, Head of Financial Services, Head of Economic Growth and Development, Head of Environmental Services and Commercial Services, the Head of Housing and Property and Tracey Sutherland, Committee Services Officer.

Brian Howarth and Maggie Bruce from Audit Scotland were also in attendance.

1. Chair

The meeting was chaired by Councillor Shona Morrison.

2. Condolences

Members of the Council joined the Convener in offering their sincere condolences to Councillor Wilson following the death of his mother.

Councillor Wilson thanked the Council and also the Social Work Service for their support.

3. Letter of Commendation

The Convener read out a joint letter from the Lord Lieutenants of Moray and Banffshire, in which they thanked the Council and staff for the wonderful contribution they have made to the people of Moray and Banffshire during the anxious and challenging times of the Covid-19 pandemic.

4. 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.

5. Written Questions **

The Council noted that no written questions had been submitted.

6. Notice of Motion - Older Peoples Champion

A Notice of Motion was submitted by Councillor Warren, seconded by Councillor Coull in the following terms:

Older Peoples Champion

Age Scotland and the Scottish Older People's Assembly (SOPA) are campaigning to secure the appointment of a Councillor as an Older People's Champion in each of Scotland's 32 local Authorities, 19 have already appointed their champion.

The champion would work to help ensure the older peoples voices are heard within the community. They would help raise awareness of issues affecting older people in the local area. Their responsibilities might include:

Ensuring older peoples perspectives are understood in policy area

✓ Collecting and feeding back on older people's concerns to the council

Helping to communicate council policy to older people

Leading on council campaigns around older people's issues

We therefore ask the Council to agree to respond to the campaign and appoint an Older Peoples Champion.

Councillor Leadbitter, seconded by Councillor Nicol moved that Councillor Warren be appointed as the Older People's Champion.

Councillor Feaver proposed that Councillor Brown be appointed as the Older People's Champion, this was seconded by Councillor Eagle.

On the division there voted:

For the Motion (11)	Councillors Leadbitter, Nicol, Bremner, Coull, Cowe, Creswell, Divers, Morrison, A McLean, Taylor and Warren
For the Amendment (10)	Councillors Feaver, Eagle, Alexander, Brown, Macrae, M McLean, R McLean, Powell, Ross and Wilson
Abstentions (3)	Councillor Cowie, Edwards and Gatt

Accordingly the motion became the finding of the meeting and the Council agreed to appoint Councillor Warren at the Older People's Champion.

7. Minute of Meeting of 10 November 2021

The minute of the meeting of the Moray Council dated 10 November 2021 was submitted and approved.

8. Minute of Meeting of 30 November 2021

The minute of the meeting of the Moray Council dated 30 November 2021 was submitted and approved.

9. Minute of Meeting of 13 December 2021

The minute of the meeting of the Moray Council dated 13 December 2021 was submitted and approved.

10. 2020-21 Annual Audit Report

A report by the Depute Chief Executive (Economy, Environment and Finance) provided the Council with a copy of the External Auditor's Annual Audit Report to the Council on the 2020/21 audit.

Councillor Brown expressed concern about the last sentence of para 71 of the Auditor's report. Following discussion it was agreed that the Head of Governance, Strategy and Performance would assist the Audit Director with wording for the sentence which better reflected the outcome of the meeting.

Following consideration the Council agreed to note the contents of the report (Appendix 1) from the Council's External Auditors.

11. Audited Annual Accounts 1 April 2020 to 31 March 2021

A report by the Depute Chief Executive (Economy, Environment and Finance) submitted to the Council the Audited Annual Accounts for the Moray Council for the year ended 31 March 2021.

Following consideration, the Council agreed to:

- i) note the Audited Annual Accounts for the financial year 2020/21; and
- ii) approve that the Annual Accounts are signed, having regard to the Annual Report from the external auditor considered earlier at this meeting.

12. Connected Charities Audited Annual Accounts 01-04-20 to 31-03-21

A report by the Depute Chief Executive (Economy, Environment and Finance) submitted to the Council the audited Annual Accounts for Moray Council's Connected Charities for the year ended 31 March 2021.

Following consideration the Council agreed to approve the audited Annual Accounts for the Connected Charities for the financial year 2020/21.

13. BVAR Strategic Action Plan - Quarterly Progress Report

A report by the Chief Executive informed the Council of the latest progress on the Best Value Assurance Report Strategic Action Plan.

Following consideration the Council agreed to note progress made on the Best Value Assurance Report (BVAR) Strategic Action Plan shown in Appendix 1.

14. Corporate Plan Progress Update and 2022 Preparation Report

A report by the Depute Chief Executive (Education, Communities and Organisational Development) provided an update on progress on the Corporate Plan 2019/24, to set out preparations for the review and update of the Corporate Plan following the local government election in May 2022 and proposed arrangements for service planning for 2022.

Following consideration in which Officers answered questions regarding attainment and community engagement the Council agreed to:

- i) note the progress made on the 2019-24 Corporate Plan
- ii) the preparations for the review and update of the Corporate Plan following the local government elections in May 2022; and
- iii) note that in light of the local government election in May 2022, service plans will be prepared taking account of the known national and service driven issues and will be further reviewed in 12 months to take account of the direction from the new Council in the revised Corporate Plan.

15. Short Medium Term Financial Planning

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Council of the updated financial projections for 2021/22, 2022/23 and 2023/24.

Following consideration the Council agreed to:

- i) note the revised budget estimates for 2021/22, 2022/23 and 2023/24;
- ii) note the emerging budget pressures summarised in paragraphs 3.7 and 3.20;
- iii) approve additional funding of £52,000 as itemised in paragraphs 3.11 and 3.13, to enable the recruitment process for a Programme Management Officer for Moray Growth Deal to commence in early course and immediate procurement of software to improve cybersecurity; and
- iv) approve savings of £800,000 for 2022/23 as set out in paragraph 3.14, subject to approval by Education, Children's and Leisure Services Committee on 26 January 2022 of future proposals for Children's Services.

16. Capital Strategy

A report by the Depute Chief Executive (Economy, Environment and Finance) asked Council to approve the Capital Strategy presented in draft as Appendix 1 to this report.

Following consideration the Council agreed to approve the Capital Strategy as set out in Appendix 1.

17. Charging for Services

A report by the Depute Chief Executive (Economy, Environment and Finance) asked Council to approve revised charges for Council services for 2022/23.

Following the agreement at Economic Development and Infrastructure Services Committee on 7 December 2021 to recommend the introduction of a new systems of charges for the use of parks and open spaces in the Council's ownership.

Councillor Leadbitter moved that charges in G5 be set to zero for all Community, Charity and Not Profit Events.

In response, Councillor Alexander said he would be happy to support Councillor Leadbitter's motion if he would amend it to include limited companies who did not distribute profit to shareholders.

Councillor Leadbitter confirmed he was happy to amend his motion to incorporate Councillor Alexander's addition.

Councillor Brown, seconded by Councillor Morrison proposed that the B10a maintenance charge for wash/dry toilets be removed and no charge made for the service.

As there was no one otherwise minded the Council agreed to approve the charges for the Council services for 2022/23 set out in appendix 1 subject to the following changes:

- Charges in G5 will be set at zero for Community, Charity and Not for Profit
- i) Events - including limited companies who do not distribute profit or shares to shareholders; and
- ii) Charges in B10a for the maintenance of wash/dry toilets is removed and no charge is made for the service.

Councillor Edwards left the meeting following the conclusion of this item.

18. Storm Arwen Debrief

A report by the Depute Chief Executive (Economy, Environment and Finance) advised the Council of the recommendation from the Economic Development and Infrastructure Services Committee that the Council seek a report on the Council's response to Storm Arwen.

Following consideration the Council agreed that a review of how the Council responded to Storm Arwen be undertaken and that the review is undertaken as detailed in paragraph 4.2 of the report.

19. Urban Gulls

Councillor Edwards re-joined the meeting during the discussion of this item.

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Council of the action taken to date regarding Urban Gulls and of the changes to the licensing scheme for gull control actions.

In introducing the report the Head of Economic Growth and Development advised the Council that recommendation 7 should read - note that Officers will keep options in terms of the new License under review as further detail emerges. The word 'general' should be removed.

Councillor Leadbitter moved to approve the recommendations as printed with the removal of the word 'general' from recommendation 7, this was seconded by Councillor Bremner.

In response Councillor Eagle, seconded by Councillor Gatt proposed the following:

- i) agree as printed
- ii) agree as printed
- iii) agree as printed
- iv) remove recommendation
- v) agree that authority be delegated to the Head of Housing and Property Services to progress contractual discussions regarding laser disruption in 2022/23 following discussion with local members who have authority to authorise Common Good/Public Trust funding allocations and who wish to be involved in the contracts, and that this will be offered to all ward areas.
- vi) agree the following actions:
 - a) a public education programme as set out in para 6.1 at a maximum cost of £2000 with spend in 2021/22, with delegated powers to the Head of Economic Growth and Development to liaise with Group Leaders on final details
 - b) a priorities rolling programme for the supply and installation of gull proof bins in affected communities in Moray as set out in para 6.2 and Appendix 1
 - c) ask Officers to bring forward as a budget proposal a template on increasing the street cleaning team and a template on the recruitment of an internal team to provide seagull proofing services to communities along the lines of today's discussion
- vii) as printed

Under reference to Standing Order 83 the Chair sought the Committees approval to suspend Standing Order 75 in order to conclude the meeting after 12.45pm. This was unanimously agreed

Following further consideration, Councillor Leadbitter amended his motion to agree with Councillor Eagle's amendment with the exception of vi) c for the proposal on increasing the street cleaning team and on the recruitment of an internal team to provide seagull proofing services to communities to be considered as part of the budget debate in February. Councillor Bremner was in agreement with Councillor Leadbitters amended motion.

On the division there voted:

For the Motion (12)	Councillors Leadbitter, Bremner, Coull, Cowe, Cowie, Divers, Edwards, A McLean, Morrison, Nicol, Taylor and Warren
For the Amendment (10)	Councillors Eagle, Gatt, Brown, Feaver, Macrae, M McLean, R, McLean, Powell, Ross and Wilson
Abstentions (2)	Councillors Alexander and Creswell

Therefore the motion became the finding of the meeting and the Council agreed:

- i) to note activity in relation to gull control to date;
- ii) to note the change to the NatureScot licence provisions regarding gulls and the potential impact of this on continuation of interventions previously instructed;
- iii) to note the constraints on funding of activity across the whole council housing estate from the Housing Revenue Account (HRA), but the potential for use of general maintenance budgets in particular cases;
- iv) agree that authority be delegated to the Head of Housing and Property Services to progress contractual discussions regarding laser disruption in 2022/23 following discussion with local members who have authority to authorise Common Good/Public Trust funding allocations and who wish to be involved in the contracts, and that this will be offered to all ward areas.
- v) the following further actions:
 - a) a public education programme as set out in para 6.1 at a maximum cost of £2000 with spend in 2021/22, with delegated powers to the Head of Economic Growth and Development to liaise with Group Leaders on final details;
 - b) a prioritised rolling programme for the supply and installation of gull proof bins in affected communities in Moray as set out in para 6.2 and Appendix 1; and
 - c) for the proposal on increasing the street cleaning team and on the recruitment of an internal team to provide seagull proofing services to communities to be considered as part of the budget debate in February rather than Officers preparing budget proposal templates

- vi) to note that Officers will keep options in terms of the new General License under review as further detail emerges.

Councillors Maria and Ray McLean left the meeting at the conclusion of this item.

20. Question Time ***

Under reference to para 13 of the minute of the meeting of 10 November 2021, Councillor Alexander sought an update on whether the meeting had taken place with the University of the Highlands and Islands (UHI).

In response, Councillor Leadbitter confirmed that a meeting had taken place between himself and the Vice Principal of UHI and other representatives which had been very helpful with the Vice Principal confirming re-assurances already given following the press article that the curriculum would remain broad and significant.

Under reference to para 13 of the minute of the meeting of 10 November 2021, Councillor Alexander sought an update of the dualling of the A96.

In response, Councillor Leadbitter confirmed that he had received a letter from the Transport Minister at the Scottish Government, which he had asked be circulated to all Councillors.

Councillor Leadbitter further added that the Transport Minister gave re-assurance that the Scottish Government is committed to the north east including the commitment to improve the A96 north east corridor to improve connectivity in the area.

The current plan is to fully dual the A96 route between Inverness and Aberdeen however, as part of the co-operation agreement with the Scottish Green Party the agreement has been reached to conduct a transparent, evidence based review which will be reported by the end of 2022.

Furthermore full consultation will take part with all stakeholders including the Council to ensure individuals and businesses are kept fully informed and that vital feedback is taken on board as the review is taken forward.

Councillor Ross sought an update on the additional Covid funding given to Scottish local authorities for permanent and temporary additional staffing and how this translated into permanent teaching and support staff positions in Moray's schools and further sought a breakdown between primary, secondary and Additional Support Needs.

He further sought clarification on whether all the money has been spent.

In response the Depute Chief Executive (Education, Communities and Organisational Development) confirmed that a report is being presented to Education, Communities and Leisure Services Committee.

Councillor Brown sought an apology from Councillor Leadbitter following the meeting of Moray Council on 13 December 2021 in which he released a press release demanding 3 Councillors of the Conservative Group to resign as they no longer stayed within the Moray area. Councillor Brown stated that Councillor Leadbitter did this in the full knowledge that for the last year of the previous

administration, the Leader of the SNP group lived in Aberdeenshire. Councillor Brown further sought an apology for the disingenuous press release and for the apology to be properly minuted.

The Chair sought clarification from the Head of Governance, Strategy and Performance on how to deal with Councillor Brown's questions as questions within Question Time should be addressed through the Chair.

In response the Head of Governance, Strategy and Performance advised that any member can put any question to the Chair on that Committee's remit and that the Chair can refer questions on to appropriate Officers or Members to respond.

The Chair referred Councillor Brown's question to Councillor Leadbitter to respond.

Councillor Leadbitter responded by confirming that he was not going to apologise for the press release, it was made at a time of different circumstances and he was talking about a third of a group not living within Moray who were seeking the Administration. He further added that at the time of the previous Administration, the group were not seeking the Administration and it is a very different context. He further stated that he stands by the comments he made in the press release at the time of the Council meeting.

Councillor Brown did not wish to ask any further question, however stated he would not accept Councillor Leadbitter's response.

Councillor Gatt sought clarification on whether keeping surplus buildings which closed in 2004 is still best value for money and if not, why has the Keith Tourist Office not been sold or demolished and what is the cumulative cost to the Council since 2004.

In response the Chair confirmed that she did not have the answer but would refer the question to Officers to provide a written response to Council following the meeting.

Councillor Gatt confirmed he was happy to receive a written response.



REPORT TO: MORAY COUNCIL ON 23 FEBRUARY 2022

SUBJECT: REVENUE BUDGET MONITORING TO 31 DECEMBER 2021

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

1. REASON FOR REPORT

- 1.1 To advise Committee of the revenue budget monitoring position to 31 December 2021 and of the current estimated out-turn for 2021/22.
- 1.2 This report is submitted to Council in terms of Section III A (2) 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 £1,189,000 under budget for 2021/22 as at 31 December 2021;
- (ii) that this position consists of an underspend on Devolved School budgets of £1,217,000, an underspend of £1,479,000 on Children's services, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £1,928,000 and an underspend on other services of £421,000;
- (iii) movement of £3,212,000 in the General Revenue Grant, as detailed in paragraph 3.5;
- (iv) the current estimated out-turn for 2021/22 of an underspend of £2,132,000 which would result in an increase in Council reserves; and
- (v) emerging budget pressures as summarised in paragraph 6.1.

3. BACKGROUND

- 3.1 When the revenue budget for 2021/22 was approved by Moray Council on 3 March 2021 (paragraph 5 of the minute refers), General Revenue Grant of £167,832,000 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. BRIS retention of £1,859,000 was included in funding. Council Tax receipts of £44,405,000 were anticipated. Budgeted expenditure of £214,106,000 was agreed, and this required projected use of £10,000 of the Council's General Reserves and use of financial flexibilities totalling £1,251,000 to balance the budget.

- 3.2 Shortly after the budget was set Scottish Government announced additional funding for local authorities in 2020/21 relating to the pandemic. This came as General Revenue Grant and is held in an ear-marked reserve. As reported to Council on 20 September 2021 (paragraph 27 of the Minute refers) pandemic-related budget pressures of £1,307,000 were included in the base budget and these could appropriately be funded from the ear-marked reserve, removing the need to use financial flexibilities or funding from free general reserve.
- 3.3 On 30 June 2021 Council approved adjustments to the base budget to reflect variances during 2020/21 which were projected to continue into 2021/22. The net effect of these adjustments was to increase budgeted expenditure by £242,000 (paragraph 17 of the Minute refers). On 12 May 2021 (paragraph 14 of the Minute refers) and 30 June 2021 (paragraph 17 of the Minute refers) Council approved additional expenditure of £191,000 to be funded from General Reserves. All of these adjustments have been posted to departments during quarter 1 and 2. On 1 July 2021 Council (paragraph 31 of the Minute refers) approved additional expenditure of £430,000 for UK Levelling Up Fund, the budget for which was posted to the department in quarter 2. The Economic Growth, Housing and Environmental Services Committee on 24 August 2021 (paragraph 6 of the Minute refers) approved additional expenditure of £30,000 for Syrian refugees to be funded from free general reserves and £100,000 for small scale projects to transform Council services to be funded from the ear-marked reserve for transformation of services. The budget for Syrian refugees has been posted to the service in quarter 2 and the budget for transformation of services will be posted during quarter 4.
- 3.4 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 2021/22 is £1,342,000 (2020/21 £683,000). Unused funding of £802,000 received in 2020/21 for the Pupil Equity funding and £599,000 for Early Learning and Childcare has been carried forward into 2021/22 in accordance with the grant conditions.
- 3.5 Variations to General Revenue Grant (GRG) amounting to £8,606,000 have been notified since the budget was approved, and previous monitoring reports gave details of £5,493,000. A further £3,212,000 has been notified during quarter 3. The bulk of the funding is for social care: £2,238,000 for additional winter pressures and £450,000 for adult social care pay uplift funding. There is additional funding relating to Covid: £335,000 for flexible funding to tackle financial insecurity; £52,000 for CO₂ monitors in schools and £36,000 self-isolation grant extension. Other funding relates to manifesto pledges: £51,000 for Mental Health Officer and £50,000 for the national trauma training programme. As at 31 December 2021 £132,000 for flexible funding to tackle financial insecurity has been drawn down.

- 3.6 With these adjustments the Council's overall General Services revenue budget currently stands at £242,700,000.
- 3.7 Funding of £10,432,000 for the expansion of Early Learning and Childcare (ELC) was included in base budget. Expansion of ELC is funded by specific grant, but for transparency it is included in the government grant figure in **APPENDIX 3**. All funding received has been drawn down. At the end of quarter 2, it was projected that there would not be sufficient grant available to cover the costs to the end of the financial year. Following work on this area, it is now projected that expenditure in 2021/22 can be covered by the revenue grant, using brought forward underspend from previous years. This means that the revenue cost of the expansion of ELC has been met entirely by the grant funding from Scottish Government. However, current levels of expenditure going forward are higher than the funding received in 2021/22 and the funding announced for 2022/23 has been reduced. This was the subject of a report to Education, Children's and Leisure Services Committee on 26 January 2022 (paragraph x of the Minute refers) and work is ongoing to identify how costs may be contained within the level of funding from Scottish Government.
- 3.8 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 2 March 2021 is shown in **APPENDIX 3** and allocations to departments from the provisions for Inflation and Contingencies, Additional Costs and Savings are listed in **APPENDIX 4**

4. BUDGET POSITION

- 4.1 **APPENDIX 1** summarises the current position for each service area, comparing the actual expenditure for the year to 31 December 2021 with the budget to 31 December 2021.
- 4.2 Overall the budget position at 31 December 2021 is expenditure under budget to date of £1,189,000 or 0.8% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 4.3 The principal areas of overspend and underspend across the Council are summarised below.
- 4.4 In Children's Services, there is an underspend of £1,479,000 primarily due to an underspend to date on out of area childcare packages of £729,000. A contract for residential care for children in Moray has ended giving an underspend of £432,000 and another contract for £250,000 has ended due to clients transitioning to adult services. A further underspend of £68,000 relates to adoption placements, allowances and legal fees .
- 4.5 Devolved School budgets are underspent by £1,217,000 at the end of the third quarter, £423,000 in primary schools and £794,000 secondary schools, with significant delays in delivery for purchases on order. There is an underspend of £49,000 on the facilitating school improvement budget.
- 4.6 The MIJB is reporting an overspend across both Council and NHS services at the end of quarter 2 of £2,094,000. 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 £1,928,000.

- 4.7 The impact of the Covid pandemic and lockdown measures that have been put in place continue to have significant impact on the Council's pattern of income and expenditure during the third quarter. All services are seeing less income than expected, totalling £1,101,000 at the end of the third quarter. This includes loss of leisure income above that anticipated when the budget was set; catering income; car parking income; planning and building control fees.
- 4.8 This is partially offset by works and spend in some services being unable to be incurred or completed due to the impact of Covid. The main service underspends total £1,243,000, which includes property repairs and maintenance, school improvements, recycling, Moray training and corporate training.
- 4.9 There is also directly related Covid expenditure totalling £3,477,000. This is made up of £1,432,000 for additional teachers and support staff; £204,000 for free school meals payments; £633,000 hardship/bridging payments; £198,000 ELC partner providers; £12,000 in Housing, mainly relating to building recommissioning works (pools and libraries); £551,000 for relief staff and agency staff payments covering staff who are self-isolating or have long covid; £214,000 flexible food fund and £233,000 for business grants. All of this will be funded from additional funding from Scottish Government in this financial year or from covid ear-marked reserves if expenditure exceeds base budget.

5. BUDGET PRESSURES

- 5.1 Budget pressures recognised when the budget was approved on 3 March 2021 are released when the pressure crystallises to the extent that they can be accurately quantified. Provisions to meet budget pressures and new duties totalling £2,129,000 have been released in quarter 3 and these are itemised in **APPENDIX 4**.
- 5.2 Provisions still held centrally at the end of quarter 3 total £16,909,000 and are detailed in **APPENDIX 5** and given a RAG assessment for likelihood of requirement.
- 5.3 Four provisions are assessed as red as they will not be required in this financial year but will be in 2022/23. Clearance of Bilbohall site for housing developments (£120,000) is expected to be delayed due to the uncertainties in the wider construction sector and the annual maintenance of automatic bollards (£7,000) will not be required until the automatic bollards are installed. The provision for maintenance of automatic bollards in Elgin High Street is budgeted to be funded from ear-marked covid reserves. Lossiemouth High School life cycle (£40,000) requirements have been reviewed in quarter 3 to ascertain if this is still required as the budget pressure was based on an early estimate and is not required. School roll numbers draw down was posted in October based on the new roll figures: the amount required was less than the budget allocation and the balance of £438,000 will not be required.

- 5.4 Six provisions are assessed as amber for uncertainty of requirement, three relating to core provisions and four relating to Covid funding. The three relating to core provisions are: Programme Management Office (PMO) (£1,264,000); Participatory budgeting (£84,000), and Building Information Model (BIM) (£20,000). It is uncertain whether any more appointments to the PMO establishment will be made this financial year. It is unlikely that all of the budget for Participatory Budgeting will be needed in this financial year but it will be required in 2022/23. BIM is uncertain if it will be completed in this financial year. The three relating to Covid funding are: recurring costs of ICT equipment (£6,000); temporary ICT staff (£230,000) and general business grant administration funding (£170,000), . Recurring ICT costs are for mobile phone monthly charges Council-wide and are currently being absorbed within the current budget. Temporary ICT staff posts have not yet all been filled and full year funding may not be required this financial year. The requirement for business grant administration funding depends upon the issue of more grants and potentially will not all be utilised this financial year.
- 5.5 Four provisions that are classed as green have drawn down more than the original allocation. Two were reported previously: for Linkwood primary school running costs and for school meals due to changes in legislation. In quarter 2 £634,000 was drawn down for the National Care Home Contract uplift for 2021/22, this pressure was agreed at budget setting but the costs were unknown until the national agreement was made. £201,000 was drawn down for the economic recovery plan funded from Covid reserves, as approved by Council on 28 October 2020. A budget pressure of £85,000 had been originally included for 2020/21 and the balance of £116,000 was approved by Council on 30 November 2021 (paragraph 8 of the Minute refers)
- 5.6 All other provisions are expected to be required in full at this juncture.

6. **EMERGING BUDGET PRESSURES**

- 6.1 Emerging budget pressures are noted throughout the year as they are identified. Pressures that were identified during quarters 1 and 2 are listed in the table below :

	Para Ref	Estimated full year effect £000s
Estimated underprovision for SJC pay award	6.1	670
Moray Growth Deal – increase grade of the Programme management officer	6.2	25
ICT cyber security improvements	6.3	27
		722
		=====

- 6.2 This budget pressure was reported in quarter 1 as an estimate of £700,000 for the underprovision of the SJC pay award. The SJC pay award has been agreed and payments were made in January 2022 and the budget pressure

adjusted accordingly, however the teachers pay award has not yet been agreed. A provision of £1,125,000 was made for teachers pay award and it is not yet known if this will be agreed in this financial year, however in preparing the estimated actuals it has been assumed that this sum will be required.

- 6.3 Work on developing the outline business cases for the Moray Growth Deal (MGD) has clarified Scottish Government expectations of the work which will be entailed in developing full business cases and in monitoring and reporting through the life of MGD. Following this a budget pressure of £25,000 was approved by Council on 19 January 2022 (para x of the minute refers) to increase the grade of the Programme Management Officer to truly reflect the level of responsibility of this post (currently vacant), with a further potential budget pressure identified for a new (possibly part time to manage budget pressures) post of Programme Officer to support the Senior Responsible Officers and a new part-time finance post to take on the additional work of financial monitoring and reporting.
- 6.4 In recognition of the increased likelihood of cyber attacks on public sector organisations, the Council's ICT service has been investigating potential cyber security improvements. Software to raise awareness of phishing attacks has been identified. This would have an on-going cost of £27,500 and this budget pressure was approved by Council in 19 January 2022 (para x of the minute refers).

7. SAVINGS

- 7.1 Savings of £2,585,000 were approved when the budget was set on 3 March 2021. These savings comprised increased income of £25,000 from inflationary uplifts to charges for services; one-off savings of £143,000, and other permanent savings of £2,417,000.
- 7.2 To date budgets for charges have been adjusted in full. Temporary savings of £131,000 have been posted to departmental budgets. The balance of £12,000 relates to the Grampian Valuation Joint Board refund of requisition, where the amount refunded was less than expected following adjustments in the audited accounts: the saving will therefore not be achieved in full.
- 7.3 Of the originally approved permanent savings, a balance of £310,000 remains in central provisions as at the end of December. These are detailed in **APPENDIX 6** and given a RAG assessment for anticipated achievement.
- 7.4 Three savings totalling £147,000 are assessed as red. The savings relating to the Improvement and Modernisation programme Stream 2: ICT & Digital – schools admin (£94,000) and Stream 4: review & expansion of flexible working (£44,000) are unlikely to be achieved in 2021/22 since the review is not expected to be completed until March 2022. These savings will be carried forward to 2022/23. Also the saving associated with moving towards a cashless car parking system (£9,000) is not expected to be achieved as less people are now using the car parks and the uptake for pay-by-phone is less than expected.
- 7.5 One saving of £20,000 is assessed as amber. This is the balance of the saving relating to the relocation of staff from Auchernack and Forres

community centre is delayed, relating primarily to NDR saving and will not be achievable until the building is disposed of.

- 7.6 The other unposted savings are assessed as green - these are expected to be achieved or substantially achieved during this financial year.

8. ESTIMATED OUT-TURN

- 8.1 **APPENDIX 2** summarises the revised estimated out-turn position for each service area, comparing the estimated expenditure to the financial year-end with the budget to 31 March 2022.
- 8.2 Overall the estimated out-turn position for 2021/22 is expenditure under budget of £2,132,000 or 0.9% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 8.3 The estimated out-turn position for 2021/22 for Health & Social Care is an overspend of £1,836,000 on services provided by the Council to MIJB. The overall projected overspend for all MIJB services is £176,000. In October 2021, the Scottish Government Director of Health Finance and Governance wrote to Health Board Directors of Finance stating that support will be provided to NHS Boards and Integration Authorities to deliver a break even position for 2021/22. Accordingly a break-even position is shown in the estimated out-turn.
- 8.4 The principal areas of overspend and underspend across the Council reflect the major variances mentioned in section 4 of this report. Details of projected out-turn variances are summarised below:
- 8.5 In Children Services, there is a total projected underspend of £2,097,000. This predominantly relates to £1,000,000 for out of area childcare packages. A contract for residential care for children with disabilities has ended giving an underspend of £568,000, a report recommending the re-investment of this underspend in the service was approved at Education, Children's Leisure Services Committee on 26 January 2022 (para x of the minute refers). Adoption allowances and legal fees are projected to be underspent by £32,000; fostering fees and allowances projected underspend of £70,000: one-off income received from adoption placement is projected to give an underspend of £32,000 and throughcare/aftercare grants are expected to be £40,000 underspent at the year end.
- 8.6 Staff savings from vacancies and appointment below top of scale across all services are anticipated to exceed the overall budget provision by £1,910,000. Variances are anticipated across all services due to the impact of the pandemic upon the recruitment process and the ability of services to fill vacancies.
- 8.7 The impact of the Covid pandemic and lockdown measures that have been put in place have had significant impact on the budgets to date and this is anticipated to continue to the year end, albeit at a reduced level. All services are generating less income than budgeted, projected to total £1,144,000 at the year end. This includes loss of leisure income, catering income (offset by savings on food costs) of £595,000, car parking income, trade waste, planning

and building control fees. In contrast, income from recycling is £325,000 above budget – this is an area where there is considerable volatility in prices for recyclates – green waste permits are £60,000 above budget and bulky waste £35,000. The net effect is an overspend of £129,000.

- 8.8 This is partially offset by works and spend in some services being unable to be incurred or completed due to the impact of Covid. The main service underspends forecast total £588,000, which includes property repairs and maintenance, corporate training, business start up grants and discretionary housing payments (DHP). As part of the Economic Recovery Plan, £100,000 was allocated for business start up grants to follow on pop up shops, but due to continuing covid restrictions and staff workload administering Scottish Government grants this scheme has seen no take up yet. The underspend in DHP is also due to workload pressures, with priority currently being given to Scottish Welfare Fund payments and self-isolation grants.
- 8.9 Provisions are expected to overspend by £2,568,000 by the year end. This is primarily due to the pay award costing more than originally budgeted, there are budget pressures incurred that exceed the original budget as detailed in para 6.1 above. This is reduced by budget pressures that will not be required in this financial year.
- 8.10 The Council Tax collection rate at this stage is holding up well against the budget assumption and although below the 2019 performance is much closer to that than to the 2020 level and Council Tax Reduction is currently reducing to pre-pandemic levels , so at this stage it is estimated to achieve the budget at year end.

9. FREE GENERAL RESERVES

- 9.1 The balance on general reserves (excluding DSM and ear-marked reserves) as at 1 April 2021 was £15,349,000. Use of reserves totalling £10,000 was approved when the 2021/22 budget was set. Further approved use of reserves are detailed in paragraph 3.3 above and listed in **APPENDIX 7**.
- 9.2 Moray Council on 15 September 2021 approved further ear marking of free general reserves totalling £8,816,000 as detailed in paragraph 3.12 of the report on short to medium term financial planning (paragraph 27 of the minute refers).
- 9.3 The impact of the above leaves an assumed use of reserves to fund the shortfall in provision for SJC pay award gives an estimated free balance of £5,000,000 at 31 March 2022. As that leaves the Council at its policy minimum for free general reserves, the additional budget pressures noted above will be funded from the covid reserve if and when they crystallise.
- 9.4 The impact of the estimated out-turn is a return to reserves of £2,132,000, which will be transferred to the ear-marked reserves for covid.

10. 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. High levels of staff vacancies impact on service delivery and staff in post.
- (f) Property**
No property implications arise directly from this report.
- (g) Equalities/Socio Economic Impact**
There are no equalities issues associated with this report.
- (h) Climate Change and Biodiversity Impacts**
No climate change and biodiversity impacts arise directly from this report.
- (i) Consultations**
Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

11. CONCLUSION

- 11.1 The financial position of the Council at the end of December 2021 is an underspend against General Services Revenue Budget of £1,189,000 (including services delivered on behalf of the Moray Integration Joint Board).**
- 11.2 Variations in General Revenue Grant totalling £3,212,000 have been notified to the council.**

- 11.3 There are emerging budget pressures of £722,000 noted for Council services at the end of quarter 3.**
- 11.4 The estimated out-turn position consists of an underspend of £2,132,000, to give a net return to reserves.**
- 11.5 The Council has an estimated balance on free general reserves of £5,000,000 at 31 March 2022.**

Author of Report: Deborah O'Shea, Principal Accountant
Background Papers: Held by author
Ref:

SPMAN-1293228629-659

MORAY COUNCIL - APPENDIX 1

BUDGET MONITORING REPORT

QUARTER 3 to 31 DECEMBER 2021

Service	Revised Budget 2021/22 £000s	Budget to 31 December 2021 £000s	Actual & Committed to 31 December 2021 £000s	Year to date variance £000s
Education, Resources & Community	27,657	20,424	20,275	149
Childrens Services	19,495	13,726	12,247	1,479
Education	67,798	46,875	45,616	1,259
General Services Housing & Property	3,200	3,032	2,815	217
Environmental & Commercial Services	24,087	16,582	16,745	(163)
Economic Growth & Development Services	4,999	3,380	3,440	(60)
HR, ICT & Organisational Development	5,609	4,542	4,502	40
Financial Services	1,887	1,781	1,771	10
Governance, Strategy & Performance	5,762	4,973	4,942	31
Other Services	2,429	1,841	1,809	32
SERVICES excl HEALTH & SOCIAL CARE	162,923	117,156	114,162	2,994
Health & Social Care (IJB)	46,574	33,557	35,485	(1,928)
Health & Social Care (Non IJB)	171	105	(18)	123
TOTAL SERVICES incl HEALTH & SOCIAL CARE	209,668	150,818	149,629	1,189
Loans Charges	13,684	0	0	0
Provision for Contingencies and Inflation	2,266	0	0	0
Additional Costs	16,910	0	0	0
Covid & Transformation Reserves		0	0	0
Unallocated Savings	171	0	0	0
TOTAL PROVISIONS	19,347	0	0	0
TOTAL GENERAL SERVICES EXPENDITURE	242,699	150,818	149,629	1,189

Commentary on Quarter 3 Performance

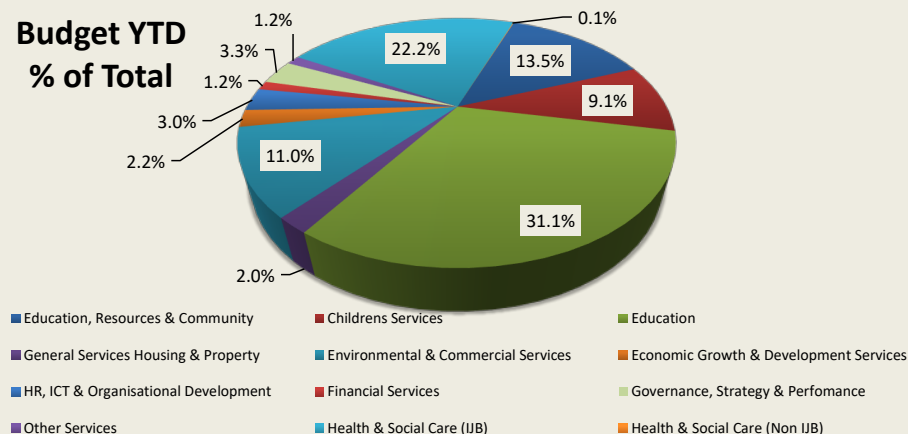
Childrens' Services: there is an underspend of £729,000 on OOA and additional resource packages. Contract for residential care for children in Moray ended in March 2021 which generated an underspend of £432,000 to date.

Education: Devolved School budgets are underspent by £1,217,000 at the end of the first quarter, £423,000 in Primary and £794,000 in Secondary schools.

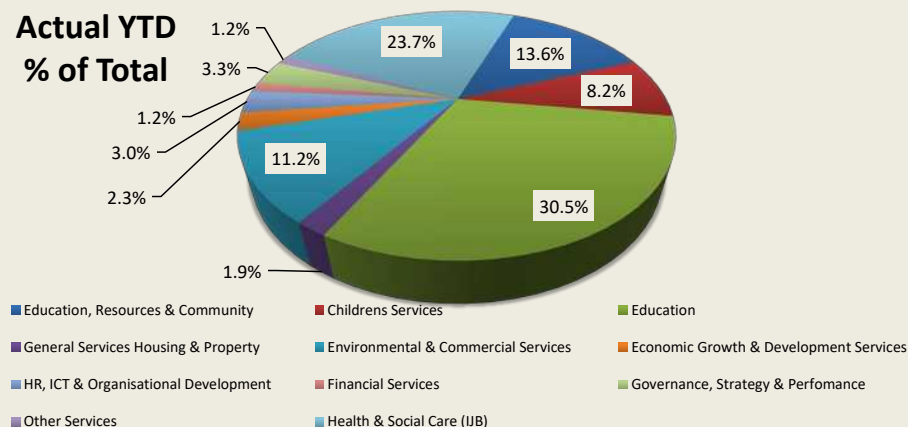
General Services & Housing: Underspend on Corporate Repairs and maintenance £166,000, shared building running cost £51,000, £13,000 on property consultancy and £23,000 Urquhart Place repairs budget. Offset by overspend Homeless Accommodation provision of £96,000, Sheltered House staffing of £22,000 and £14,000 net overspend in improvement grants due to lower transfer of capital grant income than budgeted.

Economic Growth and Development: Underspend of £15,000 planning fee income and £12,000 on Copyright charges, offset by Building Control fee income being £98,000 lower due to the impact of the pandemic.

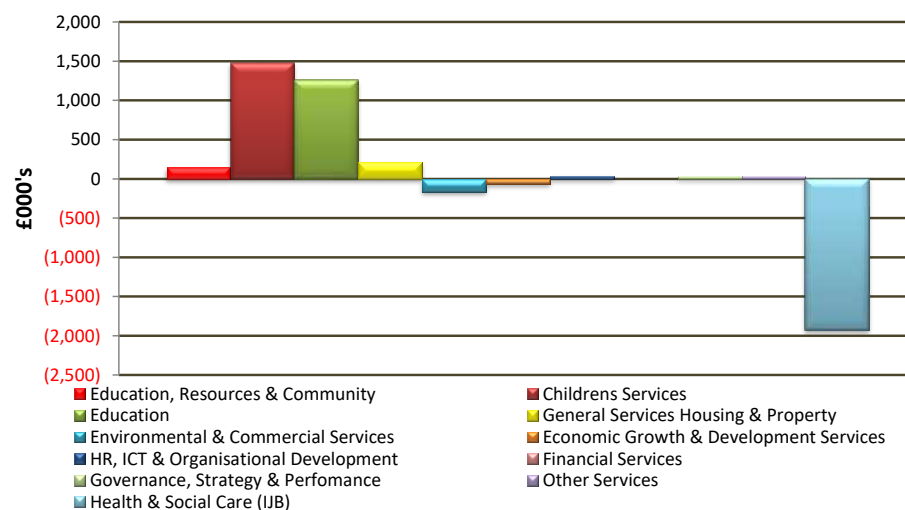
Budget YTD % of Total



Actual YTD % of Total



YTD Actual Variance to Budget (excl Loans & Provisions)



MORAY COUNCIL - APPENDIX 2
BUDGET MONITORING REPORT
QUARTER 3 to 31 DECEMBER 2021

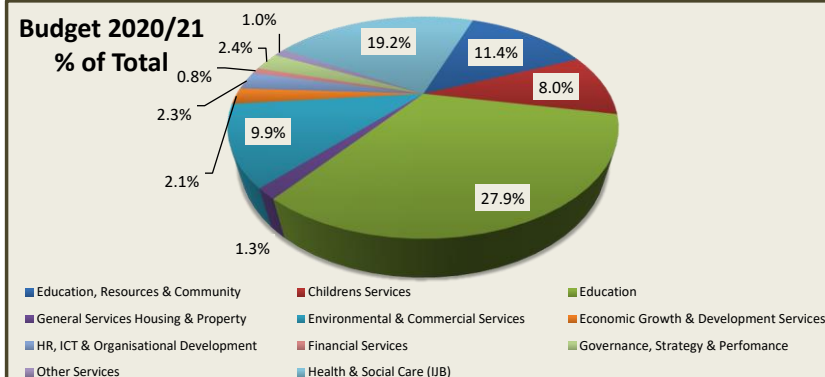
Service	Revised Budget 2021/22 £000s	Estimated Outturn 2021 £000s	Anticipated Variance £000s	Variance vs Base Budget %
Education, Resources & Community	27,657	26,714	943	3.4%
Childrens Services	19,495	17,398	2,097	10.8%
Education	67,798	67,759	39	0.1%
General Services Housing & Property	3,200	3,146	54	1.7%
Environmental & Commercial Services	24,087	23,900	187	0.8%
Economic Growth & Development Services	4,999	4,626	373	7.5%
HR, ICT & Organisational Development	5,609	5,427	182	3.2%
Financial Services	1,887	1,924	(37)	(2.0)%
Governance, Strategy & Performance	5,762	5,477	285	4.9%
Other Services	2,429	2,411	18	0.7%
SERVICES excl HEALTH & SOCIAL CARE	162,923	158,782	4,141	2.5%
Health & Social Care (IJB)	46,574	48,410	(1,836)	(3.9)%
Health & Social Care (Non IJB)	171	171	0	0.0%
Adjustment to reflect cost sharing agreement			1,836	
TOTAL SERVICES incl HEALTH & SOCIAL CARE	209,668	207,363	4,141	2.0%
Loans Charges	13,684	13,546	138	1.0%
Provision for Contingencies and Inflation	2,266	4,834	(2,568)	(113.3)%
Additional Costs	16,910	16,311	599	3.5%
Unallocated Savings	171	349	(178)	(104.1)%
TOTAL PROVISIONS	19,347	21,494	(2,147)	-11%
TOTAL GENERAL SERVICES EXPENDITURE	242,699	242,403	2,132	1%
Funded By:				
Scottish Government Grant	176,537	176,537	0	0.0%
Council Tax	44,405	44,405	0	0.0%
BRIS	1,882	1,882	0	0.0%
Funded From Reserves:			0	0.0%
DSM c/f			0	0.0%
Other ear marked reserves	19,875	19,579	296	1.5%
General			0	0.0%
MIJB Adjustment			1,836	0.0%
TOTAL FUNDING	242,699	242,403	2,132	0.9%
OVERALL VARIANCE	0	0	0	

Commentary on Quarter 3 Performance

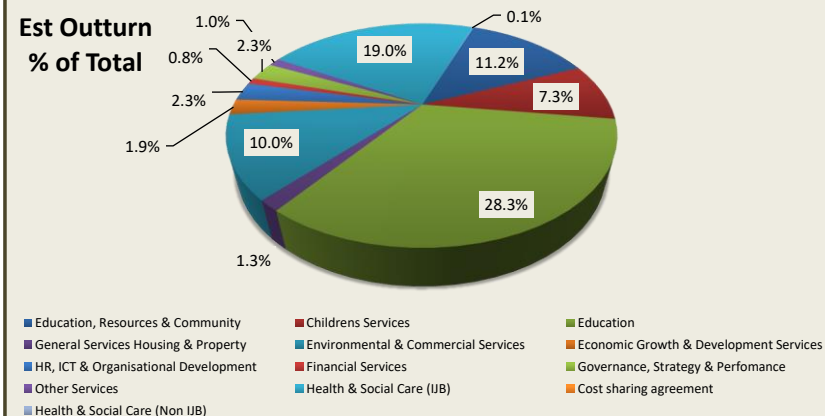
Childrens Services: Underspends on residential care contract for children in Moray ended in 2021, £568,000. OOA underspend of £1.0m, together with savings in Waukmill children with disabilities residential £320,000.

Education: Staffing vacancies target £912,000 above target, underspends on home tuition £38,000, staff travel £45,000 and £13,000 on consultants not engaged. Offset by loss of income in libraries £58,000, music tuition £32,000 and leisure services £50,000.

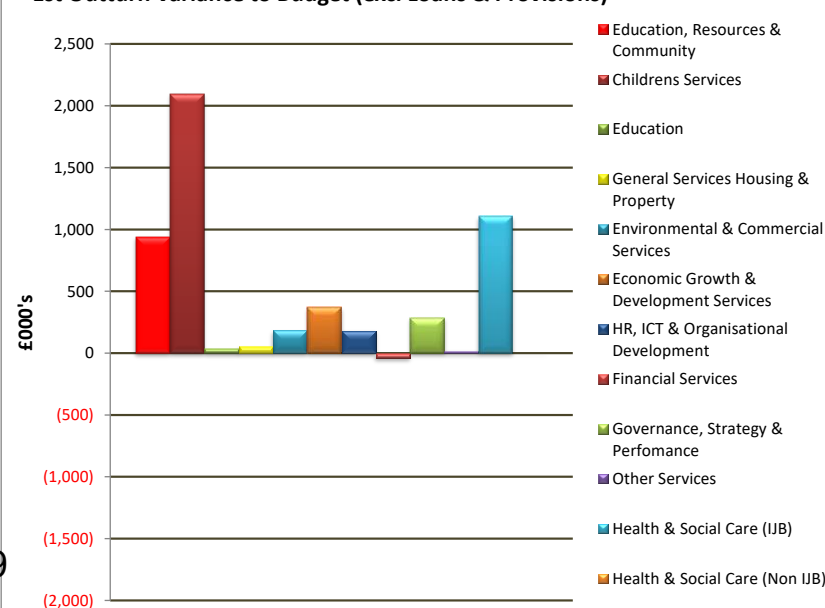
Budget 2020/21
% of Total



Est Outturn
% of Total



Est Outturn Variance to Budget (excl Loans & Provisions)



	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
3 March 2021	194,303	3,530	3,651	(2,585)	198,899	15,207		214,106
School carry forwards	1,342				1,342			1,342
PEF carry forwards	828				828			828
ELC carry forwards	573				573			573
Funded from reserves - approved MC 30/06/20	138				138			138
Funded from Transformation Earmarked Reserves	5,161				5,161			5,161
Funded from Covid Earmarked Reserves	6,038				6,038			6,038
Additional GRG	3,579		0		3,579			3,579
Adjustment 1	(10,742)	(467)	10,168	2,541	1,500	(1,500)		0
EGH&ES 24 Aug 21	201,220	3,063	13,819	(44)	218,058	13,707	0	231,765
Adjustment 2	(1,819)	(322)	2,101	63	23	(23)		0
Funded from reserves - approved MC 30/06/20	608				608			608
Funded from Covid Earmarked Reserves	5,176				5,176			5,176
ELC carry forwards	23				23			23
Additional GRG	1,915				1,915			1,915
Funded from reserves - approved MC 30/06/20					0			0
Corporate Cttee 1 Dec 2020	207,123	2,741	15,920	19	225,803	13,684	0	239,487
Adjustment 3	2,545	(475)	(2,222)	152	0			0
Increase in GRG			3,212		3,212			3,212
MC 23 Feb 2022	209,668	2,266	16,910	171	229,015	13,684	0	242,699

APPENDIX 3

ALLOCATIONS FROM PROVISIONS SINCE 30 SEPTEMBER 2021

Provision for Contingencies and Inflation	Committee reference	£000s	£000s
Balance at 30 September 2021			2,741
Staff cover for windfarm secondment		(44)	
Contract increases		(8)	
NDR budget adjustment		19	
Maximum Basic Scale (MBS) Primary & Secondary		9	
Staff posts		(44)	
ELC payaward adjustment		(170)	
Insurance amendments		(153)	
Other amendments		(84)	
		<u>(475)</u>	
Balance at 30 December 2021			2,266
Additional Costs		£000s	£000s
Balance at 30 September 2021			15,920
Movements in General Revenue Grant			
Additional funding			
MHO Funding		51	
Additional winter pressures funding		2,238	
National trauma training programme		50	
Adult Social Care pay uplift		450	
Flexible Funding to tackle financial insecurity		<u>335</u>	
Additional Covid-19 funding			
Local self isolation assistance service		36	
CO2 monitors in schools		<u>52</u>	3,212
Budget pressures approved when budget set			
Additional support for learning		(84)	
School roll numbers		<u>(231)</u>	(315)
Additional Budget Pressures approved			
ICT officers		<u>(93)</u>	(93)
Funded from Transformation ear marked reserves			
PMO		(76)	
Business support post		(7)	
Participatory budgeting		<u>(4)</u>	(87)
Funded from Covid ear marked reserve			
Senior ICT Officer		(23)	
Education		(817)	
General business grant administration funding		(6)	
ELC		<u>(68)</u>	(914)
Additional funding allocated			
ELC		(148)	
School clothing grant amendment		100	
Flexibility Funding to tackle financial insecurity		<u>(132)</u>	
Additional COVID funding allocated			
Family pandemic payments		(4)	
Free school meals		(75)	
SCP bridging payments		(467)	
Tenant hardship grant		<u>(87)</u>	(813)
Balance at 30 December 2021			16,910
Savings & Charges		£000s	£000s
Balance at 30 September 2021			19
One off savings			
Grampian Valuation Joint Board refund		68	
Other savings correction to inflation		<u>84</u>	152
Balance at 30 December 2021			171

BUDGET PRESSURES

Ref	Description	Para Ref	Amount £000s	Committee reference	Reasons
RECOGNISED WHEN BUDGET SET					
	Social Work				
	NCHC uplift 2020/21		(634)	MC 3/3/21	Drawn down but no provision made
	Education				
	Linkwood primary school running costs		(7)	MC 3/3/21	The figure was an estimate based on a forecasted roll which has come in higher - Pupils have transferred from other Elgin primaries which has resulted in less required from school rolls.
	School roll numbers		438	MC 3/3/21	Drawn down in October based on the new roll numbers for the next academic year, the balance is not required.
	Additional whole life costing Lossiemouth High School		40	MC 3/3/21	Energy costs of new building reviewed and new meter now includes pools so looking at sub meters to split costs. Costs reviewed and is not required.
	School meals (change in regulations)		(139)	MC 3/3/21	The original budget pressure was £371k split over 2 years, the £139k in 2020/21 wasn't drawn down due to the change in regs being delayed until April
	Cross Service				
	Clearance of Bilbohall Site for Housing Development (Loans Charges)		120	MC 3/3/21	Delays due to uncertainties in the wider construction sector. Work is ongoing with Hub North with the intention of appointing a contractor before the end of the financial year and work would commence in 2022/23 - therefore this pressure will not be required until 2022/23.
	Total		(182)		
Funded from Covid Earmarked Reserves					
	Budget Pressures Associated with Economic Recovery Plan (MC 28/10/20)		74	MC 3/3/21	£88k drawn down Q1, £35k Q2, balance £74k left will be required
	Budget Pressures Associated with Economic Recovery Plan (MC 28/10/20)		(116)	MC 28/10/20	
	Recurring Costs of ICT Equipment		6	MC 3/3/21	This £6k is for mobiles council wide but overall currently within budget so able to absorb
	Recurring Costs of Building Cleaning		132	MC 3/3/21	Will be drawn down in Q4.
	Temp ICT staff		230	MC 12/5/21	£63k drawn down. Rest will be required but not all posts appointed as yet. Some of £293k covers 24mth period so requirement will extend to 22/23 and some into 23/24
	Education		247		Delay in appointing staff - funding will be drawn down as staff appointed. The funding is to cover the academic year. Estimate balance to be drawn down

	EHO		(10)		Public Health Compliance Officer started April- cost of full year salary
	Annual Maintenance of automatic bollards		7		Won't be required until automatic bollards are installed. May be next financial year.
	General Business Grant Administration Funding		170		Depends if we have to issue further grants. If not then estimate £100k not required this year.
	Council tax reduction increase		300		Expected to be required
	Additional education recovery		1,542		Not all expected in this financial year as covers academic year - estimated additional £53k required this year from Education row above
	ELC		670		Expected to be required
	Further loss of income		1,550		Expected to be required
	hybrid Committee meeting system		70		Expected to be required
	covid funding community council elections		(1)		Drawn down
	Adjustment to ELC 20/21		113		Expected to be required
	ELC 21/22		31		Expected to be required
	Transferred from planned use general		283		Expected to be required
	Community Council elections		14		Expected to be required
	Estates loss of income		23		Expected to be required
	Economic recovery		219		Expected to be required
	Education recovery		(13)	MC 30/6/21	Drawn down
	Total		5,541		
Funded from Transformation Earmarked Reserves					
	PMO		1,264	MC 12/5/21	£91k drawn down so far covering Education Business Support, Head of Transformation, Senior Policy Officer (Poverty), Project Manager (Education). Await details of further appointments
	Education business support post		(15)	MC 12/5/21	Drawn down
	Poverty		264	MC 12/5/21	Expected to be required
	Participatory Budgeting		84	MC 12/5/21	Funding will be drawn down when staff appointed, estimated £8k required this year with the balance required next year.
	Climate Change		130	MC 12/5/21	Update. £130k for 3 studies. Hydrogen study of £50k has been commissioned but may slip into next year. Buildings study of £50k is just being commissioned but may also slip. Fleet study £30k is ongoing and should be spent this financial year. Estimate possible underspend but can ask for cfwd from reserves. Will draw down budgets in Q4.
	BIM		20	MC 12/5/21	Trying to get this done this FY but may need to be carried forward. Expects £15k spend over remainder of year. Will be required but suspect it may fall into 22/23
	Education Investment		3,200	MC 12/5/21	Options to be developed and brought back for consideration
	Service Developments		100	CMT	Expected to be required
	Learning estate		(1)		Drawn down

	Learning estate operational budget		(10)		Drawn down
	childrens services transformation project officer		(52)		Drawn down
	Total		4,984		
ADDITIONAL BUDGETS APPROVED					
	Reduction in Music Instruction charges		(47)		drawn down
	Additional 1 fte Solicitor post		(55)		drawn down
	MC outturn report		(263)		drawn down
	SWF budget adjustment		(19)		drawn down
	DHP budget adjustment		11		drawn down
	Staycation spend		(85)		drawn down
	Snr ICT Officer		(53)		drawn down
	ICT Officer		(40)		drawn down
	Total		(551)		
FUNDING FOR NEW DUTIES					
	Appropriate Adult Funding		18		Held
	Reduction in GRG due to FSM overpayment		(88)		Held
	Pandemic Support Payments		891		Held
	Education Recovery (Share of £60m)		981		Held
	Self Isolation Grant		36		Held
	Free School Meals Extension		420		Held
	Living Wage Shortfall Funding		562		Held
	Core curriculum funding		69		Held
	Additional teachers funding		870		Held
	SCP Bridging payments		81		Held
	Business support admin grant		55		Held
	Tenant hardship grant		5		Admin - not yet drawn down but likely to be required
	National minimum school clothing grant		100		
	Local self isolation assistance service		73		Held
	MHO Funding		51		Held
	Additional winter pressures funding		2,238		Held
	National Trauma training programme		50		Held
	CO2 monitors in schools		52		Held
	Adult Social care pay uplift funding		450		Held
	Flexible funding to tackle financial insecurity		203		Held
	Total		7,117		
	ELC Specific Grant		0		
	Total		16,909		

SAVINGS				APPENDIX 6	
Ref	Description	Para Ref	Amount £000s	Committee reference	Update Qtr 3
Approved for 2020/21 budget:					
Environmental & Commercial Services					
	Savings associated with moving towards a cashless car parking system		(9)	EGHES 6/10/2020	Estimated saving on cash collection. Saving minimal as less people using car parks. Only 19% now using Pay by Phone, less of an uptake than expected
Education Resources & Communities					
	Relocate staff from Auchernack plus Forres Community Centre staff restructure		(20)	MC 27/02/2019	The majority of the remaining budget is NDR. Until the building is disposed of, we will still incur these costs and savings will not be realised
Cross Service					
	Increase in NI threshold		(6)	MC 27/02/2019	
	Vacancy targets		(53)	MC 02/09/2020	
Indicative Savings from I&M programme					
	Stream 2: ICT & Digital - Schools Admin		(94)	MC 26/09/2019	Unlikely to achieve any savings in 21/22 - review due to be completed by March 2022
	Stream 4: Review & Expansion of Flexible Working		(44)		Unlikely to achieve any savings in 21/22
	Total		(226)		
Temporary Savings					
			(12)		GVJB refund balance after accounts audited and will not be achieved
Balances from roundings:					
	Savings		2		
Additional Savings Identified :					
	Children Services HoS Saving		53		
	School Transport Contract saving Linkwood Primary		70		
	Reduction of School transport days - 194 to 190		88		
	MC 12/2/20 Cleaning and Catering management restructure (posted after budget rolled)		21		
	Staff travel budget savings per Head of Legal		11		
	Brumley Brae Rent		42		
	Halls LED Lighting		4		
	LED Lighting Schools		11		
	Elgin Library LED Lighting		5		
	MC outturn report		21		
	Elgin library appeals refunds 17/18 - 20/21		24		
	Elgin library appeal		6		
	GM staffing restructure		5		
	Banking Services		23		
	Additional BRIS		23		
			407		
			171		

APPENDIX 7

General Reserves	Committee reference	Approved £000s	Budget released £000s
General Reserves @ 1 April 2021		15,349	
Less commitments against reserves when budget was set:			
Summer activities	MC 03/03/21	(10)	
Now funded from covid reserves		10	
Budget reduction from variance report	MC 30/06/21	(242)	(242)
Funding from reserves approved in 2021/22:			
Rapid Rehousing Transition Plan (RRTP)	MC 30/06/21	(97)	(97)
Community Planning Partner projects	MC 30/06/21	(11)	(11)
Pop up shops	MC 30/06/21	(11)	(11)
Local Growth Accelerator programme	MC 30/06/21	(19)	(19)
Moray Growth Deal	MC 30/06/21	(23)	(23)
UK Levelling up fund	MC 01/07/21	(430)	(430)
Syrian refugees	EGHES 24/08/21	(30)	(30)
Glenlivet Masterplan	MC 15/09/2021	(10)	
SJC pay award		(650)	
		<hr/>	<hr/>
		(1,281)	(621)
Approved use of reserves		(1,533)	
Ear marked for transformation	MC 15/09/21	(1,816)	
Ear marked for Council priorities: Moray Growth deal	MC 15/09/21	(4,000)	
Ear marked for Council priorities: other priorities	MC 15/09/21	(3,000)	
Free balance @ 30 Sept 2021		5,000	
Estimated free balance @ 31 March 2022		5,000	



REPORT TO: MORAY COUNCIL ON 23 FEBRUARY 2022

SUBJECT: CAPITAL PLAN 2021/22

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

1. REASON FOR REPORT

- 1.1 To advise the Committee of the expenditure to 31 December 2021 under the capital plan for financial year 2021/22 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 Administrative Scheme relating to monitoring progress of projects in the approved capital plan including any revisions to the price or phasing on a quarterly basis.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) considers and notes expenditure to 31 December 2021 of £17,925,000;
- (ii) notes the current projected expenditure of £42,502,000 for 2021/22 profiled into quarters, as set out in APPENDIX 1 and that this should be treated as a maximum spend, given the level of spend to date, the low level of confidence in spend to budget for much of the capital plan, and the continuing disruption caused by the omicron variant;
- (iii) considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2; and
- (iv) approves amendments to the 2021/22 and 2022/23 capital plan as detailed in section 6.1 of this report.

3. **BACKGROUND**

- 3.1 The capital plan for 2021/22 totalling £37,322,000 was approved by Moray Council on 3 March 2021 (paragraph 3 of the Minute refers). Amendments approved by the Council at its meeting on 30 June 2021 (paragraph 17 of the Minute refers), by the meeting of Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 (paragraph 7 of the minute refers), and the meeting of Corporate Committee on 30 November 2021 (paragraph 7 of the minute refers) have been incorporated to give a current approved capital plan for 2021/22 totalling £44,361,000. The current projected expenditure is £42,651,000, but 65% of the plan is assessed as red or amber for confidence of spend to budget and this forecast should be treated as a maximum projected spend for 2021/22, particularly given on-going disruption in the construction industry and supply of goods.
- 3.2 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 2021/22**

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 31 December of £17,925,000. This is just over 40.4% of the currently approved Capital Plan. General Capital Grant of £5,990,000 has been received from the Scottish Government, along with the following specific grants:

Specific Grant	Amount Received £000
Place Based Investment	770
Local Bridge Maintenance Fund	972
Nature Restoration Fund	101
100 Days Play Parks	92
CO ₂ Monitors in Schools	122
TOTAL	2,057

Scottish Government funding of £31,000 has also been received towards work of the Digital Health project of the Moray Growth Deal and £52,000 towards the Lossiemouth Bridge replacement. Other grants and contributions of £104,000 have been received, consisting of a grant from Horizon Scotland for part of the cost of design work for a Moray Growth Deal project and the use of Developers Obligations to fund the purchase of leisure equipment. In addition to this, Developer Obligations yet to be used totalling £880,000 have been received to the end of quarter 2 of this financial year and capital receipts of £1,127,000 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 time-limited concession given by Scottish Government to use capital receipts to

fund transformation of services where this results in financial savings and consequently this sum is not included in the summary at **APPENDIX 1**.

- 4.2 Expenditure on land and buildings to 31 December 2021 totals £12,268,000. The main item of expenditure is £4,597,000 for the Council's contribution to the construction of the NESS Energy for Waste plant. Other items of expenditure include £3,584,000 on works to bring the school estate to BB standard, and £1,475,000 on the expansion of Early Learning and Childcare, mainly at Keith.
- 4.3 Expenditure on infrastructure assets to 31 December 2021 totals £4,679,000. The main item of expenditure was £2,286,000 on roads resurfacing works throughout the council area. Other items of expenditure include £702,000 on various Bridge works and £405,000 for work on the pontoons at Findochty Harbour.
- 4.4 Expenditure on vehicles, plant and equipment to 31 December 2021 totals £978,000. The main items of expenditure were £380,000 on the Vehicle & Plant Replacement Programme and £242,000 on ICT Capital Projects.

5. PROJECTED OUTTURN AND PROJECT DEFERRALS

- 5.1 Budget managers have been requested to update projected estimates of expenditure on capital projects in 2021/22. 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 2021/22 £000
High confidence of spend to estimate	G	89	22,343
Medium confidence of spend to estimate	A	23	3,493
Low confidence of spend to estimate	R	9	16,666
		121	42,502

- 5.2 The spend projections provided by budget managers are based on the best information available at this time. Some projects are projecting to be fully spent, resulting in apparently unfeasibly high levels of predicted spend in quarter 4 of the current financial year. However there are various unknowns which may impact on this, particularly those surrounding the impact that the situation in the wider construction industry and in supply chains will have and this is reflected in the value of projected expenditure in amber and red and winter weather conditions may impact on the ability to carry out works, particularly road works and works in harbours, with a high level of spend currently forecast for quarter 4.

5.3 Red rating

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

Project	Capital Plan 2021/22 £000s	Projected Expenditure 2021/22 £000s	Projected Variance 2021/22 £000s
Land and Buildings			
Early Learning Childcare Expansion	1,555	2,646	(1,091)
Industrial Portfolio – Condition Surveys	40	-	40
Industrial Portfolio – Serviced Sites Elgin	24	-	24
NESS	10,784	10,784	-
Infrastructure			
Road Safety Provision	247	25	222
Kerb Edge Replacement	50	-	50
Bridges – A941/50 Dykeside	160	160	-
Vehicles, Plant and Equipment			
Vehicle and Plant Replacement Programme	4,045	3,045	1,000
Traffic Signal Replacement	36	6	30
TOTAL	16,941	16,666	275

5.4 Capital spend to enable the expansion of Early Learning and Childcare is almost complete. However final costs for works in Keith are yet to be established – additional costs were incurred because of ground conditions on site which became apparent after works had commenced. The final remaining project, which is yet to commence, is refurbishment of nursery accommodation in Aberlour Primary School. Work to install temporary units has been delayed due to health and safety plans for the installation, and refurbishment works have been delayed due to the state of the construction market. Work to undertake condition surveys on the Industrial Portfolio is experiencing delays due to staff shortages and there have been delays on work on serviced sites in Elgin due to delays in progressing with upfilling works on site.

5.5 Given the relationship between active travel and road safety, there is a degree of cross-over in terms of scope and funding eligibility between the Road Safety and Cycling, Walking, Safer Streets (CWSS) budgets. Therefore, given the ring-fenced nature of CWSS, these projects are being prioritised to maximise utilisation of the CWSS funding. A programme of kerb edge replacement works has been unable to be developed due to increased focus on other areas of the capital plan and staff shortages within the Service. Work on the bridge at A941/50 Dykeside had been delayed due to costs being higher than the budget available but, as reported to the Meeting of Corporate Committee on 30 November (paragraph 7 of the minute refers) funding has

been received from the Scottish Government through the Local Bridge Maintenance Fund and work is in the process of being re-tendered.

- 5.6 The lead time for purchase of vehicles is very long due to issues with the supply of small components to complete vehicles. There is therefore a high degree of uncertainty as to when vehicles will be delivered and hence costs incurred. Orders to the value of £3 million with potential for delivery in 2021/22 have been placed so the forecast £1 million underspend is the minimum underspend for the year. Due to staff focus being on other capital projects work is not progressing on the replacement of traffic signals.
- 5.7 The covid pandemic and issues within the supply chain for infrastructure projects have had an impact upon the timescales for NESS. There continues to be a high degree of uncertainty around expected level of spend this financial year and there may be a need for carry-over into 2022/23, however, for the current time it is felt prudent to leave spend on budget but classify as Red.
- 5.8 **Amber rating**
An amber rating of confidence to spend budget highlights areas where there are issues impacting on the ability to project spend, generally indicating factors outwith the budget manager's control. The Covid-19 pandemic restrictions on contractors working practices have resulted in an increase in costs of construction. The impact of Brexit and other market forces has also been to increase the cost of material and equipment and we are experiencing procurement delays due to poor responses to tenders and delays in the supply of materials. Other factors creating uncertainties are noted below, mainly staff capacity, response to safety issues and service requirements. The following have been identified by budget managers as having an amber status:

Budget heading	Capital Plan 2021/22 £000s	Projected Expenditure 2021/22 £000s	Projected Variance 2021/22 £000s
Land & Buildings			
School BB Works (3 projects only)	694	32	662
Findrassie Primary School	198	198	-
Glassgreen Primary School	40	40	-
Industrial Portfolio – Refurbishment Industrial Units	151	54	97
Cemetery Provision in Moray	80	20	60
Parks & Open Space Infrastructure	100	83	17
Infrastructure			
Road Safety – Disability Adaptations	35	35	-
Cycling, Walking, Safer Streets (CWSS)	421	421	-
Road Improvements – Drainage Works	460	230	230
Footways	300	149	151

Budget heading	Capital Plan 2021/22 £000s	Projected Expenditure 2021/22 £000s	Projected Variance 2021/22 £000s
A95 Meikle Cantly Landslip	15	1	14
Street Lighting – LED Replacement	257	144	113
Street Lighting – Replacement Columns and Lights	550	340	210
U118E/10 Shougle Bridge	240	108	132
U142/5 Nether Tomdow, U142/5 Willowbank, U142/5 Culach Burn	320	115	205
Wards Road Junction Improvements	250	101	149
Vehicles, Plant & Equipment			
Orchard Road Signals	28	28	-
Chemical Waste Disposal Points	170	170	-
Children's Play Areas	135	12	123
ICT Capital Programme	1,212	1,212	-
TOTAL	5,616	3,493	2,014

- 5.9 The majority of the Schools BB work programme is phased work begun under the previous Make Do and Mend criteria which has now been replaced by capital investment to manage our asset, to address elements of schools in Condition D that have the possibility of failing. Three of the seventeen projects under this heading are rated as amber. There were issues with tenders received for the replacement roofing at Milnes High School which delayed the start of the project and assessment of heat source options has delayed works at Burghead Primary School. Planned spend on Findrassie Primary School in 2021/22 is for consultation on the design brief and initial design work. There is a degree of uncertainty as to how far this will be completed within the financial year due to delays in the recruitment to key posts and the time required to arrange the consultation process. The timing of spend on cemeteries was varied from that originally planned due to negotiations on the acquisition of land being started earlier than originally planned and budget was brought forward however these discussions are currently still ongoing so costs are not known at the current time. As reported to Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 it is now planned to defer all but essential work on lands and parks to meet health and safety requirements. The budget was adjusted to reflect the estimate of necessary works at that stage but some urgent health and safety works have now been identified as detailed in paragraph 5.19 of this report. There is no guarantee that further urgent works will not be required.
- 5.10 As reported to a meeting of Corporate Committee on 30 November (paragraph 7 of the minute refers) there is a degree of cross-over in terms of scope and funding eligibility between the Road Safety and Cycling, Walking, Safer Streets (CWSS) budgets. Therefore, given the ring-fenced nature of CWSS, projects are being carefully considered to maximise utilisation of the CWSS funding. Drainage works are planned to be carried out after the majority of roads capital spend has taken place and are therefore vulnerable to an early onset of cold weather, as the teams would then be reallocated to

gritting. Street lighting column replacement has been classed as amber because of the capacity of staff to undertake work on both Street Lighting projects. The tendering process for Shougle Bridge was delayed due to negotiations with landowners and is rated amber because of this delay.

- 5.11 Works at Orchard Road traffic signals are to be undertaken along with work to resolve drainage issues at the site. Initial work has commenced on this project, materials have been ordered and it is scheduled to begin in the current financial year, subject to lead in times for the supply of materials and the severity of the winter, with a planned completion date of summer 2022. There were minor delays to Phase 1 of the installation of chemical waste disposal points but phase 2 has been progressing well. The status of this project has been kept at amber due to issues regarding signage design which are still to be resolved. Play area upgrade design is being carried out in conjunction with local communities using Participatory Budgeting (PB) and delays in the lead-in times for the delivery of equipment means the level of spend is uncertain at this time and will be updated following the procurement exercise when more information will be available. Work under the schools ICT strategy commenced slightly later in the year than in previous years as the budget is a carry forward from previous years and consequently not approved until 30 June 2021. Telephony requirements are changing due to staff working from home and the revised requirements are unlikely to be established until staff return to office working. All ICT Programme spend has been highlighted as Amber, with committed spends across all areas and a focus on completion within this financial year.
- 5.12 A summary of the projected variances as at 31 December 2021 from the current approved capital programme, summarised in **APPENDIX 1**, is set out below:

Description	Ref	Underspend/ (Overspend) £000s
Land and Buildings		
Schools BB Works	5.13	2
Lossiemouth High School	5.14	(199)
Linkwood Primary School	5.15	(10)
Early Learning Childcare Expansion	5.16	(1,091)
Libraries & Leisure All Public Facilities	5.17	10
Economic Recovery – Town Centres	5.18	200
Moycroft	5.19	(130)
Industrial Portfolio Condition Surveys	5.20	40
Industrial Portfolio – Refurbishment Industrial Units	5.21	97
Industrial Portfolio – Serviced Sites Elgin	5.22	24
Cemetery Provision in Moray	5.23	60
Cemetery Infrastructure	5.24	13
Parks and Open Spaces Infrastructure	5.25	17
Infrastructure		
Road Safety Works	5.26	222
Drainage and Other Works	5.27	230
Footways	5.28	151
Kerb Edge Replacement	5.29	50

Description	Ref	Underspend/ (Overspend) £000s
A95 Meikle Cantlay Landslip	5.30	14
Street Lighting Projects	5.31	323
C2E/40 Foths Burn Bridge	5.32	63
Cappies Bridge	5.33	43
U118E/10 Shougle Bridge	5.34	132
Knockando Bridges	5.35	205
Findochty Pontoons	5.36	106
Findhorn Flood Alleviation	5.37	(19)
Wards Road Junction Improvements	5.38	149
Vehicles, Plant & Equipment		
Moray Leisure Centre Combined Heat and Plant	5.38	(3)
Vehicle and Plant Replacement Programme	5.39	1,000
Facilities Management Equipment	5.40	7
Traffic Signal Replacement	5.41	30
Children's Play Areas	5.42	123
TOTAL		1,860

Land and Buildings

- 5.13 **School BB Works** – The works on the external insulated render at Hythehill Primary School are projected to be overspent by £323,000 due to unforeseen work including the condition of the light fittings and fixings which when removed could not be reattached to the new wall surface. Other issues included: the re-measurement of two of the elevations requiring additional insulation material to be added to the contract value. Works to replace the heating system at Burghead Primary School, are forecast to be underspent in 2021/22 by £411,000. Discussions with a local distillery which was actively offering the Council use of surplus heat were held to establish if waste heat from the facility could be used at the school. Those discussions were concluded in October 2021 and use of waste heat is not an option as there is a discrepancy between the temperature from the distillery being lower than the current output going to the radiators which would require the radiators to be increased in size in order to maintain the correct heat output and an alternative is yet to be determined. The programme of works remains condition D elements which if they failed would close the school, therefore, work programmes are having to be generated on a reactive basis based on the information from the maintenance team. There are other smaller projected variances on other projects under this heading which results in an overall projected underspend of £2,000.
- 5.14 **Lossiemouth High School** - As previously reported to Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 (paragraph 7 of the minute refers), the projected underspend is a result of timing differences. During 2020/21, budget was carried forward to 2021/22 based on the planned programme of works at that point. However, works were able to progress quicker than anticipated which created an overspend in 2020/21 and a projected underspend in 2021/22. These two variances cancel each other out. The projected overspend has been updated to include the

payment of the Phase 1 retention monies. These are due to be paid after all identifiable defects have been rectified but there are some unknowns around the exact timings of this. Under the terms of the contract, the contractor was entitled to recover reasonable costs due to the delays experienced following Covid-19 government restrictions. Negotiations on these additional costs have concluded between the Council and hub North Scotland. The Scottish Government have been contacted to request assistance with the additional costs with full evidence of costs claimed being provided to assist their determination. The outcome of this will be reported when Scottish Government have responded. At present no response has been received.

- 5.15 **Linkwood Primary School** – The projected overspend is due to change requests and soft landscaping works that were carried out after the last valuation payment of the project.

- 5.16 **Early Learning Childcare Expansion** – Most projects have been completed but there remains uncertainty over the cost of works in Keith, where additional work above that originally anticipated was incurred due to the condition of drainage (which was not apparent until work had commenced) and work related to roads access. Final costs are being calculated. The current estimated overspend of £1,091,000 will be partially offset by additional grant funding of £670,000 transferred from revenue grant. The cost of refurbishment of the nursery accommodation at Aberlour Primary School has been revised and given the current issues for the construction industry has been delayed until the market settles down.

- 5.17 **Libraries & Leisure All Public Facilities** – The plans for this budget was to upgrade the Wi-Fi network in libraries. However this has been delayed due to global shortages of materials required for the work. It is therefore requested that the budget of £10,000 be carried forward to 2022/23 to allow the work to be undertaken.

- 5.18 **Economic Recovery: Town Centres** – As part of the Council's Economic Recovery Plan, which was approved at a meeting of Moray Council on 28 October 2020 (paragraph 10 of the minute refers) an allocation was included within the Capital Plan to improve and adapt town centres. However, there have been delays in developing Town Centre Improvement Plans as a result of the Covid-19 pandemic. It is therefore requested to carry forward the budget of £200,000 to 2022/23 to allow this work to progress.

- 5.19 **Moycroft** –The estimate of spend is based on the best information available at the current time. Scottish Water and Covid disruption costs are still to be confirmed, and a final invoice from the contractor has yet to be received, all of which could vary the estimates up or down. . Work on the cycle path has been delayed due to issues in the wider construction industry and due to difficulties in getting firms to tender for work. An alternative approach is now being pursued which will avoid access of refuse vehicles crossing the cycle path by creating an alternative access/egress point into the refuse vehicle parking area.

- 5.20 **Industrial Portfolio Condition Surveys** – Work to progress condition surveys of the Industrial Portfolio has been delayed due to staff shortages.

This work will still be required to inform future investment requirements so it is requested that the budget of £40,000 is carried forward to 2022/23 in order for this to be progressed.

- 5.21 **Industrial Portfolio – Refurbishment Industrial Units** – The project to refurbish industrial units has been delayed due to work pressures within the service and also due to difficulties in securing contractors to carry out the required work. It is requested that the projected underspend of £97,000 be carried forward to allow the work to be completed.
- 5.22 **Industrial Portfolio Serviced Sites Elgin** – A prospective tenant was due to carry out this work but has withdrawn from the lease of the site. Arrangements are now being made for the Council to undertake the work and it is requested that the budget of £24,000 be carried forward to enable this to be done.
- 5.23 **Cemetery Provision in Moray** – There have been delays in progressing this project due to negotiations regarding the acquisition of land. Anticipated costs in this financial year relate to professional fees and it is requested that the projected underspend of £60,000 be carried forward to next year to enable the land purchase to take place and for the project to be progressed.
- 5.24 **Cemetery Infrastructure** – The budget of £100,000 against this heading was originally projected to be fully spent. However, the Council has received funding from the Scottish Government from the Nature Restoration Fund – the works to create a ‘rain garden’ at Clovenside Cemetery meet the criteria of this funding and it will therefore be utilised to fund this project, creating an underspend of £13,000 on this heading.
- 5.25 **Parks and Open Spaces Infrastructure** – The current work programme on this budget heading is dealing with priority and health and safety works only. At the moment it is projected that there will be an underspend of £13,000 but the timeline and costs of path works at Lossiemouth Harbour are currently not known, which may increase the costs and therefore reduce the underspend.

Infrastructure

- 5.26 **Road Safety Works** – Where possible, road safety projects under the Road Safety heading have been put on hold to enable focus on spending CWSS funding. At this stage it is projected that this will underspend by £222,000.
- 5.27 **Drainage and Other Works** – Due to staff shortages within the Service, and an increased capital allocation for Roads Surfacing projects, it is currently anticipated that this heading will underspend by £230,000 in the current financial year. No carry forward is requested.
- 5.28 **Footways** – This heading is projected to underspend by £151,000 in the current financial year due to work being unable to be progressed due to staff shortages within the Service. No carry forward is requested.
- 5.29 **Kerb Edge Replacement** – A programme of works has been unable to be developed for this heading due to staff shortages and difficulties in recruiting

and a focus on the increased capital allocation for Roads Surfacing projects, creating a predicted underspend of £50,000. No carry forward is requested.

- 5.30 **A95 Meikle Cantlay Landslip** – This project has been delayed as a result of delays in awarding the contract as the original costs were significantly higher than anticipated. A value engineering exercise is currently being carried out to reduce the specification, with the expectation that works can be contained within budget. Minimal expenditure is expected in 2021/22 and any underspend requires to be carried forward into 2022/23.
- 5.31 **Street Lighting** – It is currently predicted that both the projects under the Street Lighting heading (column replacements and LED lighting) are going to be underspent by £323,000 in the current financial year. This is due to difficulties in procuring materials required and staff shortages meaning that not all planned works will be completed. It is requested that the projected underspend of £113,000 on LED Lighting be carried forward to 2022/23 to enable the project to be completed.
- 5.32 **Bridges C2E/40 Foths Burn Bridge** – Savings were made during this project, which is now complete. This has meant that not all the budget was required and there is an underspend of £63,000 projected by the end of the financial year.
- 5.33 **Bridges Cappies Bridge** – The budget for this project, which was for weight restrictions, was developed prior to the detailed design being carried out and had assumed the installation of additional features such as traffic lights and over-head gantries would be required. However the costs for this project were considerably less than anticipated as only new signage was required. This has resulted in an underspend of £43,000.
- 5.34 **U118E/10 Shougle Bridge** – Land owner negotiations delayed the start of the tender process for this project and it is requested that the projected underspend of £132,000 be carried forward to 2022/23 to allow completion of the project.
- 5.35 **Knockando Bridges** – Complex access arrangements delayed the start of the tendering process for this project. These have now been resolved and work will start on site in February 2022. The delays mean that it is unlikely that the work will be complete by 31st March 2022 so it is therefore requested to carry forward the projected underspend of £205,000 to 2022/23 to allow it to be completed.
- 5.36 **Findochty Pontoons** – Savings were made during this project, the main works of which are complete, apart from some minor works which are outside the scope of the contract. This has meant that not all the budget was required and there is an underspend of £106,000 projected by the end of the financial year.
- 5.37 **Findhorn Flood Alleviation** - Expenditure of £184,000 has been incurred on outstanding land compensation claims against a budget of £165,000 to the end of quarter 2. The balance of the budget for compensation claims is held in

future years and it is recommended that budget of £19,000 is brought forward to cover the overspend in 2021/22.

- 5.38 **Wards Road Junction Improvements** – This project has been delayed and now will not start on site until February 2022. It is therefore requested that the current projected underspend of £149,000 be carried forward to 2022/23 so that the work can be completed. The project is being funded by time limited funding in the form of Developer Obligations – it is not expected that the full amount of the funding will be spent, and any amount unspent at the end of the project will be returned to the Developer.

Vehicles, Plant and Equipment

- 5.38 **Moray Leisure Centre Combined Heat and Plant** – The costs incurred are for the final part of this project to connect the new heating system to the Building Maintenance System (BMS).
- 5.39 **Vehicle and Plant Replacement Programme** – During the pandemic the production of semiconductors moved towards laptops, tablets and smart phones due to the demand for homeworking. The automotive industry were still being supplied with semiconductors but supply was already under pressure when one factory was hit by a flood and the other by fire, so worldwide supply effectively stopped. Orders totalling £3m have been placed for vehicles but it is not known when they will be delivered. It is therefore requested that the minimum projected underspend of £1,000,000 be carried forward to 2022/23.
- 5.40 **Facilities Management Equipment** – This year has seen minimal purchase of large equipment due to the Covid-19 pandemic, resulting in a predicted underspend of £7,000. It is recommended to reduce the budget in the current financial year by this projected underspend.
- 5.41 **Traffic Signal Replacement** – Staff workload within the Service has been focussed on delivery of new works this year resulting in a projected underspend of £30,000 on this heading. It is unlikely that there will be capacity within the service to increase projected spend by £30,000 in 2022/23 so it is recommended that the 2021/22 budget is reduced by the projected underspend.
- 5.42 **Children's Play Areas** – Delivery of play area improvement projects have been delayed due to supplier lead in times and the time required to allow for effective participatory budgeting and community engagement. Four play areas are currently being project managed and spend committed but will not be completed until April due to supply lead times. It is therefore requested that the current projected underspend of £123,000 be carried forward to 2022/23 to cover for this. Funding of £92,000 has been notified by the Scottish Government to fund playground replacements as announced in the Programme for Government and this will reduce the Council's borrowing requirement for spend on playground replacement in 2022/23, as the lead-in time following the funding announcement was insufficient to deliver further replacements in this financial year. However, current estimated spend is only £12,000 so only a portion of the grant will be used. It is unclear at this

junction whether the unspent portion of grant will be refunded or whether it can be carried forward to 2022/23 and this will be confirmed with Scottish Government. Scottish Government is expected to announce funding for play area upgrades across the lifetime of the current government and it is unclear as yet what expectations/conditions and reporting requirements will accompany that funding.

6. **AMENDMENTS TO CAPITAL PLAN**

6.1 The following amendments to the capital plan are recommended:

Amendments	Para	2021/22 £000s	2022/23 £000s	2023/24 £000s
Land & Buildings				
Libraries & Leisure All Public Facilities	5.17	(10)	10	-
Economic Recovery Town Centres	5.18	(200)	200	-
Industrial Portfolio Condition Surveys	5.20	(40)	40	-
Industrial Portfolio – Refurbishment Industrial Units	5.21	(97)	97	-
Industrial Portfolio – Serviced Sites Elgin	5.22	(24)	24	-
Cemetery Provision in Moray	5.23	(60)	60	-
Infrastructure				
A95 Meikle Cantly Landslip	5.30	(14)	14	-
Street Lighting (LED Lights)	5.31	(113)	113	-
U118E/10 Shougle Bridge	5.34	(132)	132	-
Knockando Bridges	5.35	(205)	205	-
Findhorn Flood Alleviation	5.37	19	-	(19)
Wards Road Junction Improvements	5.38	(149)	149	-
A941/90 Blackwater Bridge	6.2	10	290	-
U82H/10 Aldunie Bridge	6.3	-	160	-
U117H/10 – Bridge of Slateford	6.4	10	110	(120)
A941 New Criagellachie Bridge	6.5	15	(15)	
Vehicles, Plant and Equipment				
Vehicle & Plant Replacement Programme	5.36	(1,000)	1,000	-
Children's Play Areas	9	(123)	123	-
Facilities Management Equipment	5.40	(7)	-	-
Traffic Signal Replacement	5.41	(30)	-	-
CO ₂ Monitors in Schools	6.6	122	-	-
Funding				
CO ₂ Monitors in Schools	6.6	(122)		
TOTAL		(2,160)	2,712	(139)

6.2 **A941/90 Blackwater Bridge** – As part of the review into the Bridges Capital plan, design work on this project was originally planned to take place in 2026/27, with construction in 2027/28. However, a bid was submitted to the Scottish Government Local Bridge Maintenance Fund and funding for this

project was successful. It is therefore requested to bring forward the budget of £300,000 to 2021/22 and 2022/23 to use the available funding.

- 6.3 **U82H/10 Aldunie Bridge** – As part of the review into the Bridges Capital plan, design work on this project was originally planned to take place in 2024/25, with construction in 2025/26. However a bid was submitted to the Scottish Government Local Bridge Maintenance Fund and funding for this project was successful. It is therefore requested to bring forward the budget of £160,000 to 2022/23 to use the available funding.
- 6.4 **U117H/10 – Bridge of Slateford** – As part of the review into the Bridges Capital plan, design work on this project was originally planned to take place in 2022/23, with construction in 2023/24. However, a bid was submitted to the Scottish Government Local Bridge Maintenance Fund and funding for this project was successful. It is therefore requested to bring forward the budget of £120,000 to the current financial year and next to use the available funding.
- 6.5 **A941 New Criagellachie Bridge** – The second phase of this project is planned for 2022/23. To allow for earlier delivery of this project it is requested to bring forward £15,000 from 2022/23 to allow investigation and design work to be completed. This is just a difference in profiling and the budget will remain the same at £3,789,000.
- 6.6 **CO₂ Monitors in Schools** – The Scottish Government has provided funding to ensure that all schools and day care of children settings have access to CO₂ monitoring. The Council has received £8,000 for monitors for private and third sector day care of children services and £114,000 for monitors for Council settings. Orders have been placed and it is anticipated that the funding will be spent in 2021/22.

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 A new risk to the capital programme is the commencement of the Moray Growth Deal. This is a significant programme of investment, with some projects controlled by the Council and others by partners, and given the planned flow of government grant funding the Council will be funding in advance of grant receipts in the early years of the programme and bearing the risk that significant delays in spend could result in grant payments being reprofiled to the end of the programme. The Council has mitigated against this risk by modelling a delay factor based on Treasury guidance for major projects (the Green Book) into the agreed grant payment profile.
- 7.3 As reported to Economic Growth, Housing and Environmental Sustainability Committee on 24 August (paragraph 7 of the minute refers) a risk to the capital plan is an increase in the cost of materials and scarcity of many materials which are key for the construction industry. Scotland Excel have informed the Council of unavoidable increases to costs on four of their frameworks and some key materials such as concrete, wood and steel are currently difficult to source and costlier if they are available. This is partly a

world-wide reaction to the pandemic, and partly due to Brexit. The construction industry is also over-heated and some recent procurement exercises have stalled. The Strategic Territory Partnering Board are also monitoring market volatility.

- 7.4 The NESS Energy for Waste project is at risk of delay due to Covid however it is not anticipated that this will impact on the current revenue and capital budget provision.
- 7.5 The Council is still seeking to establish whether the Scottish Government will contribute to the additional costs due to Covid-19 in respect of both the Lossiemouth High School and Linkwood Primary School new build projects. Should the Council have to bear either all or a proportion of these costs, it would be necessary to consider the options available to meet and these would depend on the funding gap the Council had to address. The Scottish Government have acknowledged receipt of our documentation and have confirmed they are currently reviewing the claim.
- 7.6 There is a risk that contract inflation might increase the eventual cost of projects in future years of the capital plan and a risk that any deferment of projects relating to asset condition might result in element failure, potentially incurring unbudgeted costs.
- 7.7 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales and this risk is heightened at this time due to the shortage of semi-conductors.
- 7.8 Projects can be subject to risks which are outwith the direct control of the Council, such as poor weather conditions.
- 7.9 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact in scheduled works and this is reflected in delays where work planned to be out-sourced is being brought in-house as a result of poor response to tender requests.
- 7.10 There is a risk that time-limited funding is not spent within time-frame and that the Council therefore loses the opportunity to improve or create assets at no or reduced cost to the Council.
- 7.11 Looking to the future although there is a need to invest significantly in our infrastructure to underpin the Council's priorities of Our People, Our Place, Our Future the Council's forecast financial situation is such that significant savings will be needed and realistically capital expenditure cannot be ignored when seeking to curtail costs. There will therefore be a difficult balancing act between investment needs and savings. The capital plan will be reviewed in early course with a view to a savings target for 2022/23.
- 7.12 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 2021/22 and the outline ten year plan incorporates measures designed to address the LOIP priorities of building a better future for our children and young people, empowering and connecting communities and developing a diverse, inclusive and sustainable economy.

(b) Policy and Legal

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

(c) Financial implications

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

(d) Risk Implications

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

(e) Staffing Implications

There are no staffing implications arising directly from this report.

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report.

(h) Climate Change and Biodiversity Impacts

There are no implications for climate change and biodiversity arising from this report.

(i) Consultations

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

9. CONCLUSION

9.1 Capital expenditure in the third quarter of the year amounts to £17,925,000 to the end of December 2021.

- 9.2 Capital expenditure is currently projected to be £1,860,000 lower than the approved capital plan for 2021/22 but with a high degree of uncertainty due to current construction market volatility and other external factors.**
- 9.3 Amendments to the Capital Plan amounting to a decrease of £2,160,000 (after taking into account additional funding) in 2021/22, an increase of £2,712,000 in 2022/23 and a decrease of £139,000 in 2023/24 are recommended.**

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

Moray Council Capital Programme 2020/21
As at 31st December 2021

	Capital Plan 2021/22 £000	Actual £000	Projected Expenditure				Total Projected Expenditure £000
			Q1 £000	Q2 £000	Q3 £000	Q4 £000	
Land and Buildings							
Education, Children's and Leisure Services Committee	10,650	6,934	1,534	3,185	2,864	4,355	11,938
Economic Development and Infrastructure Committee	17,703	5,287	2,828	1,720	1,865	10,969	17,382
Corporate Committee	237	47	1	45	20	172	237
Infrastructure							
Economic Development and Infrastructure Committee	9,735	4,679	661	1,705	1,697	3,888	8,066
Vehicles Plant and Equipment							
Education, Children's and Leisure Services Committee	159	119	50	16	53	44	162
Economic Development and Infrastructure Committee	4,585	610	316	124	229	2,756	3,425
Corporate Committee	1,292	249	26	53	388	825	1,292
	44,361	17,925	5,416	6,848	7,116	23,009	42,502
Funding							
Prudential Borrowing	30,963	9,691					
General Capital Grant (exc PSHG and CYPA)	8,224	5,990					
Other Grants & Contributions	2,032	2,244					
CFCR - ELC Expansion	1,625						
CWSS	420						
Elgin Transport Strategy	372						
Town Centre Initiative Fund	725						
	44,361	17,925	0	0	0	0	0

Major Capital Projects spanning more than 1 financial year (as at 31 December 2021)

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years £000	Current Budget 2021-22 £000	Actual spend 2021-22 £000	Remaining Budget 2020- 21 £000	Project Life Spend to 31/03/21 £000	ProjectedF uture Years Budget Required £000	Estimated Final Cost £000	Projected Variance £000
New Lossiemouth High School	43,000	39,923	3,827	1,708	1,369	41,631	0	43,000	0
Early Years Learning & Childcare	7,143	7,513	1,555	1,475	948	8,988	0	9,936	-2,793
LED Street lighting replacement programme	5,000	3,860	257	17	240	3,877	883	5,000	0
NESS Energy from Waste	27,224	14,343	10,784	4,597	6,187	18,940	2,097	27,224	0
Total	82,367	65,639	16,423	7,797	8,744	73,436	2,980	85,160	-2,793



REPORT TO: MORAY COUNCIL ON 23 FEBRUARY 2022

**SUBJECT: FUNDING FOR DEVELOPMENT OF THE RAISING ATTAINMENT:
CURRICULUM BREADTH AND DIGITAL IMP WORKSTREAM**

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

1. REASON FOR REPORT

- 1.1 To seek approval for the allocation of funding from reserves to appoint a specialist ICT Education consultancy to assist Officers to progress the Raising Attainment: Curriculum Breadth and Digital Workstream within the Council's Improvement and Modernisation Programme.
- 1.2 This report is submitted to Committee in terms of Section III (A) 2 of the Council's Scheme of Administration relating to considering Capital and Revenue Budgets and long term financial plans.

2. RECOMMENDATION

- 2.1 **It is recommended that Council agrees to the allocation of up to £50,000 from earmarked reserves for Council priorities, for the appointment of a specialist ICT Education consultancy, following the approval by the Education, Children's and Leisure Services Committee on 26 January 2022 of the recommendations in the report at Appendix A**

3. BACKGROUND

- 3.1 On 26 January 2022, the Education, Children's and Leisure Services Committee agreed that up to £50,000 from earmarked reserves for Council priorities, could be released for the appointment of a specialist ICT Education consultancy to assist Officers with the development of the Raising Attainment: Curriculum Breadth and Digital workstream to enable the council to make an informed decision on any investment in this area (para 9 of the draft minute refers).
- 3.2 For background information, a copy of the original report submitted to the Education, Children's and Leisure Services Committee on 26 January 2022.
- 3.3 If the decision by the Education, Children's and Leisure Services Committee is endorsed by this meeting of the Council, then progress can made to clarify

the scope, outcomes and levels of investment within the indicative funding bracket of up to £3.2m for the Raising Attainment: Curriculum Breadth and Digital workstream. This information was previously requested at the meeting of the Council on 12 May 2021 (para 13 of the minute refers).

4. SUMMARY OF IMPLICATIONS

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

The Improvement and Modernisation Programme is the development of the commitment in the Corporate Plan to a programme of modernisation and improvement to contribute to a financially stable Council.

The report also relates to “Building a better future for our children and young people in Moray” as part of the LOIP and the to the priority “provide a sustainable education service aiming for excellence” as part of the Corporate Plan

(b) Policy and Legal

None.

(c) Financial implications

This reports recommends that up to £50,000, from earmarked reserves for Council priorities, for this workstream. Although this amount is the upper limit that is permitted to be awarded through the Council’s Procurement Quick Quote regulations, where possible efforts will be taken to reduce this expenditure.

(d) Risk Implications

At this stage, the following high level risks are highlighted that may impact on the delivery of this project

The Council has yet to formally determine whether to invest in this workstream and hence the extent of any investment. There is a risk that the level of investment that emerges as being required will be in excess of the scale envisaged by the council and that the investment may be not proceed or may require significant modification to fall within an acceptable affordability margin.

Local authorities are waiting for guidance in terms of the provision of 1:1 devices, which could include financial assistance or the direct provision of devices. There is a risk that uncertainty delays local progress or that the eventual national solution is not consistent with the preferred approach in Moray. It is considered that the engagement of the external expertise proposed will assist in managing this risk by ensuring an outcome led strategic approach which should be sufficiently adaptable to work with the device provision that emerges nationally.

(e) Staffing Implications

Should the workstream progress following this stage, the major staffing implication is securing time from teachers and pupils involved in a demanding workload. This will require to be a key consideration in terms

of membership of project management and reference groups as well as involvement in the tests of change and any pilots.

(f) Property

There are inter-dependencies between this project and the modernisation of the Council's Learning Estate. Officers will ensure good communication between these initiatives and the Learning Estates Manager will also sit on the Digital Inclusion Project Management Group.

(g) Equalities/Socio Economic Impact

For the purposes of this report an Equality and a Socio Impact Assessment are not required. The completion of the Digital Inclusion Strategy and Implementation Plans will however need to be assessed.

(h) Climate Change and Biodiversity Impacts

There are no immediate climate change implications directly arising from this report. The future commissioning and de-commissioning of digital devices will however have an impact on the carbon footprint and this will need to be assessed in due course.

(i) Consultations

Depute Chief Executive (Education, Communities and Organisational Development), Head of Finance, Tracey Sutherland, Committee Services Officer.

5. CONCLUSION

- 5.1 If this recommendation for funding a specialist ICT Education Consultancy is approved, it is the intention that a further report outlining the possible scope for the investment workstream in relation to the Council's Raising Attainment: Curriculum Breadth and Digital Workstream will be submitted for consideration the Education, Children's and Leisure Services Committee and thereafter the Council.**

Author of Report:	Robin Paterson, Project Manager (Education)
Background Papers:	IMP Raising Attainment Curriculum Breadth and Digital Process Update, ECLS 26 January 2022 (item 06)
Ref:	SPMAN-1468114179-21
	SPMAN-1468114179-22
	SPMAN-1468114179-23
	SPMAN-1468114179-24



REPORT TO: MORAY COUNCIL ON 23 FEBRUARY 2022

**SUBJECT: ANNUAL REPORT OF THE CHIEF SOCIAL WORK OFFICER
2020-2021**

BY: CHIEF SOCIAL WORK OFFICER

1. REASON FOR REPORT

- 1.1. To inform the Council of the annual report of the Chief Social Work Officer on the statutory work undertaken on the Council's behalf during the period 1 April 2020 to 31 March 2021 inclusive.
- 1.2. This report is submitted to Council in terms of Section III (A) (4) of the Council's Scheme of Administration relating to monitoring performance of the services within the Committee's remit in accordance with the Council's performance management framework.

2. RECOMMENDATION

- 2.1 **It is recommended that Council consider and note the contents of this report.**

3. BACKGROUND

- 3.1 In compliance with their statutory functions under the Social Work (Scotland) Act 1968, all local authorities have a CSWO. For a number of years CSWOs have produced Annual Reports about social work services which are provided for relevant committees, full Council and Integration Joint Boards.
- 3.2 The Office of the Chief Social Work Adviser in the Scottish Government (OCSWA) collates an overview Summary Report based on the key content of the reports from all local authorities in Scotland. This summary would:
 - Be of value to CSWOs and also support the CSWA in their role of raising the profile and highlighting the value and contribution of social work services; and
 - Be a useful addition to the set of information available to aid understanding of quality and performance in social work services across Scotland.

3.3 The Council's Social Work Services require to support and protect people of all ages as well as contributing to community safety by reducing offending and managing the risk posed by known offenders. Social Work has to manage this together with the implications of significant demographic change and financial constraint whilst fulfilling a widening array of legal obligations and duties.

3.4 The annual report is attached at **APPENDIX 1**.

4. SUMMARY OF IMPLICATIONS

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

This report is in line with Moray 2026 Plan – healthier citizens, ambitious and confident young people, adults living healthier, sustainable independent lives safeguarded from harm and Council priority 4 – More of our children have a better start in life and are ready to succeed.

(b) Policy and Legal

The services referred to in this report fall within the scope of a number of important pieces of legislation including:

- Social Work (Scotland) Act 1968
- The Adult Support & Protection (Scotland) Act 2007
- The Community Care & Health (Scotland) Act 2002
- The Children (Scotland) Act 1995
- The Joint Inspection of Children's Services & Inspection of Social Work Services (Scotland) Act 2006
- Adoption and Children (Scotland) Act 2007
- Looked After Children (Scotland) Regulations 2009
- The Public Bodies (Joint Working) (Scotland) Act 2014
- Children & Young People (Scotland) Act 2014

Significant policies and white papers that relate to these services include:

- Changing Lives, the Future of Unpaid Care in Scotland (2006)
- Delivery for Health (2005)
- All our Futures: Planning for a Scotland with an Ageing Population (2007)
- Better Health, Better Care: Action Plan for a Healthier Scotland (2007)
- Better Outcomes for Older People: Framework for Joint Services (2005)
- National Guidance for Child Protection in Scotland, The Scottish Government 2014

(c) Financial implications

There are no direct financial implications arising from this report. Future priorities will be addressed within the context of the financial planning process.

(d) Risk Implications

There are no risk implications associated with or arising from this report.

(e) Staffing Implications

There are no staffing implications directly relating to this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no issues directly arising from this report.

(h) Climate Change and Biodiversity Impacts

There are no issues directly arising from this report.

(i) Consultations

The following have been consulted in the preparation of this report: MIJB Senior Management Team; Aileen Scott, Legal Services Manager; Head of Children and Families and Justice Social Work and Tracey Sutherland, Committee Services Officer, who are in agreement with the content of this report relating to their service area.

5. CONCLUSION

5.1 This report shows that Social Work in Moray is adapting and developing to meet current circumstances to better meet the needs of the local population.

Author of Report:	Jane Mackie, CSWO/Head of Service
Background Papers:	Attached at Appendix 1
Ref:	SPMAN-1315769894-224
	SPMAN-1315769894-245 / SPMAN-1315769894-246

Annual Report by Local Authority Chief Social Work Officers

1. Governance and Accountability

The Chief Social Work Officer (CSWO) in Moray is positioned within the Health & Social Care Partnership. Accountability of the CSWO is to the Integration Joint Board (IJB) for adult services and to Education, Communities and Organisational Development Committee/ Full Council on matters relating to children and young people and justice Social Work.

The CSWO meets with the Chief Executive of Moray council on any matters of concern.

The CSWO is a member of the Public Protection Chief Officers Group (COG), the Community Planning Officers Group (CPOG), the Child Protection Committee, the Adult Protection Committee, Girfec Leadership Group, Community Justice Partnership, and Clinical and Care Governance Committee of the Integrated Joint Board.

Internally the quality of social work is assured by Practice Governance meetings. Any issues are reported to the Clinical & Care Governance Committee of the IJB for adults. Posts of Consultant Social Work Practitioner are well established in adult services and also now in children's services. Consultants work with line managers to support social work in complex cases, model best practice and set practice standards in their respective areas. Consultants also undertake practice audits in Adult Social Work.

Within Adult services the dispersal of social work management arrangements means that, other than in Learning Disability, Team Managers, or first line managers are the most senior qualified Social Workers within the management structure. Maintaining Social Work integrity and value within the Integration Joint Board is a high priority for the CSWO.

Potential Delegation of Children and Families and Justice Social Work

A Programme Board to lead and provide strategic direction in relation to the potential delegation and modernisation of Children and Families and Justice Social Work to the Moray Integration Joint Board (MIJB) in line with national policy, legislation and local requirements was inaugurated on 16 November 2020.

The remit of the Board is to provide a joint forum for discussion with key partners and stakeholders to identify risk and issues associated with the potential delegation and to identify key benefits whilst offering support and scrutiny. The proposal must be agreed by Moray Council and then NHS Grampian and MIJB, before submission of a revised Integration Scheme to Scottish Ministers.

Whilst work to consider delegation has commenced, it has been considerably delayed by the public health situation and competing priorities. The Programme Board has received a business case with a benefit realisation plan highlighting risks and issues which has aided the decision to progress with the due diligence required to obtain financial assurance that resources are adequate to allow the delegated functions to be carried out.

The Programme Board continues to meet regularly to progress the proprietary work required in order for a unanimous agreement by NHS Grampian, Moray Council and MIJB.

2. Service Quality and Performance

In Adult Services, there were 2,745 Service Agreements commissioned for 1,546 service users. 88.5% (2,428) of these agreements were for external services with 11.5% (317) for internal services. The total weekly hours show Internal care providers were commissioned for 20.1% of the hours and External 79.9%.

Additionally in 2020/21; 3,283 Support Plan Reviews were completed, 1,659 Review meetings took place and 1,561 Annual Service Package Reviews were done. Additionally 1,412 COVID-19 reviews were completed. This demonstrates the amount of work that continued throughout the Pandemic.

The Community Wellbeing Development Team were successfully awarded 81 iPads with mobile wifi for free as part of the Scottish Government's "Connected Scotland" programme, to support older people becoming digitally connected to help reduce social isolation and becoming more independent through Covid lockdowns. They also created an online platform with local providers to offer physical and mental activities to engage and connect with people to continue to interact and to feel connected.

Self-directed Support

The SDS Team in Moray have been very active in supporting the further development of SDS approaches, not only locally but also contributing to the Scotland-wide agenda.

The team intensively supported Direct Payment (DP) recipients throughout COVID, in particular those employing Personal Assistant's regarding employment law, furlough, implementing the national option 1 and 2 guidance. They also supported employers and their PA's to have access to the necessary PPE to ensure compliance with Public Health Guidelines. Employers and their PA's were also supported through the provision of information around action to be taken in relation to Covid guidelines e.g. what to do when they had suspected or confirmed cases of Covid.

DP recipients did not have their support packages reduced but were supported to look at alternative, creative ways of meeting their outcomes due to restrictions relating to COVID. This resulted in the significant underspend in DP budgets where supported people were unable to access their normal levels of support.

One of the SDS team members was invited to be part of the workshops with Social Work Scotland to support the development of the national SDS Framework Standards which are now approved.

Moray noted their interest to be one of the key stakeholders and entered a successful application to Social Work Scotland. Moray were then chosen as one of three local authority areas to support the further development and embedding of the standards.

One of the SDS team members was also invited to be part of a small group to review the revised PA Handbook which was going web based and more interactive than the previous paper version.

Unpaid carer focus groups were carried out in January 2021 during the second lockdown to gain lived experience of what would support them in their caring role and give them a break both in the current lockdown and beyond.

Due to COVID the SDS team have successfully managed to build closer links with Personal Assistants in Moray, offering them support throughout the pandemic. The team further supported PAs getting access to the vaccine and regular LFD testing.

Commissioning

The Commissioning Team were very active over this time period supporting our external providers. They supported a local care home to open additional beds during the first lockdown period. This development involved four different organisations working closely together to support people in securing early discharge from hospital.

Commissioning staff provided logistic support to the Moray Mass Vaccination programme and set up the infrastructure to support the Mass Vaccination Centres. They also set-up the Moray PPE Hub which was created to manage the receipt and distribution of PPE throughout Moray.

The main focus for commissioning staff throughout the pandemic has been to support providers on a regular basis, in particular, a member of commissioning staff was in daily contact with each residential care home in Moray to offer support and advice. This developed into the Oversight arrangements set-up following Scottish Government guidance.

Children's services have seen improvements in the reduction in numbers of children who are placed outwith Moray, and, with a plan to return children (where that is in their best interests) to Moray where they are currently living outside of the local authority. There is an improvement in reaching permanence decisions through the implementation of Permanence and Care Excellence (PACE) programme. We have also reduced the number of children going into foster care and increased care provision within kinship options. We remain committed to ensuring fewer children require to live apart from their families by developing skills in family work and intensive crisis supports. When more children and young people remain in Moray it will follow that resources must be provided locally. This will be positive for children, their families and the local community.

Within our justice services, the unpaid work element of Community Payback Orders was a problem nationally with lockdown preventing any squads from operating and the backlog of hours continued to increase. There was a positive, however, in terms of the 'Other Activity' element of the Requirement as more flexible and imaginative ways of ensuring this were developed and employed. The Coronavirus (Scotland) Act's 35% reduction in hours in March 2021 enabled some clients to complete their order or reduced the outstanding hours to a more manageable level. Prior to the reduction we had 10,634 hours outstanding. Once the reduction was applied to those eligible this reduced to 6,434 hours outstanding.

Changes in Supervision of orders and licences during the initial lockdown stage provided our service users with more frequent and, often, welfare focused support in response to need. It was surprising to find that some of those who had been avoidant of more formal supervision appointments welcomed the telephone calls and home visits that they received. Keeping staff safe within that was challenging and office contacts were restricted to the 'critical few' high risk cases. The suspension of group work for high risk offenders in response to Covid restrictions and later due to lack of Covid complaint facilities led to concerns and was considered business critical.

3. Resources

During 2020/21 the financial pressures in adult services continued to be in older peoples and learning disability services. Both were overspent by end of year.

Within children's services, there have been significant savings due to a shift in practice and governance and less need for children to have their care needs met outside of Moray. A recurrent saving of £744k was taken. The savings from 20/21 in this service area supported the Moray Council transformation programme. There is a need to reinvest savings to ensure that investment is made in sustaining these changes, which is critical for sustainability and to align to The Promise in ensuring children don't go into care where they don't need to. The savings from 2020-21 were £3 million. This saving was as a result of a number of factors; we had less children requiring out of areas placements, there was also significant savings from the SDS budget, as staff struggled to find local services and options to provide additional support to families, as well as staff being under confident in the use of SDS to support families. Plans are in place for 2021-22 to provide the three conversation model as well as training in the use of SDS, alongside a review of our commissioned services.

4. Workforce

From the most recent information available, 07.12.2020, there are 318 qualified Social Workers employed in Moray. Of these, 14 are managers.

Recruitment and retention of qualified social workers is good. Our turnover is low, as the many Social Work staff will spend their career working within Moray.

We have not encountered any problems in recruiting to frontline social work posts.

The major concern is with the fragility of the Social Work Management and support functions. This led to the decision to draft a Social Work Workforce Plan. This is currently in development.

Recruitment to both Team Management and Service Management positions can be difficult. There is a recognition that we need to better prepare our staff for progression. In response to this we have offered some seconded roles into Team Manager positions in children's services, with coaching provided by the Consultant Practitioners. Within children's services, the management team is less stable with Head of Service and Service Manager positions being interim until a decision is made around how that will look at the point of delegation to the IJB. This can create a sense of the situation being 'temporary' to staff.

Recruitment of Social Care staff has been relatively positive. We were unable to recruit as proactively as we would have liked in 2020, and this has led to some deficits in 2021.

Of concern here would be early attrition of care staff, and retention rates. The decrease in retention, combined with increased demand, led to some significant staffing problems by the Summer of 2021. Most recently resulting in calls for mutual aid when that staffing pressure combined with the consequences of Covid Omnicron.

Staff Development

Staff development was very challenging throughout 2020/21. Social Work training team staff were redeployed to the Grampian humanitarian assistance centre.

Social work staff gradually accommodated to increasing amount of work being conducted virtually. At the beginning of 2021 Moray took part in a pilot development of “Near Me” a digital platform already in use widely within the NHS.

Within children’s services there was a lot of energy placed into ensuring a plan for training and development was created and that staff had appropriate post qualifying training and development opportunities as well as being tightly connected with national policy changes and developments. This created challenges for children’s services as the capacity was limited in being able to develop and deliver in house training due to the redeployment of the training team and staff time being tight due to the additional demands through Covid. We also had an increase in demand for social work services and so the opportunities were limited, but we were able to roll out workshops and the Safe and Together model across children’s services.

The Social Work Leadership group explored the SSSC my badges app and encouraged staff to make use of this to maintain their professional development.

5. COVID 19

April 2020 saw the beginning of the first national lockdown. Social Work/ Care conducted reviews of all Social Care packages at home to maximise available capacity for the anticipated surge of demand resulting from the first wave of Covid.

Many people and families contacted at that time wanted to minimise outside contact and where employed family members were furloughed were able and willing to offer additional support. There was a wave of community support for the Health and Social Care sector that saw people accept a temporary reduction in support, combined with substantial and meaningful increases in volunteer and voluntary sector activity across Moray. Food parcels were handed out to vulnerable people. Families were supported through telephone and doorstep visits, and The Humanitarian Action Centre (HAC) co-ordinated support for those that contacted them with a need for shopping or pharmacy collection.

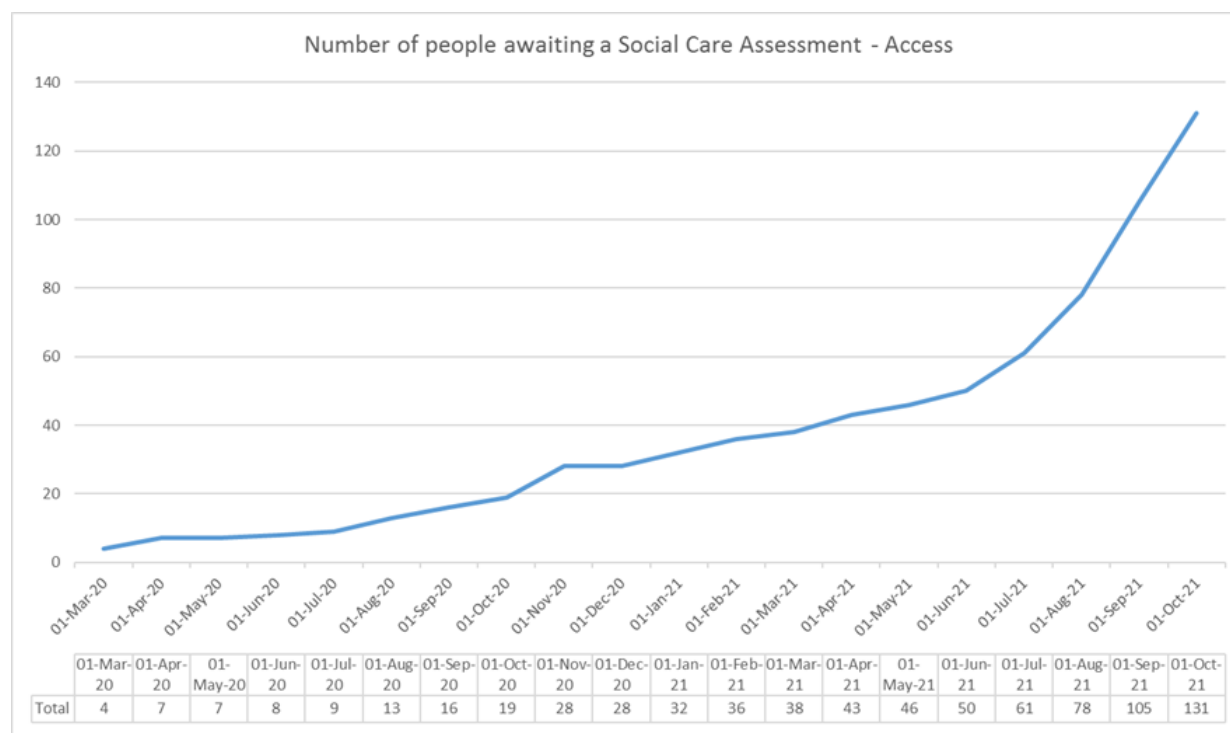
In accordance with Government guidance, day services and routine respite were suspended. Admission to a care home for the purposes of respite was made only in cases of exceptional need.

Across Scotland 731 hospital patients were discharged from hospital to care homes during the period 1st March 2020 -31st May 2020. The context of these discharges was similarly to make available treatment capacity for the anticipated surge of Covid illness. The incidence of Covid in Moray, especially at the early stages of the pandemic, was relatively low. Our care homes had few outbreaks of Covid throughout 20/21 and notably only 3 Covid attributed deaths of care home residents. The stress and strain on both staff and residents of care homes was however very significant, as infection protection and control measures put in place to control the pandemic and protect lives resulted in visiting restrictions, mandatory isolation of residents new to homes and many additional requirements for staff to follow to ensure a safe environment was maintained.

The Scottish Government required each HSCP to establish oversight arrangements for care homes to offer support for these reasons. The Oversight group has representatives from the Director of Public Health, Director of Nursing and Chief Social Worker. Oversight arrangements in Moray have been successful and a high level of engagement maintained since inception. Moray has had no cause for concern about the quality of care provided in care homes throughout the pandemic and have not been

requested by any care home to provide additional staffing to cover staff shortages. I think that the good performance and professionalism of care homes in Moray should be noted.

As the pandemic and the civil responses to this continued throughout 2020 Social Work noted increases in referrals of a particularly complex nature, many where families had been caring for a vulnerable person but no longer felt able to do so. As the number of referrals increased, waiting lists for assessments began. This did not emerge as a significant concern during 20/21, but of note perhaps is the steady build-up of distress in the community. To illustrate, Carefirst records show that there were 4 people awaiting Social Work assessment in March 2020, 9 in July, 28 in November and 38 in March 2021. In contrast the figures for 2021 show 61 in July 21, and 161 in October 2021.



A possible explanation of this is that stress amongst carers and families already high as a result of their experiences in 2020, increased during the second lockdown, and has shown no sign of abating since.

As Health services remobilised, beginning in Autumn 2020, demand, in particular for care at home hours, increased. The pressures of receiving demand from both Community and Hospitals continued through 20/21. This emerged as a critical shortage in the summer of 2021, outside of this reporting period, but important to note, and shows a similar picture to the demand for social work assessment.

Suspended Social Care Services began to remobilise from Autumn 2020. A minimal day care service for learning disability continued to meet the most critical and complex need. Learning Disability Day Services remobilised from October 2020. Limited planned respite resumed in late 2020. Day services for Older People were unable to reopen during 2020/21.

In children's services the Covid Pandemic created the need to implement a number of changes to our systems with urgency. While other support services were closed down, social work across the board had to increase their capacity somewhat and ensure services were delivered without the usual support of partner agencies. Within children's services, services to families, services for children with disabilities and some health services were vastly reduced, increasing the workload for social workers, at a time where there was a lot of anxiety within the workforce about their own health, so this was a

time with many workforce challenges. Our advice to social work staff differed to that of the general advice to the nation of Scotland and this caused confusion and anxiety for staff too. Despite this, improvements were still able to be made and our digital connection with our children, young people and families was accelerated beyond our expectations of what was possible. Within our justice services, this was a much more challenging circumstance, given the restrictions some people had with using digital means of communication and also the restrictions placed on unpaid work services, given self-isolation/ lockdown rules.

Key priorities for recovery within children's services include ensuring we are set up to respond quickly should we have further restrictions and sustain the changes we have made to the day to day work. As with any other social work department, we increased our provision of support to families rather than reduced them and as a priority we will look at staff wellbeing – acknowledging the work the teams have put into trying to ensure children remained in safe environments and families were supported. There was an increase in the need for practical supports as well as a need to respond to the fact that face to face meetings could not take place, as well as trying to support family contact time in a complex and conflicting environment.

We need to ensure we are able to cope with increases in staff sickness going forward as well as the potential impact of Long Covid on staff.

Remobilisation, and the opening of new services to meet the backlog of social care demand was recognised as a key priority by April 2021 in adult services. We prepared for our retendering of care at home services and planned additional homes with support for people with Learning Disability.

The retender for care at home services, was approved by the Integrated Joint Board in March 2021. The retender was for a single external partner to work across Moray, and for the internal service with external partner to adopt an outcome based method of work. This will see care at home practitioners rather than Social Workers agree what level of care at home support is required, and agree with the client and their families how best to deliver this.

Social Workers will subsequently be free to focus on the higher level outcomes that clients and their carers want to achieve. This change supports the recommendations of the Feeley report that was issued in January 2021. To support this change in focus away from care management, Moray are going to engage in a refresh of the three-tier model originally adopted as a Health and Social Care policy in 2014. This refresh will support social workers to consider utilising themselves as a resource for clients and families and will enhance the potential of self-directed support by asking social workers to support their clients to make more creative use of care budgets.

In summary, 2020/21 saw very significant challenges for social care and social work across all client groups. Maintaining staff wellbeing and morale was important throughout this period and continues to be so. It is most important to note though the tremendous efforts and contributions made by all social care and social work staff to support our most vulnerable people in the community.

