

MORAY COUNCIL

Minute of Special Meeting of the Moray Council

Tuesday, 03 March 2020

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

PRESENT

Councillor George Alexander, Councillor James Allan, Councillor David Bremner, Councillor Frank Brown, Councillor Theresa Coull, Councillor John Cowe, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Lorna Creswell, Councillor Tim Eagle, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Louise Laing, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Ray McLean, Councillor Shona Morrison, Councillor Laura Powell, Councillor Derek Ross, Councillor Amy Taylor, Councillor Sonya Warren

APOLOGIES

Councillor John Divers, Councillor Ryan Edwards, Councillor Maria McLean, Councillor Walter Wilson

IN ATTENDANCE

Also in attendance at the above meeting were the Chief Executive, Depute Chief Executive (Education, Communities and Organisational Development), Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Head of Governance, Strategy and Performance, Planning and Development Manager and Tracey Sutherland, Committee Services Officer.

1. Chair

The meeting was chaired by Councillor Shona Morrison.

2. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, the meeting noted the SNP Group, Conservative Group, COG and MAG respectively had discussed the budget related report at item 3 on the Agenda and had reached a mutual agreement as groups in regard to this.

Councillor Alexander sought clarification on whether a check is carried out to ensure that all Councillors are not in debt with their Council Tax to allow them to vote on the budget paper. In response the Convener confirmed that a check is carried out.

Councillor Ray McLean declared an interest, as a Director of Moray Leisure Centre Board.

3. 2020-21 Budget and 2020-23 Financial Plan

The Convener confirmed that all Members had the three additional papers circulated ahead of the meeting, namely the Administration Group's proposed amendments to the recommendations as printed, the Conservative Group's alternative budget proposal and the Moray Alliance Group proposed amendments.

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Council to set the level of Council Tax for 2020/21, to agree the Council's revenue and capital budgets for 2020/21 and to consider the Council's Financial Plan for 2020 - 2023.

The Convener invited the Chief Financial Officer to update the Council on the changes to the Council's settlement figure since the draft Scottish budget was presented. In response the Chief Financial Officer confirmed that in the last month or so the budget had seen a number of fairly major changes which are reflected in the report in front of Members. There has been an upward revision of the Capital Receipts which the Council expected to generate by £900k which normally would not impact on the revenue budget but currently the Council is allowed to use Capital Receipts to fund Transformational Change. The Council budgeted for Transformational Change and in the papers, Members can see that it is going to be funded entirely from Capital Receipts due to the increase. The other major change is that the additional settlement from the Scottish Government negotiated with the Green party saw an increased £1.6m in funding.

In accordance with the amended proposals circulated, Councillor Leadbitter proposed, to suspend standing orders in relation to the decisions taken within the past 6 months on grass cutting and public convenience closures, these being the issues raised in the various papers circulated referenced by the Convener this was seconded by Councillor Morrison. The ground for suspension (Standing Order 83) was the improved financial position of the Council.

There being no one otherwise minded this was unanimously agreed.

On the invitation of the Convener, Councillor Leadbitter, in his capacity as Council Leader summarised the background relating to the budget that was being proposed.

He spoke about the challenging financial circumstances of the Council and other public services, the impact of 10 years of austerity budgets from the UK government, the uncertainty of Brexit and the pressure of demographic change. This year all of those pressures and uncertainties remain but to different degrees. In terms of Moray Council's finances and the difficult decisions which had to be taken last year have paid off and while there is still a budget deficit that still needs to be carefully manage, the deficit is significantly smaller than last year.

Last year the Council had to identify over £10million worth of savings, while this year that savings is just over £3million of which the vast majority of the actual target has already been achieved due to decision taken by the Council through the course of the current financial year. As a result of the hard work of Officers and staff within the Finance team and in teams right across the Council, the Council's reserves are

healthier now than at the start of the financial year and with additional reserves earmarked to invest in the transformation changes that will continue to be needed as we reshape our services to address service pressures in some areas, modernise services to deliver changing service needs, such as investment in digital and new investment in tackling climate change.

The demographic challenges continue with ever growing pressures in Social Care and demographic change will continue to be one of our biggest challenges for many years to come. Moray has a growing elderly population requiring more years of health and social care support from both the NHS directly and from our health and social care teams who are jointly funded by the Council and NHS. It is vital that the Council has that in the forefront of its mind as an increasing share of funding is required by those services and we have a responsibility to explain that to the public and encourage debate on whether people are willing to pay more tax to maintain health and social care services along with the other services we provide or whether we reduce the other services instead. This is not an easy or simple debate but it is one that is gaining more momentum and of which it is of critical importance to have.

The current funding distribution formula has been a source of concern for Councillors in Moray for some time now and throughout the last year we have been arguing the case behind the scenes with colleagues from other Councils in an effort to get COSLA Leaders to agree to review the formula. Those efforts have now borne some fruit and COSLA Leaders have now agreed to review the distribution arrangements, this will take place after the current work that COSLA is undertaking with the Scottish Government to review the fiscal framework for local government. This framework will set out the basic principles of local government funding going forward and provide the basis for the more detailed review of the distribution formula. This is very welcome but as a note of caution the formula is complex and it will take time and there is no guarantee of the outcome as Moray is one voice of 32 Councils that make up COSLA. The Leader, however, remains committed to making Moray's voice heard in that forum.

It is also increasingly the case that the Council needs to look at other income streams other than the traditional grant funding, council tax, income from charges combination that has been the traditional source of Council budgets. New powers such as the transient visitor levy (TVL) are being worked on at a national level and it is important over the coming months that we get views of individuals and businesses in Moray on how the TVL could benefit Moray to gauge what it could mean financially and how it could be best used if it were implemented. Community involvement in public service provision is increasingly the norm now and in the last year alone we have had a range of facilities that are transferred to community management or ownership. Town halls that were formally run by the Council, Longmore Halls in Keith, Fisherman's Hall in Buckie and Elgin Town Hall amongst others are going from strength to strength under community ownership and management. Other facilities including toilets and parks are currently being worked on and the enthusiasm and commitment from Community Groups has been and continues to be a massive boost in keep facilities going and indeed in many cases improving facilities whilst reducing financial pressure on the Council.

Before he moved onto more detail of the specific budget, the Leader was acknowledged that work has been going on with other group leaders and colleagues through the Budget Development Group in particular. Councillor Leadbitter acknowledged the commitment of the COG Councillors and Councillor Divers who have given significant time and energy to work with the Administration Group to find areas of mutual agreement. Some of these discussions can be more challenging than others but he believed there has been a mutual respect between

Councillors in their approach to those decisions. The Administration Group remains committed to joint working wherever that is possible and thanked all the Councillors who had been involved in budget development.

Before turning to consider the detail of the budget savings proposed the Leader indicated that it is proposed to use the Council Tax flexibility that is available to increase Council Tax by 4.84% which equates to inflation plus 3%. In recognition of the pressures already detailed in order to have the best available basis for addressing the Council's budget deficit and addressing other savings. We continue to get strong feedback from the people of Moray that they are willing to pay a little more to protect services as best we can. This increase will see Council Tax in Moray to continue to remain about the mid table point when compared to other Council's in Scotland and we will continue to review that position for future years.

A number of key budget milestones have been achieved in the last year which are set out in Appendix 6 of the report. Since last year's budget we have made a number of adjustments, most recently on 12 February 2020. Those proposals were delayed from the December meeting due to restrictions on decision making during the election period. The Leader appreciated that not all Councillors like budget proposals coming up in a series of meetings, however he remains very much of the view that in the current financial circumstances it is significantly beneficial to take budget savings as early as practicable in order to provide quicker savings returns, protect reserves and consequently to reduce future pressures. The consequence of this is that the Council is only required to consider a handful of savings today having already taken a range of budget decisions.

In turning to the budget pressures which are set out in Appendix 2 the most notable pressures continue to be in health and social care and school roll numbers and related to that the cost of running the new Linkwood Primary School. There has also been a well reported and unexpected change to the pension rules which have had a substantial impact on Council's across the UK. In total the budget pressures come to £4.528m. The Health and Social Care pressures have however, been offset by a targeted increase in funding for IJBs through Councils in the proposed Scottish Budget.

Turning to the proposed savings, Appendix 3 lists all the savings agreed to date with reference to the council meeting where each saving was agreed. The final section of Appendix 3 lists the further savings being proposed.

In discussion with Administration Group and other Budget Development Group Councillors, the improvements in the Council's finances have given sufficient scope to re-instate the budget saving taken in February last year that would have seen a major reduction in destination parks starting in April this year. It is now proposed that this saving, comprising of grass cutting in destination parks at £41,000 and shrub maintenance and litter picking at £16,000 are re-instated. Additionally in grass cutting and after careful consideration of the budget impact there is sufficient room for manoeuvre in the budget to re-introduce grass cutting to the standard that existed prior to last year's budget. These proposals recognise that while there is still some significant work to do for future years and the need to continue to approach budgets carefully, the Council is in a better than previously anticipated position with the budget. Work will continue with communities who may wish to continue with grass cutting that they have taken on and work will continue on seeking sponsorship of our parks and amenities areas where there is interest from businesses and others in doing so. Any sponsorship of amenity space will be put to good use to improve these community facilities.

A report is to be brought forward, initially to the Economic and Development Infrastructure Services Committee on the possibility of introducing meadows in some locations. This could be a potential spend to save option as well as contributing to carbon reduction and biodiversity. Going forward, grass cutting is an area of service that is ideal for participatory budgeting and as participatory budgeting is developed the Council can consider the best way of doing this.

On the recent decision of toilet closures, the Council Leader stressed very strongly that the Council are committed to working with communities and other outside organisations to find an alternative means of providing these services beyond the planned closure date at the end of September. A commitment is given today to bring back an update to Councillors in August so that the proposal can be reviewed with a view to either reversing or extending that closure plan if an alternative way forward has not progressed to a positive position at that point.

Councillor Leadbitter recommended the budget proposals as printed in the report and the amendments distributed prior to the meeting to the Council. Councillor Morrison advised that she was happy to second the budget proposals and opened it up to colleagues for debate and amendments.

In response Councillor Eagle on behalf of the Conservative Group advised that it had always been the view of the Conservative group that local authorities operate some of the most important services our communities depend upon. There can be little argument that children and adult's health and social care are vital, helping ensure the most vulnerable young people and elderly residents are kept safe and well. Allowing our young people to gain knowledge and experiences and the ability to bring that into real life situations through our schools is so important as we all desire to ensure our young people become strong, confident and resilient adults. Economic development, waste control, environmental protection, roads maintenance, lands and parks, all of these have an impact on our communities.

The financial situation has meant the Council have raised charges. Every day many local people have to pay for services we provide from car parking and school meals, to musical instruction and brown bins, however whilst in 2019 we did see wages increase slightly and the introduction of the real living wage, in real terms increased charges are far beyond the % increase in wages.

Councillor Eagle took the opportunity to thank officers, and added that whilst they may not always agree he has never doubted their commitment to this Council and thanked them for the help they give during the year. The Conservative group support the modernisation and improvement programme and believe a modern local authority should always be looking forward, preparing, adapting and innovating for the future needs and demands of local people.

The Conservative group have supported some of what came before, other things like public toilets they have not. Today the Conservative Group support the small amount of savings being proposed, however do not give support to the proposed 4.84% increase in council tax. Studies have shown income is a key determinant of health and policies that affect income have the potential to influence healthy life expectancy and health inequalities in Scotland amongst many other things. The Group believe these papers gives us little comfort that any modelling, analysis or equality impact assessment have been done to identify what the impacts are on local people from the increase in council tax, when taking into consideration the already approved increases in charging this year and over the last few years. They felt that our communities are paying more and receiving less.

The very position the Council is in, forces the Council to consider a Council tax rise above the rate of inflation and with that in mind and in an effort to be as financially responsible as possible within the context of the above the Conservative Group propose an increase of only 3%.

With the announcement of a further £1.6m coming from the Scottish Government the Conservative Group feel it is only right since we are asking for people to pay more, to give them something in return. The Conservative Group welcome that the SNP have finally realised the importance of grass cutting, including destination parks and public toilets and also include these in their proposed budget amendments.

Prior to the meeting the Conservative Group circulated the full changes to the recommendations on this paper. Councillors will note that even with these changes the proposals remain within the Council's £5million protected reserve. The Conservative Group further ask in the recommendations that there is a renewed attempt at cross party dialogue with the Scottish Government to ensure the unique circumstances in Moray are well known and to ensure the Council are in the fight for as much funding as possible next year.

On behalf of the Conservative group, Councillor Eagle, seconded by Councillor Brown proposed the budget amendment as follows:

It is recommended that (subject to the Scottish Budget being approved by Scottish Parliament) the Council approves:

- i) An increase of 3% on council tax for 2020/21;
- ii) Provision of £4,528,000 for budget pressures as listed in Appendix 2;
- iii) Further savings totaling £104,000 as listed in Appendix 3;
- iv) Indicative budgets for 2021/22 and 2022/23 as set out in Appendix 1;
- v) Capital expenditure for 2020/2021 as set out in the indicative ten year Capital Plan in Appendix 4;
- vi) Funding for Moray Integration Joint Board (MIJB) to increase by £1,792,000 in 2020/21 compared to 2019/20 per the settlement letter from Scottish Government;
- vii) Use of general reserves up to £3,204,000 to balance the budget;

- viii) Council notes that this year local authorities were not given the opportunity to agree the funding settlement from the Scottish Government, where in the past the opportunity to do so has been a method by which councils can highlight individual challenges and asks. With the above in mind:

- ix) Council instructs the Leader of the Council to open cross-party talks with the Scottish Government to discuss the unique circumstances Moray faces as well as the need for transitional funding.

Council instructs the Chief Executive to write to the Scottish Government and to Audit Scotland confirming that, in the absence of either a substantially larger core grant settlement or a bespoke package of transition funding, Moray Council is unlikely to set a balanced budget in 2021/22 without significant and damaging cuts to local services.

xi) Council agrees to note recommendations as written in the budget paper;

Following the suspension of standing orders, the Council agrees to:

xii) Repeal the decision taken to close public toilets on 12 February 2020

A report to the next meeting of the Moray Council on the cost of re-opening
xiii) Fiddich Park, Craigellachie, West Dunes (South), Findhorn and Reidhaven Square, Keith;

A further report to Moray Council by September 2020 which reports on
xiv) discussions with the new tourism body, continuing discussion with Communities as well as the potential external funding and options around income generation.

Agree to the re-introduction of grass cutting as per the motion discussed on 2 October 2019 and detailed in the budget report to the Moray Council meeting on 23 January 2019 (Appendix B Line D6c4) and also:

xv)

- Council to express publically their thanks for all those communities throughout Moray who have helped with grass cutting this summer;
- Council to encourage those who wish to continue to cut grass, especially smaller areas such as verges; and
- Council to use all available opportunities to promote sponsorship of grass areas to bring in additional income.

xvi) Re-introduce cutting of destination parks as per saving D6d1 (Appendix A, 12 December 2018)

The Convener invited Councillor Ross to introduce the Moray Alliance Group (MAG) budget.

Councillor Ross thanked the Convener. In response, Councillor Ross suggested that perhaps the budget should be decided after the Council knows how much money has been given instead of taking cuts within the financial year. Clearly with the suspension of standing orders the Council have a chance to revisit some previous decisions. With this in mind, Councillor Ross proposed the MAG budget, which would re-instate grass cutting in communities, it would also keep toilets open and re-open those already closed in hot spot tourist areas. The Council Leader did not mention re-opening toilets already closed, nor has he given a commitment to keep toilets open after September.

If the Council are to close toilets, the Council will suffer reputationally with sites costing more to clean up than is being saved. In recognising that there is not a comprehensive comfort scheme and the economies of scale of keeping toilets part of Moray's services,

the MAG feel that the proposals will lessen the effect on hard pressed communities who are struggling with the capacity and would give them one less worry.

The MAG budget means that the 2 groups, the Conservative Group and the SNP Group could meet half way in terms of a 4% increase in the Council Tax and the pressures of the Council Tax on hard pressed, low paid families would be less than the SNP's proposal. With that in mind Councillor Ross commended the Group budget to Council.

The Convener thanked Councillor Ross, and sought a seconder to his amendment. As no seconder was received, and in accordance with Standing Order 65, Councillor Ross' amendment fell and his dissent was recorded.

The Convener asked the groups to sum up their proposals. Councillors Leadbitter and Councillor Brown took the opportunity to sum up in respect of their groups.

On the division there voted:

For the Motion (13)	Councillors Leadbitter, Morrison, A McLean, Alexander, Bremner, Coull, Cowe, Cowie, Coy, Creswell, Laing, Taylor and Warren
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For the Amendment (9)	Councillors Eagle, Brown, Allan, Feaver, Gatt, Macrae, Powell, R McLean and Ross
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Abstentions (0)

Accordingly the motion became the finding of the meeting and the Council agreed (subject to the Scottish Budget being approved by Scottish Parliament) to:

- i) an increase of 4.84% on Council Tax for 2020/21;
- ii) provision of £4,528,000 for budget pressures as listed in Appendix 2;
- iii) further savings totalling £104,000 as listed in Appendix 3;
- iv) indicative budgets for 2020/21 and 2022/23 as set out in Appendix 1;
- v) capital expenditure for 2020/21 as set out in the indicative 10 year Capital Plan in Appendix 4;
- vi) funding for Moray Integration Joint Board (MIJB) to increase by £1,792,000 in 2020/21 compared to 2019/20 per the settlement letter from Scottish Government;
- vii) the use of general reserves up to £2,234,000 to balance the budget and flexibility to extend this to £5,004,000;
- viii) remove the savings agreed during consideration of the 2019/20 budget in relation to maintenance of destination parks and the maintenance regime within those parks continues at current levels, re-instating the following:

- a. Grass cutting in Destination Parks £41,000
- b. Shrub maintenance and Litter Picking £16,000

ix) that the budget for grass cutting and supervision of that service, excluding costs related to areas of grass that have been picked up the Housing Revenue Account, is re-instated £64,000;

x) a commitment from the Administration to work with communities and other organisations on alternative delivery models for toilet provision in relation to the toilets that Council agreed in January 2020 to close from October 2020; and

xi) if an alternative delivery model is not achieved then the Administration Group will bring back this agreed saving to a Council meeting in August for review, setting out any progress made by that time and provide Councillors with an opportunity to take an alternative way forward for the service.

- i.
- ii.

i) The conditions placed on the Council in terms of the settlement letter from the Minister for Public Finance and Digital Economy;

ii) That the budget is based on the Local Government Settlement issued by the Scottish Government on 6 February 2020 and that the Council's budget will be amended to reflect any changes made by the Scottish Parliament when the Scottish budget is approved;

iii) That the Chair of Moray Integration Joint Board has written to the Chief Executive formally notifying him that MIJB anticipates and overspend of £1.7million in 2019/20, which falls to be part-funded by the Council;

iv) Savings previously approved totalling £1,875,000 for 2020/21 and savings approved subject to consultation totalling £181,000 for 2020/21 as listed in Appendix 3; and

v) One of savings of £583,000 projected for 2020/21

4. Treasury Management Strategy Statement and Prudential Indicators

A report by the Depute Chief Executive (Economy, Environment and Finance) asked Members to approve the Treasury Management Strategy and the Investment Strategy for 2020/21 and to approve the indicators which will be used to measure the Council's performance in capital investment decisions.

Following consideration the Council agreed:

- i) the Treasury Management Strategy Statement for 2020/21;
- ii) the Investment Strategy for 2020/21 in Appendix 1;
- iii) the Prudential Indicators and Limits for 2020/21 in Appendix 3; and
- iv) to note the indicative Prudential Indicators and Limits for 2021/22 and 2022/23.

5. Medium Long Term Financial Strategy

A report by the Depute Chief Executive (Economy, Environment and Finance) asked Council to consider a financial strategy to facilitate medium to long term financial planning.

Following consideration the Council agreed to approve the Medium to Long Term Financial Strategy at Appendix 1 to the report as a partner piece to the Corporate Plan.

6. Corporate Plan 2019-2024

A report by the Depute Chief Executive (Education, Communities and Organisational Development) sought Council approval for the Corporate Plan 2019 - 2024, following engagement with community representatives in December 2019.

Following an earlier discussion with the Depute Chief Executive (Education, Communities and Organisational Development), Councillor Laing asked for the following amendments to be made:

Page 11 - Change the wording 'We will work towards an efficient, low carbon Council' to 'We will work towards being a carbon neutral Council'

Page 20 - Change the wording 'Increased provision and use of electric vehicles' to 'Increased provision of non fossil fuel vehicles' as this would allow the Council to possibly consider hydrogen vehicles in the future.

Page 22 - The last sentence should read 'is vital'

Following consideration the Council agreed, subject to the amendments noted above to:

- i) review and note the feedback from the engagement with community representatives (Appendix 3);

approve the Corporate Plan for 2019 to 2024 (Appendix 1) and notes that the plan

- ii) and delivery framework (Appendix 2) will continue to be developed and that a report on progress be submitted after 6 months; and

note that the community engagement implementation will proceed to the next

- iii) stages, subject to more detailed plans being prepared and reported to the Council for approval.

7. Moray Food Growing Strategy

A report by the Depute Chief Executive (Economy, Environment and Finance) asked Council to note progress on preparation of a food growing strategy, to agree responses to the comments received during public consultation and to approve the strategy as supplementary guidance.

Following consideration the Council agreed:

- i) the responses provided to the comments received during the public consultation on the Draft Food Growing Strategy set out in Appendix 1;
- ii) to approve the final version of the Food Growing Strategy set out in Appendix 2, and for it to be used as a material consideration in the determination of planning applications for food growing spaces; and
- iii) to delegate responsibility for Section 119 and 120 of the Community Empowerment (Scotland) Act 2015 - Food Growing Strategy to the Planning and Regulatory Services Committee and to make the necessary changes to the Scheme of Administration.