

MORAY COUNCIL

Minute of Special Meeting of the Moray Council

Tuesday, 22 February 2022

Remote Locations via Video Conference,

PRESENT

Councillor George Alexander, Councillor James Allan, 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

APOLOGIES

Councillor Walter Wilson

IN ATTENDANCE

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

1. Chair

The meeting was chaired by Councillor Shona Morrison, with the exception of Item 3 on the agenda which was chaired by Councillor Graham Leadbitter.

2. Order of Business

The Chair advised the Committee that there would be 30 minute adjournment following Declarations of Group Decisions and Members Interests to allow members to consider the updated Conservative Group Budget Amendment.

3. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, Councillors Brown, Coull, Divers, Eagle, Edwards, Morrison, Nicol and Warren declared an interest in Item 3 on the agenda as members of the Moray Integration Joint Board.

Councillors Alexander, Eagle and Leadbitter also declared that their respective groups had discussed the budget at length and that no whip on voting had been given.

There were no other declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

4. 2022-23 Budget 2022-25 Financial Plan

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Council to set the level of Council Tax for 2022/23, to agree the Council's revenue and capital budgets for 2022/23 and to consider the Council's Financial Plan for 2022 to 2025.

On the invitation of the Chair, Councillor Leadbitter being the Leader of the Council presented the proposed budget.

Councillor Leadbitter, introduced the budget on behalf of the Administration Group stating that this is the 2nd year of setting a budget in the unprecedented circumstances that the pandemic has caused. He acknowledged that staff and management at all levels continue to go above and beyond with the commitment to continue to deliver public services to individuals, families and businesses across Moray.

He thanked the Head of Financial Services and her staff for the considerable work that goes into the budget setting process. He further acknowledged and thanked the Councillors from the Budget Development Group who have worked with the Administration to put together the proposals that are being set out today, including the Conservative Group, who although are proposing an alternative budget as an amendment, were involved in resolving some issues prior to today's meeting.

Following Councillor Leadbitter's introduction he moved that the Council approve:

- i) An increase of 3% on Council Tax for 2022/23
- ii) Provision of £16,523,000 for budget pressures as listed in Appendix 2;
- iii) Further service developments totalling of £188,000 as described in paragraphs 4.18 and 4.19
- iv) Savings totalling £1,576,000 as listed in Appendix 3;
- v) Budgeted expenditure of £240,733,000 for 2022/23;
- vi) Budgeted expenditure of £240,733,000 for 2022/23;
- vii) Capital expenditure of £51,426,000 for 2022/23 as set out in the indicative ten year Capital Plan in Appendix 4;
- vii) Funding for Moray Integration Joint Board (MIJB) to increase by £6,745,000 plus Moray's share of the £200 million still undistributed in 2022/23 compared to the 2021/22 per the settlement letter from Scottish Government;
- ix) Use of financial flexibilities associated with the cost of the pandemic of £3,120,000
- x) Use of earmarked reserves totalling £1,191,000 for transformation and Council priorities and of £9,144,000 to balance the budget; and

- xi) That the Council tax rebate announced at Stage Two of the Scottish Government's budget is delivered through crediting Council Tax accounts, where this is possible.

Also for the Council to agree to note:

- i) The conditions placed on the Council in terms of the settlement letter from the Cabinet Secretary for Finance;
- ii) That the budget is based on the Local Government Settlement issued by the Scottish Government on 16 December 2021 and the announcement of additional funding of £120million on 27 January 2022 and that the Council's budget will be amended to reflect any changes made by the Scottish Parliament when the Scottish budget is approved; and
- iii) Projected additional savings requirements of £12,920,000 in 2023/24 and £6,894,000 in 2024/25.

This was seconded by Councillor Morrison who said that this budget has a clear and continuing focus on recovery. She further thanked the Officers for their work and forbearance during the budget process.

Councillor Eagle joined the Chair in thanking all the staff and fellow Councillors for their contributions throughout the year, acknowledging that the democratic process may not be easy and there will be differences of opinions but the vast majority live and work in Moray and only want the best for the area.

Councillor Eagle also acknowledged the unprecedented and challenging circumstances and the necessary investment in recovery and therefore proposed the Conservative Group budget. In seconding the amendment Councillor Gatt also thanked all the staff for working throughout the last 2 challenging years.

- i) Recognise the impacts of the cost of living and agree to freeze council tax rates for 2022/23, noting that without an increase in future settlements from the Scottish Government Moray Council may have to increase council tax above what may be considered a normal level in the future.
- ii) Agrees in addition to the budget as written the additions as shown in the table below totalling £1,05million
- iii) Allows provision of £16,395,000 for budget pressures as listed in Appendix 2; with the addition of moving the £3,100,000 pressure for Early Learning and Childcare and Additional Support Needs into a protected reserve to be used only following a detailed report to the respective service committee and also:
 - a) Expedite the DSM review along with class contact hours as listed within budget pressures to the service committee as soon as possible, with the report including a comparison review of the DSM of other local authorities in Scotland and suggestions of potential to limit pressure around school roll.
 - b) Requests a report is brought to the next relevant service committee on the pressure for a tree survey with a view to reduce the cost implications of this.

- c) Ask officers to run an internal campaign highlighting again Moray Councils climate emergency and asking all departments, buildings and facilities to turn off lights, heating etc when not required with a view to saving at least 10% of the budget pressure.
 - d) Remove 4.14 recognising that whilst the council notes the benefits of this the current financial climate does not justify this spend at this time.
- iv) Further service developments totalling £5,000 as described in paragraphs 4.18
 - v) Further potential service development of £120,000 4.19;
 - vi) Approves savings totalling £1,576,000 as listed in APPENDIX 3;
 - vii) Approves budgeted expenditure of £240,733,000 plus amendments as described above for 2022/23 which comes to £241,636,000;
 - viii) Approves indicative budgets for 2023/24 and 2024/25 as set out in APPENDIX 5;
 - ix) Approves capital expenditure of £51,426,000 for 2022/2023 as set out in the indicative ten year Capital Plan in APPENDIX 4;
Requests officers provide a report to the relevant service committee in regard the lines covering Industrial Portfolio to allow scrutiny and debate on the potential to review policy on sale of current industrial assets to generate capital receipts to fund ongoing works and scope to work alongside private sector industrial estate developers.
 - x) Approves funding for Moray Integration Joint Board (MIJB) to increase by £6,745,000 plus Moray's share of the £200 million still undistributed in 2022/23 compared to 2021/22 per the settlement letter from Scottish Government;
 - xi) Approves use of financial flexibilities associated with the cost of the pandemic of £3,120,000;
 - xii) Approves use of ear-marked reserves totalling £1,191,000 for transformation and Council priorities and of £11,522,000 to balance the budget; and
 - xiii) That the Council Tax rebate announced at Stage Two of the Scottish Government's budget is delivered through crediting Council Tax accounts, where this is possible.

The Council are also asked to note:

- i) The conditions placed on the Council in terms of the settlement letter from the Cabinet Secretary for Finance;
- ii) That the budget is based on the Local Government Settlement issued by the Scottish Government on 16 December 2021 and the announcement of additional funding of £120 million on 27 January 2022 and that the Council's budget will be amended to reflect any changes made by the Scottish Parliament when the Scottish budget is approved; and

- iii) Projected additional savings requirements of £16,668,000 million in 2023/24 and £4,234,000 million in 2024/25.

On the division there voted:

For the Motion (14) Councillors Leadbitter, Morrison, Alexander, Bremner, Coull, Cowe, Cowie, Creswell, Divers, Edwards, A McLean, Nicol, Taylor and Warren.

For the Amendment (10) Councillors Eagle, Gatt, Allan, Brown, Feaver, Macrae, M McLean, R McLean, Powell and Ross.

Abstentions (0)

Accordingly the motion became the finding of the meeting and the Council agreed to:

- i) An increase of 3% on Council Tax for 2022/23
- ii) Provision of £16,523,000 for budget pressures as listed in Appendix 2;
- iii) Further service developments totalling of £188,000 as described in paragraphs 4.18 and 4.19
- iv) Savings totalling £1,576,000 as listed in Appendix 3;
- v) Budgeted expenditure of £240,733,000 for 2022/23;
- vi) Budgeted expenditure of £240,733,000 for 2022/23;
- vii) Capital expenditure of £51,426,000 for 2022/23 as set out in the indicative ten year Capital Plan in Appendix 4;
- vii) Funding for Moray Integration Joint Board (MIJB) to increase by £6,745,000 plus Moray's share of the £200 million still undistributed in 2022/23 compared to the 2021/22 per the settlement letter from Scottish Government;
- ix) Use of financial flexibilities associated with the cost of the pandemic of £3,120,000
- x) Use of earmarked reserves totalling £1,191,000 for transformation and Council priorities and of £9,144,000 to balance the budget; and
- xi) That the Council tax rebate announced at Stage Two of the Scottish Government's budget is delivered through crediting Council Tax accounts, where this is possible.

The Council also agreed to note:

- i) The conditions placed on the Council in terms of the settlement letter from the Cabinet Secretary for Finance;
- ii) That the budget is based on the Local Government Settlement issued by the Scottish Government on 16 December 2021 and the announcement of additional funding of £120million on 27 January 2022 and that the Council's

budget will be amended to reflect any changes made by the Scottish Parliament when the Scottish budget is approved; and

- iii) Projected additional savings requirements of £12,920,000 in 2023/24 and £6,894,000 in 2024/25.

5. Housing Revenue Account Annual Budget 2022-23

A report by the Depute Chief Executive (Economy, Environment and Finance) presented a summary of the findings of the Housing Business Plan Review which has recently been completed in addition to the Housing Revenue Account (HRA) Budget and Housing Investment Plan for 2022/23 for approval.

Following consideration the Council agreed:

- i) to note the main findings of the Housing Business Plan 2022 Review and notes that housing activities must remain fundable and affordable within the constraints of the accounting regime for housing;
- ii) the proposed HRA budget for 2022/23 (Appendix I) and Housing Investment Plan (Appendix II);
- iii) to note the results of consultation with tenants on options for the 2022/23 rent increase;
- iv) that council house rents increase 1.5% for 2022/23;
- v) that garage rents are increased by 7% (this is a two yearly increase);
- vi) service developments at a cost of £456k, as detailed in paragraph 9.16;
- vii) that grass cutting charges are increased by 3.5%; and
- vii) to note the three year projection to 2024-25 (Appendix III)

6. Treasury Management Strategy Statement and Prudential Indicators

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Council to approve the Treasury Management Strategy and the Investment Strategy for 2022/23 and to approve the indicators which will be used to measure the Council's performance in capital investment decisions.

Following consideration the Council agreed to:

- i) approve the Treasury Management Strategy Statement for 2022/23;
- ii) approve the Investment Strategy for 2022/23 in Appendix 1;
- iii) approve the Prudential Indicators and Limits for 2022/23 in Appendix 3; and
- iv) note the indicative Prudential Indicators and limits for 2023/24 and 2024/25.

7. Use of Capital Receipts to Fund Transformation

A report by the Depute Chief Executive (Economy, Environment and Finance) requested Council's approval to use capital receipts to fund a specified range of transformation or service redesign projects, in the terms permitted by Scottish Government as set out in Local Government Finance Circular No 4/2019.

Following consideration the Council agreed to:

- i) approve the use of capital receipts to fund expenditure estimated at £290,000 in 2021/22 on the Improvement and Modernisation Programme and Digital Services, as set out in section 4 of this report; and
- ii) note that annual recurring savings of at least £3,195,000 are projected to be achieved from this and the last three years' investment of capital receipts.