



Economic Growth, Housing and Environmental Sustainability Committee

Tuesday, 16 February 2021

NOTICE IS HEREBY GIVEN that a Meeting of the **Economic Growth, Housing and Environmental Sustainability Committee** is to be held at **remote locations via video-conference**, on **Tuesday, 16 February 2021 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 16, 17 and 18 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 dated 1 December 2020 **7 - 18**

5 Written Questions **

6 Capital Plan 2020-21 **19 - 38**

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

7 Revenue Budget Monitoring to 31 December 2020 **39 - 64**

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

- | | | |
|-----------|--|------------------|
| 8 | Housing and Property Services Budget Monitoring - 31 December 2020 | 65 - 74 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 9 | Roads Asset Management Planning | 75 - 88 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 10 | Marine Safety Performance Review Q3 2020-21 Update | 89 - 96 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 11 | Performance Report (Financial Services) - April to December 2020 | 97 - 102 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 12 | Performance Report (Environmental and Commercial Services) - 1 April to 31 December 2020 | 103 - 108 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 13 | Performance Report (Economic Growth and Development Services) - Year to September 2020 | 109 - 114 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 14 | Community Asset Transfer - Dufftown Woodlands | 115 - 118 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 15 | 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

16 Building Services Trading Operation Budget 2020-21 - Budget Monitoring

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

17 Marine Assets

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

18 Buckie Harbour Development - Update

- Information on the amount of any expenditure proposed to be incurred by the Authority;

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

GUIDANCE NOTES

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

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

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

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

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

Clerk Name: Lissa Rowan

Clerk Telephone:

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

THE MORAY COUNCIL

Economic Growth, Housing and Environmental Sustainability Committee

SEDERUNT

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

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

Minute of Meeting of the Economic Growth, Housing and Environmental Sustainability Committee

Tuesday, 01 December 2020

Remote Locations via Video-Conference

PRESENT

Councillor David Bremner, Councillor Frank Brown, Councillor Theresa Coull, Councillor John Cowe, Councillor Gordon Cowie, Councillor Ryan Edwards, Councillor Donald Gatt, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Louise Nicol, Councillor Walter Wilson.

APOLOGIES

Councillor Tim Eagle, Councillor Maria McLean, Councillor Shona Morrison.

IN ATTENDANCE

Depute Chief Executive (Economy, Environment and Finance), Acting Head of Housing and Property Services, Head of Economic Growth and Development, Head of Environmental and Commercial Services, Chief Financial Officer, Environmental Protection Manager, Transportation Manager, Estates Manager, Consultancy Manager, Planning and Development Manager, Legal Services Manager and Mrs L Rowan, Committee Services Officer as Clerk to the Meeting.

ALSO PRESENT

Councillors Alexander (item 22), Feaver (item 22), A McLean and Warren (item 17).

1 Chair

Councillor Leadbitter, being Chair of the Economic Growth, Housing and Environmental Sustainability Committee, chaired the Committee.

2 Declaration of Group Decisions and Members Interests

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

3 Resolution

The Meeting resolved 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 18-21 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 dated 6 October 2020

The Minute of the Meeting of the Economic Growth, Housing and Environmental Sustainability Committee dated 6 October 2020 was submitted and approved.

5 Written Questions

The Committee noted that no written questions had been submitted.

6 Capital Plan 2020-21

Under reference to paragraph 18 of the Minute of the meeting of this Committee dated 6 October 2020, a report by the Depute Chief Executive (Economy, Environment and Finance) advised the Committee of the expenditure to 30 September 2020 under the capital plan for financial year 2020/21 and of estimates of projected expenditure profiled into quarters.

Following consideration, the Committee agreed to:

- i. note expenditure to 30 September 2020 of £10,884,000;
- ii. note the current projected expenditure of £42,731,000 for 2020/21 profiled into quarters in light of the caveat in paragraph 5.1 of the report;
- iii. note the projected overall expenditure for projects spanning more than one financial year, as set out in Appendix 2 of the report;
- iv. note the projected overall expenditure for services which would normally report to Economic Development and Infrastructure Services Committee, as set out in Appendix 3 of the report; and
- v. approve amendments to the 2020/21 and 2021/22 capital plan as summarised in paragraphs 5.24 and 5.33 of the report.

7 Economy, Environment and Financial Service Plans 2020-22

A report by the Depute Chief Executive (Economy, Environment and Finance) invited the Committee to consider the Economy, Environment and Financial services' Service Plans for 2020-22.

Following consideration, the Committee agreed to approve the Service Plans for services within Economy, Environment and Finance, noting the Service Annual Performance Review Templates which accompany these.

8 Offshore Wind Cluster Funding Request

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to consider a funding request by HIE for the North of Scotland Offshore Wind Cluster.

The Chair, having discussed this at some length with officers and after considering the report supported the Offshore Wind Cluster however noted that there did not appear to be a significant return on the Council's investment and that the cluster appeared to be going well and could be supported by Business Gateway. He further stated that in his opinion, the Council should consider supporting the use of hydrogen as an alternative energy source and therefore proposed that the Committee agree that, in the absence of any budget allocation, the Council become a non-paying member of the cluster and promote the cluster to Moray companies via Business Gateway and the My Moray website. This was seconded by Councillor Bremner.

There being no-one otherwise minded, the Committee agreed, in the absence of any budget allocation, for Council to become a non-paying member of the cluster and promote the cluster to Moray companies via Business Gateway and the My Moray website.

9 Economic Recovery Plan - Local Development Plan Delivery Programme

Under reference to paragraph 9 of the Minute of the meeting of this Committee dated 6 October 2020, a report by the Depute Chief Executive (Economy, Environment and Finance) asked for Committee approval for an element of the Economic Recovery Plan relating to the Local Development Plan (LDP) Delivery Programme.

Following consideration, the Committee agreed the budget pressure for the Local Development Plan Delivery Programme of £70k per annum beginning financial year 2021/22, noting this extended over a 4 year period.

10 Strategic Housing Investment Plan (SHIP) 2021-2022 - 2025-2026

Under reference to paragraph 11 of the Minute of the meeting of the Communities Committee dated 17 December 2019, a report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to approve the Council's draft Strategic Housing Investment Plan (SHIP) 2021/22 - 2025/26.

Following consideration, the Committee agreed:

- i. to note the draft SHIP;
- ii. to approve the draft SHIP for submission to the Scottish Government by mid December 2020; and
- iii. that further progress reports on the SHIP are presented to this Committee as required.

11 Revenue Budget Monitoring to 30 September 2020

A report by the Depute Chief Executive (Economy, Environment and Finance) advised the Committee of the revenue budget monitoring position to 30 September 2020 and of the current estimated out-turn for 2020/21.

Following consideration, the Committee agreed to note:

- i. the budget monitoring position of £1,546,000 over budget for 2020/21 as at 30 September 2020;
- ii. that this position consists of an underspend on Devolved School budgets of £841,000, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £216,000 an overspend of £5,151,000 on Covid related expenditure and an underspend on other services of £2,980,000;
- iii. movement of £1,144,000 in the General Revenue Grant, as detailed in paragraph 3.4 of the report;
- iv. the current estimated out-turn for 2020/21 of an underspend of £1,500,000 and shortfall in Council Tax income of £2,400,000, a net £900,000 overspend partly offset by a retention under the Business Rates Incentivisation Scheme (BRIS) resulting in a decrease in the planned use of Council reserves by £959,000 from that budgeted for; and
- v. the position regarding Moray Integration Joint Board (MIJB) as described in paragraph 8.3 of the report, with cost implications of £112,000 for the Council.

12 Housing and Property Services Budget Monitoring - 30 September 2020

A report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget position for the Housing and Revenue Account (HRA) and General Services Other Housing Budget for the period up to 30 September 2020.

Following consideration, the Committee agreed to note the budget monitoring report for the period to 30 September 2020.

13 Council House Rent Levels and Preparation for the Housing Revenue Account (HRA) Budget Setting 2021-22

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the key financial planning considerations in setting Council House rents and asked for approval to consult tenants on the rent levels to be included within the Housing Revenue Account Budget 2021/22.

During discussion, it was noted that Moray had one of the lowest council house rent levels compared to other local authorities due to its low wage economy however it was noted that certain areas of Moray appeared to be low and other areas high and it was queried whether the low areas brought the average down to such a level that Moray was deemed a low wage economy overall.

In response, the Depute Chief Executive (Economy, Environment and Finance) explained that some areas of Moray may have higher pay levels than others however most recent statistics suggest that Moray is a low wage and higher employment economy than most other local authorities. She further advised that it would not be appropriate, in terms of equality, to set different rent levels according to areas in Moray as rent levels require to be set across the whole council estate.

The Acting Head of Housing and Property Services further suggested that the next report regarding Council House Rent Levels include further information in relation to

the housing need and demand assessment and how rent affordability is assessed. This was agreed.

Thereafter, the Committee agreed that:

- i. Council tenants are consulted on a range of proposed rent levels as part of the HRA budget setting for 2021/22; and
- ii. the views of tenants are included within the Housing Revenue Account Budget for 2021/22, due to be presented to Council in February 2021
- iii. That the next report regarding Council House Rent Levels include further information in relation to housing need and demand assessment and how rent affordability is assessed.

14 Tenant Survey Improvement Plan

Under reference to paragraph 12 of the Minute of the Communities Committee dated 27 August 2019, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of progress on the Tenant Survey Improvement Plan 2019-21.

Following consideration, the Committee agreed to note:

- i. the progress achieved on implementing the actions set out in the improvement plan;
- ii. that the next Tenant Survey will be carried out in 2021; and
- iii. that progress will be monitored through the Annual Performance Report and performance monitoring as set out in paragraph 4.2 of the report.

15 Car Club Policy

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of a proposed policy position in relation to Car Clubs. A Car Club is likened to a "pay as you go" car hire where dedicated vehicles can be hired in various communities on an hourly or daily basis. The cars are usually booked online, with access to the vehicle either by smart card or by collecting the key from a key safe. The Car Club covers all the costs of the vehicle such as purchase, maintenance, insurance etc. A member usually pays a membership fee and then a 'per mile' fee for usage thereafter.

Following consideration, the Committee welcomed the proposed policy and agreed to:

- i. note the role played by Car Clubs in promoting modal shift to sustainable travel methods; and
- ii. approve the policy position set out in section 4 of the report.

16 Implications of Community Purchased Vehicle Activated Signs

Under reference to paragraph 5 of the Minute of the meeting of the Economic Development and Infrastructure Services Committee dated 21 January 2020, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the implications on Council resources required to

facilitate the purchase, erection and maintenance of Vehicle Activated Signs (VAS) on behalf of communities.

During her introduction, the Transportation Manager advised that at the time the report was written, the estimated cost of the signs and equipment was approximately £3500 however it had become apparent that another supplier may be able to provide the equipment at a lower cost and assured the Committee that the Council will seek best value when sourcing suitable VAS. This was noted.

Following consideration, the Committee agreed to:

- i. note the resource and cost implications of enabling the purchase and installation of Vehicle Activated Signs by recognised community groups;
- ii. note that the Council will seek best value when sourcing suitable VAS; and
- iii. approve the proposed processes shown in Figures 3, 4 and 5 for the handling of community concerns in relation to the speed or perceived speed of traffic in built up areas.

17 Marine Safety Annual Performance Review 2019-20 and Q1 2020-21 Update

Councillor Edwards lost connection during discussion of this item.

Under reference to paragraph 6 of the Minute of the meeting of the Economic Development and Infrastructure Services Committee dated 20 March 2018, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee with regard to matters of Marine Safety and compliance with the Port Marine Safety Code (PMSA) for 2019/20.

The Committee noted that the report had been submitted to the previous meeting of this Committee as an information report however had been called in by Councillor Warren to enable discussion by committee members. It was noted that Councillor Warren was not a member of the Committee however the Chair had agreed to allow Councillor Warren the opportunity to raise any questions she may have on the report, which were in turn answered by Officers.

Councillor Cowie raised concern that reports on Marine Safety had been brought to Committee as information reports and asked if future reports could be added to the agenda for consideration by the Committee.

In response, the Depute Chief Executive (Economy, Environment and Finance) advised that officers were of the view that the responsibility held by the Committee as Duty Holders under the Port Marine Safety Code could be fulfilled by noting the report for information however Members have the opportunity to ask questions to officers directly or call in the report if necessary, but acknowledged that if Members felt strongly that there was need for these reports to be considered in the chamber, it was not helpful to have consideration delayed by a cycle and welcomed clarification of Members' views on this issue. The Chair noted that questions on information reports could also be asked at Question Time and Notices of Motion could be enrolled on any points of concern.

Councillor Cowie remained of the view that health and safety in relation to harbours was important and should be considered and discussed by the Committee therefore

moved that all reports on Marine Safety Performance be brought to the Committee for consideration. This was seconded by Councillor Brown.

Councillor Bremner noted that, as well as quarterly reports, an annual report was provided in relation to Marine Safety and moved that quarterly reports be provided as information reports with the annual report being brought to the Committee for consideration. This was seconded by Councillor Leadbitter.

On a division there voted:

For the Motion (6):	Councillors Cowie, Brown, Cowe, Gatt, Macrae and Wilson
For the Amendment (3):	Councillors Bremner, Leadbitter and Coull
Abstention (1):	Councillor Nicol

Accordingly, the Motion became the finding of the Committee and it was agreed:

- i. to note the safety performance for the year 2019/20 and Q1 2020/21, fulfilling their function as Duty Holder under the Port Marine Safety Code; and
- ii. that all Marine Safety Performance reports come to the Committee for consideration.

18 Findhorn Bay Local Nature Reserve Management Committee Constitution

A report by the Depute Chief Executive (Economy, Environment and Finance) sought Committee approval of an updated Constitution for the Findhorn Bay Local Nature Reserve Management Committee.

Following consideration, the Committee agreed to approve the new Constitution, set out in Appendix 2 of the report, for adoption by the Findhorn Bay Local Nature Reserve Management Committee.

19 Wildflowers in the Landscape

Under reference to paragraph 3 of the Minute of the special meeting of Moray Council dated 3 March 2019, a report by the Depute Chief Executive (Economy, Environment and Finance) invited the Committee to note the benefits of wildflowers in the landscape and approve proposals for the introduction of additional wildflower schemes into the communities of Moray.

The Committee welcomed the report and the benefits that wildflowers bring in terms of improving biodiversity which in turn helps wildlife, people and the environment. The Committee further commended the short video clip referred to in the report which provided some background as to the many benefits wildflowers bring to people and wildlife and asked if this could be made available for the public.

In response, the Environmental Protection Manager advised that he would liaise with the Communications Team so that the short video clip which illustrates the benefits

of wildflowers to people and wildlife can be shared on the Council's social media platforms.

Following consideration, the Committee agreed:

- i. to note the importance, and benefits that can arise from introducing wildflowers into the landscape;
- ii. to note the initiatives that are already being taken to introduce wildflowers into the landscape;
- iii. to note the lessons from the initiatives, research, benchmarking and staff experience;
- iv. to approve the proposal to introduce additional areas of wildflowers into communities across Moray; and
- v. that the short video clip which illustrates the benefits of wildflowers to people and wildlife be shared on the Council's social media platforms.

20 Flood Risk Management (Scotland) Act 2009 - Draft Local Flood Risk Management Plans Cycle 2

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the consultation proposals for the Draft Flood Risk Management Strategies and Plans.

Following consideration, the Committee agreed to:

- i. note the delays to SEPA's consultation on the Flood Risk Management Strategies due to COVID 19;
- ii. publish the Draft Local Flood Risk Management Plan for the Findhorn, Nairn and Speyside Local Plan District on 21 March 2021;
- iii. give the Flood Risk Management team delegated authority to respond to SEPA's consultation in December 2020 and March 2021; and
- iv. note a further report on the final Flood Risk Management Strategies and Plans will be brought to the Committee, after the public consultation closes on 21 June 2021.

21 Suspension of Standing Orders

The Chair sought the agreement of the Committee to Suspend Standing Order 74 to allow the meeting to continue beyond 12.45 pm. This was unanimously agreed.

22 3 Logie Cottages, Forres - Trust Property Funds

A report by the Depute Chief Executive (Economy, Environment and Finance) invited the Committee to consider the distribution of funds following the sale of the trust property at 3 Logie Cottages, Forres.

On the invitation of the Chair, Councillor Alexander stated that the Forres Ward Members had discussed how the funds should be distributed and would be supportive of this money being used to help improve attainment of pupils at Forres Academy. This could take the form of additional external tuition for pupils whose family situation would not normally allow such an opportunity with the main aim to improve attainment for disadvantaged pupils. As the original trust stated that it

should be used "on behalf of the poor", it was considered that this proposal concurs with this aim.

In response, the Depute Chief Executive (Economy, Environment and Finance) advised that, whilst the proposal by Councillor Alexander might concur with the original aim of the trust, it may be difficult to implement this as the criteria for pupils who would qualify because of family circumstances would have to be set and it may not be possible to source external tuition at this scale and suggested that the Committee agree that the funds be used to aid the attainment of pupils in Forres who meet the poverty test and that the detailed terms be delegated to the Legal Services Manager in conjunction with the 4 Forres Ward Members and the Chair of the Economic Growth, Housing and Environmental Sustainability Committee to agree.

Councillor Gatt was of the view that the finer details of this proposal required to be addressed and moved that this decision be deferred to a future meeting of this Committee. This was seconded by Councillor Brown.

The Chair recognised that the original aim of the Trust required to be met therefore moved that the Committee agree in principle, that the money generated from the sale be used for the attainment of pupils at Forres Academy whilst respecting the original aims of the Trust as much as practicable, and that conclusion of the terms be delegated to the Legal Services Manager in conjunction with the 4 Forres Ward Members and the Chair of the Economic Growth, Housing and Environmental Sustainability Committee. This was seconded by Councillor Bremner.

On a division there voted:

For the Motion (5): Councillor Gatt, Brown, Cowe, Macrae and Wilson
For the Amendment (5): Councillor Leadbitter, Bremner, Coull, Cowie and Nicol
Abstention (0): Nil

There being an equality of votes, and in terms of Standing Order 62(e), the Chair cast his casting vote in favour of the Amendment.

Accordingly, the Amendment became the finding of the Committee and it was agreed:

- i. to note that the trust property 3 Logie Cottages, Forres has now been sold, generating a receipt of £102,100;
- ii. to note that the loan of £10,499.56 provided by the Housing Revenue Account (HRA) in 2013 to cover essential repairs to the property has been paid; and
- iii. in principle, that the money generated from the sale be used for the attainment of pupils at Forres Academy whilst respecting the original aims of the Trust as much as practicable, and that conclusion of the terms be delegated to the Legal Services Manager in conjunction with the 4 Forres Ward Members and the Chair of the Economic Growth, Housing and Environmental Sustainability Committee.

23 Adjournment of Meeting

The Chair noted that there were still a number of items to be considered on the agenda and, given that a Special Meeting of Moray Council was due to take place

at 2:00 pm, sought the agreement of the Committee to reconvene the Committee immediately following the Special Meeting of Moray Council. This was unanimously agreed.

24 Resumption of Meeting

Present:

Councillors Leadbitter, Nicol, Bremner, Brown, Coull, Cowe, Cowie, Gatt, Macrae and Wilson

Apologies:

Councillors Eagle, Edwards, M McLean and Morrison

25 Question Time

There were no questions raised.

26 Building Services Trading Operation Budget 2020-21 - Budget Monitoring [Para 9]

A report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget monitoring information for the period to 30 September 2020 for the Building Services Trading Operation.

Following consideration, the Committee agreed to note:

- i. the financial information for the period to 30 September 2020, as detailed in section 5 and Appendix I of the report;
- ii. Building Services operating performance as set out in section 6 of the report; and
- iii. the revised year end forecast to 31 March 2021 as detailed in section 7 and Appendix I of the report.

27 Industrial Property Mosstodloch [Para 6, 8 and 9]

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to approve terms for the sale of the Council's interest in the building at 3 Mosstodloch Industrial Estate and main terms for a 99 year ground lease of the site.

Following consideration, the Committee agreed to:

- i. approve the proposals detailed in section 5 of the report; and
- ii. remit the Legal Services Manager to document the transaction accordingly.

28 Sale of Land Bank Street Buckie [Para 6, 8 and 9]

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to approve main terms for the sale of land at Bank Street, Buckie.

Following consideration, the Committee agreed to:

- i. approve the sale of the land shown in red on Appendix I as set out in section 5 of the report; and
- ii. refer the matter to the Estates Manager and Legal Services Manager to conclude the transaction.

29 Sale of Land March Road West Buckie [Para 6, 8 and 9]

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Committee to consider proposals for Council owned land at March Road, West, Buckie.

Following consideration, the Committee agreed to authorise officers to undertake a public consultation on the proposed sale and report back to this Committee to consider the proposed main terms of sale, together with a summary of any representations from the consultation.



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021**

SUBJECT: CAPITAL PLAN 2020/21

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

1. REASON FOR REPORT

- 1.1 To advise the Committee of the expenditure to 31 December 2020 under the capital plan for financial year 2020/21 and of estimates of projected expenditure profiled into quarters.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) **Considers and notes expenditure to 31 December 2020 of £23,666,000;**
- (ii) **Considers and notes the current projected expenditure of £41,118,000 for 2020/21 profiled into quarters in light of the caveat in paragraph 5.1;**
- (iii) **Considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2;**
- (iv) **Considers and notes the projected overall expenditure for services which would normally report to Economic Development and Infrastructure Committee, as set out in APPENDIX 3; and**

- (v) **Approves amendments to the 2020/21 and 2021/22 capital plan as summarised in section 5.21.**

3. BACKGROUND

- 3.1 The capital plan for 2020/21 of £42,319,000 was approved by a meeting of Moray Council on 3 March 2020 (paragraph 2 of the minute refers). Amendments approved by the Council at the meeting of the Emergency Cabinet on 1 July 2020 (paragraphs 3c and 3e of the minute refer), and at the meetings of this Committee on 6 October (paragraph 18 of the minute refer) and 1 December (paragraph 5a of the minute refers) have been incorporated to give a current approved capital plan for 2020/21 of £42,203,000. The current projected expenditure is £41,118,000.
- 3.2 Regular monitoring reports are provided to Economic Growth, Housing and Environmental Sustainability Committee or to Council showing expenditure to date for each project and details of capital receipts received. Policy and Resources Committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report "Major Capital Investment in Councils" (paragraph 7 of the Minute refers). Accordingly this report includes a separate **APPENDIX 2**, giving details of expenditure on projects which span more than one financial year.

4. CAPITAL PLAN 2020/21

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 30 December of £23,666,000. This is just over 56% of the currently approved Capital Plan, reflecting a very low level of activity during the lockdown period and the restrictions that remained once this was lifted. Capital receipts of £1,694,000 from sale of assets are identified and at present these are ear-marked for funding transformational change. General Capital Grant of £6,368,000 has been received from the Scottish Government. Specific Capital Grant in respect of the expansion of Early Learning and Childcare of £1,906,000 has also been received from the Scottish Government. Developer Contributions of £232,000 have been received in the year to the end of quarter 3 of this financial year.
- 4.2 Expenditure on land and buildings to 31 December totals £18,614,000. The major items of expenditure are £8,535,000 for the new Lossiemouth High School, £3,056,000 for the new Linkwood Primary School and £1,997,000 on expansion of Early Learning and Childcare, mainly at Cullen. The expansion of Early Learning and Childcare projects are completely funded by grant funding from the Scottish Government. Expenditure of £612,000 has been incurred for the construction of a new cell at the Dallachy Landfill Site, £529,000 on the new Waste Facility at Moycroft and £2,866,000 for the Council's contribution to the construction of the NESS Energy from Waste plant.

- 4.3 Expenditure on infrastructure assets to 31 December totals £2,162,000. The main items of expenditure were £805,000 on carriageway resurfacing projects and £188,000 on work on Craigellachie Bridge on the A941.
- 4.4 Expenditure on vehicles, plant and equipment to 31 December totals £2,890,000. The major items are £752,000 on the vehicle replacement programme, £207,000 on a replacement baler and £235,000 for a replacement green waste shredder, both for the Moycroft recycling centre. There was also spend of £1,197,000 on ICT projects. £844,000 is spend associated with the response to the Covid-19 pandemic which has been partly funded by a Scottish Government Grant for Digital Inclusion, and £353,000 is spend on planned projects.
- 4.5 This report includes the capital monitoring for services that would normally be reported to Economic Development and Infrastructure Committee as **APPENDIX 3** to this report.

5. PROJECTED OUTTURN

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

Risk Status	RAG	No of Projects	Projected Expenditure 2020/21 £000
High confidence of spend to estimate	G	73	22,544
Medium confidence of spend to estimate	A	7	14,969
Low confidence of spend to estimate	R	31	3,605
		113	41,118

The projects which have been classed as amber are as follows:

Project	Projected Expenditure 2020/21	Reason for Amber Status
	£000	
Land and Buildings		
Early Learning and Childcare Expansion	2,808	The projects associated with the expansion of Early Learning and Childcare have seen delays due to the pandemic and lockdowns imposed as a result of this.
NESS Energy for Waste Plant	8,736	This project has been also impacted by restrictions due to the pandemic.
Cemetery Provision in Moray	5	This project has seen delays as a result of the pandemic.
Vehicles, Plant and Equipment		
Vehicle and Plant Replacement	2,823	The ability to deliver this programme in 20/21 is dependent on how car manufacturers deal with their backlogs as a result of the pandemic.
School ICT Strategy	238	Work on this project has been impacted by the pandemic and the current requirements are not known at this stage.
Servers Infrastructure	259	Some work has been undertaken on this project however, the work to complete the project still requires definition. The pandemic has had widespread impact on the work of the ICT service.
Unix Server Replacement	100	The key requirements of this project are being examined to assess if they can be met within the budget allocation.
	14,969	

The projects that have been classed as red are as follows:

Project	Projected Expenditure 2020/21	Reason for Red Status
	£000	
Land and Buildings		
Schools BB Works	749	The programme of works under this heading has seen further delays due to the second lockdown as a result of the pandemic.
Infrastructure		
Roads Resurfacing/Reconstruction/Surface Dressing	1,800	These projects will see a reduced delivery as the start was delayed due to the pandemic and the original restrictions. The new lockdown restrictions has seen other limitations on how work can be carried out, the detail of which is being considered by the Service to assess the impact.
Drainage and other works	110	
Footways	110	
Street Lighting – LED Replacements	200	
Street Lighting – replace columns and lights	300	
Vehicles, Plant and Equipment		
Telephony/Contact Centre System	336	The original system was designed around an office based workforce. The pandemic has seen a shift towards flexible working and the impact on this is being assessed.
	3,605	

The spend projections provided by budget managers are based on the best information available at this time. There are various unknowns surrounding the level of works that will be able to be undertaken as a result of restrictions imposed as a result of the pandemic so these figures should be treated with a degree of caution, and this is reflected in the high value of projected expenditure in amber and red.

- 5.2 A summary of the projected variances at December 2020 from the current approved capital programme, as detailed in **APPENDIX 1**, is set out below:

Description	Paragraph	Underspend (Overspend) £000
Land & Buildings		
Schools BB Projects	5.3	1,735
Lossiemouth High School	5.4	(298)
Linkwood Primary School	5.5	(137)
4 Schools Refurb	5.6	(46)
Milnes Primary – Nursery Extension	5.7	(65)
Moray Growth Deal	5.8	250
Dallachy Landfill Site	5.9	453
Replacement Recycling Centre - Elgin	5.10	(6)
Industrial Portfolio – Condition Surveys	5.11	40
Industrial Portfolio – Refurbishment	5.12	72
Forres CEC Flat Roof Replacement	5.13	(190)
Infrastructure		
Road Safety – Disability Adaptations	5.14	44
Road Safety Provision	5.15	65
Vehicles, Plant & Equipment		
Moray Leisure Centre Combined Heat Power and Dehumidifiers	5.16	(249)
Moray Leisure Centre Gym Upgrade	5.17	(7)
Upgrade of containers at Recycling Centres	5.18	10
Materials Recovery Facility (MRF) Relocation & Replacement Baler	5.19	(15)
Replacement Selkie Engine	5.22	(59)
TOTAL		1,597

Land and Buildings

- 5.3 **Schools BB Projects** – The original programme of works under this heading was well progressed when the Covid-19 pandemic commenced in March 2020. Work was suspended as the focus was moved toward the safe return of pupils in August. Preparations were made to substitute these projects for external fabric works which could be safely carried out during term time. However, the second national lockdown has seen further delays in this work and it is requested that an underspend of £1,655,000 be carried forward to 2021/22 to allow these projects to complete. The project to replace windows at Hythehill Primary School was completed under budget at a cost of £125,000 against a budget of £315,000 and this amount does not require to be carried forward. Several projects are projected to be overspent due to actual work content variations as works were opened up on site and could not be avoided.
- 5.4 **Lossiemouth High School** – The current budget for 2020/21 is £9,238,000. As part of the quarter 2 monitoring process £2,559,000 was carried forward to 2021/22. This was based on the information received at the time, which was

based on reduced productivity due to covid-19. However, works on site have managed to progress slightly better than projected at the time that report was prepared and expenditure in 2020/21 is now projected to be £298,000 higher than the quarter 2 projection. Overall it is anticipated that the project will come in on budget, bar compensation for covid-related delays. The contract entitles the contractor to costs due to the delays experienced following the covid-19 government restrictions and these costs are currently the subject of negotiation between the Council and Hub North Scotland. The costs will be substantial, however remain commercially sensitive until agreement is reached. Once agreement is reached these figures will be reported to Committee and will be shown in a separate line within the Capital Plan. Negotiations are currently underway with the Scottish Government for additional funding towards these additional costs.

- 5.5 **Linkwood Primary School** – This project is showing an overspend for the year. Part of this is due to the appointment of the services of an Independent Tester as requested by the Head of Housing and Property to provide additional assurance to the Council that the project was delivered meeting all necessary requirements. The cost was £32,500 and was not budgeted for as part of the original project. The developer had obligations through the Section 75 agreement to provide a serviced site prior to construction commencing on the Linkwood Primary School build. The site was not fully serviced when construction works commenced and consequent additional costs incurred to date are included in the costs incurred on the project. Discussion about recovery of these costs from the developer is ongoing. The contract entitles the contractor to costs due to the delays experienced following the covid-19 government restrictions. These costs are currently the subject of negotiation between the Council and Hub North Scotland. The costs will be substantial, however remain commercially sensitive until agreement is reached. Once agreement is reached these figures will be reported to Committee and will be shown in a separate line within the capital plan. Negotiations are currently underway with the Scottish Government for additional funding towards these additional costs.
- 5.6 **4 Schools Refurbishment** – This expenditure is the final release of the retention after remedial works were undertaken as part of the 4 Schools Refurbishment project. Although this is showing as an overspend in this year, the overall project will still come in under budget.
- 5.7 **Milnes Primary Nursery Extension** – This expenditure is the final release of the retention following the agreement of the final account, which was a long and challenging process. Although this is showing as an overspend in this year, the overall project will still come in under budget.
- 5.8 **Moray Growth Deal** – The 2 projects that are currently being progressed through the Moray Growth Deal are the Cultural Quarter and Housing Mix Delivery. Business cases for both these projects were presented to a meeting of Moray Council on 16 December (paragraphs 4 and 12 of the meeting refers). Since then, the country has entered a second national lockdown due to the covid-19 pandemic. As a result of this the procurement deadlines have been extended to reflect the challenges Council officers and consultants will be facing in putting together tender submissions and assessing submissions,

while juggling pressures arising from lockdown. This now means that tender submissions will now be mid-March meaning that contract start dates are now delayed until late March, resulting in no spend in 2020/21. The original budget for this was £500,000 and £250,000 was carried forward as part of the quarter 2 report and it is requested that the remaining £250,000 be carried forward to 2021/22 in order for these projects to be progressed.

- 5.9 **Dallachy Landfill Site** – Capping of Phase 7B of the landfill site will now be later than originally envisaged when the capital plan was drafted, due to a decrease in the amount of waste that is currently being landfilled (any decrease in waste being sent to landfill extends the life of the cell, therefore delaying the schedule for capping and reinstatement works). It is anticipated that phase 7B will be at full capacity at April/May 2021 and it is therefore requested that the projected underspend of £453,000 be carried forward to 2021/22 in order to accommodate the capping of this phase.
- 5.10 **Replacement Recycling Centre Elgin** – The projected overspend of £6,000 on this project relates to the erection of an automated barrier on site at the Chanonry Household Waste Recycling Centre (HWRC). As a result of the covid-19 pandemic controls were introduced at the site to reduce the number of vehicles permitted to gain access at any one time, which was controlled by having a member of staff man the gate. In the latter part of 2020 Zero Waste Scotland offered grant funding to aid waste operators to keep their services going whilst adhering to government covid-19 guidelines. Therefore the barriers was fitted at Chanonry and this has removed the need to have staff controlling access. The cost of this was £16,000 but grant paperwork is to be submitted to Zero Waste Scotland to recoup £10,000 of this following approval of funding prior to project.
- 5.11 **Industrial Portfolio Condition Surveys** – Conditions surveys had begun and progress had been made by the Council's internal Architects team. However, work has been suspended as a result of the latest coronavirus restrictions and it is therefore requested that the projected underspend of £40,000 be carried forward to 2021/22 to enable completion of the work.
- 5.12 **Industrial Portfolio Refurbishment** – Work has begun on the industrial unit refurbishment programme. However this has been delayed due to the Covid-19 pandemic. It is requested that the underspend of £72,000 be carried forward to 2021/22 to allow completion of the work.
- 5.13 **Forres Community Centre Flat Roof Replacement** – Works have been undertaken to replace the flat roof at Forres Community Centre. These works had originally been coded to revenue repairs and maintenance budgets. However, the nature of the works meet the definition of capital expenditure so they have been transferred to capital. The additional cost of capital will be outweighed by the resultant revenue saving.

Infrastructure

- 5.14 **Road Safety Disability Adaptations** – The Covid-19 pandemic has resulted in a reduction in the programme of works for dropped kerbs and it is therefore

requested that the underspend of £44,000 be carried forward to 2021/22 to allow for this programme to be progressed.

- 5.15 **Road Safety Provision** – Only six months was available to carry out work during 2020/21 and therefore a reduced number of schemes were implemented, resulting in a projected underspend of £65,000. It is therefore requested that this be carried forward to 2021/22 to allow projects to be advanced.

Vehicles, Plant and Equipment

- 5.16 **Moray Leisure Centre Combined Heat Power and Dehumidifiers** – The unused budget for Moray Leisure Centre's Combined Heat and Power unit was inadvertently not identified as a carry-over from 2019/20 and incorrectly released. The overspend in this area is a result of this omission but expenditure is within the original budget for the project.
- 5.17 **Moray Leisure Centre Gym Upgrade** – Work has been carried out to upgrade the gym facilities in the Leisure Centre. The Council has stopped the capital element of its grant to Moray Leisure Ltd in order to fund these works.
- 5.18 **Upgrade of Containers at Recycling Centres** – There are currently no plans to spend this budget but it is requested to carry forward the full £10,000 to cover any future upgrades that are required.
- 5.19 **MRF Relocation and Replacement Baler** – There has been an overspend of £15,000 due to alterations required by Council Health and Safety staff and contractor observations during the refit at Moycroft Waste Transfer Station. The alterations were made in order to enhance safety measures around the hopper which feeds the materials onto a shaker plate before the first picking line. The MRF Relocation and Replacement Baler are both essential components of the Moycroft re-development. Completion of the project (inclusive of the highlighted amendment) was vital in order for the service to handle recycling materials and process them in the most financially effective way for the Council as the MRF enables metal, aluminium and plastics to be extracted from the waste in the purple recycling bins, which is then sold to various companies. If the MRF was not operating then the material would not be able to be separated and would, therefore, not be able to be sold.
- 5.20 **Replacement Selkie Engine** – Following a breakdown on the excavator's engine on board Selkie in late September 2020 advice was sought from the manufacturer of the engine and our own Fleet Services. While a repair could have been undertaken the advice received was that as the engine was stripped down for repair there was a strong possibility that other components were likely to fail and require replacing. Our Fleet Services Manager advised that replacing the engine reduced the ongoing risk considerably. Going forward measures have been identified and put in place to reduce corrosion as much as possible in the future.

- 5.21 **Proposed Capital Plan Amendments** – This report includes details of projects which have slipped or been deferred and therefore the following amendments are proposed:

Project	Paragraph	2020/21 £000	2021/22 £000
Land and Buildings			
Schools BB Works	5.3	(1,655)	1,655
Moray Growth Deal	5.8	(250)	250
Dallachy Landfill Site	5.9	(453)	453
Industrial Portfolio Condition Surveys	5.11	(40)	40
Industrial Portfolio – Refurbishment	5.12	(72)	72
Infrastructure			
Road Safety – Disability Adaptations	5.14	(44)	44
Road Safety Provision	5.15	(65)	65
Vehicles, Plant & Equipment			
Upgrade of Containers at Recycling Centres	5.20	(10)	10
TOTAL		(2,589)	2,589

6. **RISK AND EMERGING ISSUES**

- 6.1 Budget managers have been requested to identify any specific areas of risk for the projects in the capital plan for which they are responsible.
- 6.2 The Covid-19 pandemic is a major risk to the Council capital programme. Various projects have already seen delays as a result of the situation and this is likely to continue through 2020/21. Work is ongoing to identify the impact on projects, and the projected levels of spend. Requirements for additional ICT equipment to support flexible working have added to the Capital Plan.
- 6.3 The Council is currently 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 or contain the costs and these would depend on the funding gap the Council had to address.
- 6.4 There is a risk that contract inflation might increase the eventual cost of projects and a risk that any deferment of projects relating to asset condition might result in element failure.
- 6.5 The main ongoing risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales.
- 6.6 Projects can be subject to risks which are outwith the direct control of the Council, such as poor weather conditions.

- 6.7 Land compensation claims remain a risk for the major flood alleviation scheme in Forres.
- 6.8 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact on scheduled works.
- 6.9 No other project risks have been specifically identified by budget managers.

7. SUMMARY OF IMPLICATIONS

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

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

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

(b) Policy and Legal

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

(c) Financial implications

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

(d) Risk Implications

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

(e) Staffing Implications

There are no staffing implications arising directly from this report

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report

(h) Consultations

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

8. CONCLUSION

- 8.1 Capital expenditure in the third quarter of the year amounts to £23,010,000 to the end of June 2020.
- 8.2 Capital expenditure is currently projected to be £1,085,000 lower than the approved capital plan for 2020/21, but levels of projected spend are to be caveated per paragraph 5.1.
- 8.3 Amendments to the Capital Plan of a reduction of £2,589,000 in 2020/21 and an increase of £2,589,000 in 2021/22 are requested.

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

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

	Capital Plan 2020/21 £000	Actual £000	Actual Q1 £000	Projected Expenditure Q2 £000	Projected Expenditure Q3 £000	Projected Expenditure Q4 £000	Total Projected Expenditure £000
Land and Buildings							
Children and Young People's Services Committee	17,792	14,302	505	3,815	6,660	6,923	16,604
Economic Development and Infrastructure Committee	11,748	4,099	929	946	4,886	3,642	10,939
Policy and Resources Committee	888	213	2	501	373	202	1,079
Infrastructure							
Economic Development and Infrastructure Committee	6,513	2,162	105	590	2,017	3,643	6,461
Vehicles Plant and Equipment							
Children and Young People's Services Committee	171	299	1	40	94	37	427
Economic Development and Infrastructure Committee	3,526	1,392	891	536	781	1,392	3,590
Policy and Resources Committee	1,565	1,199	227	161	480	703	2,018
	42,203	23,666	2,660	6,589	15,291	16,542	41,118
Funding							
Prudential Borrowing	32,006	15,279					
General Capital Grant (exc PSHG and CYPA)	7,751	6,368					
Other Grants & Contributions	125	113					
Expansion of Early Learning & Childcare	1,900	1,906					
Specific Capital Grant - CWSS	421						
	42,203	23,666	0	0	0	0	0

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

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2020-21	Actual spend 2020-21	Remaining Budget 2020-21	Project Life Spend to 31/12/21	Projected Future Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
New Linkwood Primary School	12,810	9,894	2,919	3,056	-137	12,950	0	12,813	-3
New Lossiemouth High School	43,000	29,935	11,797	8,535	3,262	38,470	1,268	43,000	0
Early Years Learning & Childcare	7,143	4,335	2,808	1,997	811	6,332	0	7,143	0
LED Street lighting replacement programme	5,000	3,783	200	30	170	3,813	1,033	5,000	0
Moycroft Integrated Waste Facility	2,947	2,401	546	529	17	2,930	0	2,947	0
NESS Energy from Waste	27,224	7,123	9,721	2,866	6,855	9,989	10,380	27,224	0
Moray Leisure Combined Heat Plant	270	16	254	246	8	270	0	270	
Total	98,124	57,471	28,245	17,259	10,986	74,484	12,681	98,127	-3

APPENDIX 3**ENVIRONMENTAL AND COMMERCIAL SERVICES CAPITAL BUDGET TO 30 DECEMBER 2020**

- 1.1 The table below details the Direct Services Capital Budget position to 31 December 2020. The total Capital Plan budget of £21.308 million has an actual spend at the end of December 2020 of £7.577 million.

	Capital Plan 2020/21	Actual Expenditure 31 December 2020	Projected Expenditure 2020/21
	£000	£000	£000
Vehicles, Plant & Equipment	3,526	1,387	3,590
Land & Buildings	11,269	4,023	10,822
Infrastructure	6,513	2,167	6,461
TOTAL	21,308	7,577	20,873

- 2.1 The following table shows the programme within the Capital Budget

	Capital Plan 2020/21	Actual Expenditure 31 December 2020	Projected Expenditure 2020/21	RAG
	£000	£000	£000	
Land and Buildings				
Car Parks	155	-	155	
Waste Management	11,109	4,023	10,662	
Parks & Open Spaces	5	-	5	
	11,269	4,023	10,822	
Vehicles, Plant and Equipment				
Vehicle & Plant Replacement Programme	2,823	752	2,823	
Waste Management	571	501	576	
Harbours	80	124	139	
Lands and Parks Play Equipment	35	9	35	
Traffic	7	1	7	
	3,516	1,387	3,580	
Infrastructure				
Road Safety	655	95	546	
Road Improvements	2,060	918	2,060	
Street Lighting	500	222	500	
Bridges	1,775	310	1,775	

Flood Risk Management & Coastal Protection	514	375	514	
Sustainable Travel (Grant Funded)	-	12	57	
Harbours	1,009	235	1,009	
Facilities Management Equipment	10	-	10	
	6,523	2,167	6,471	
TOTAL	21,308	7,577	20,873	

Land and Buildings

- 2.2 **Car Parks** - A Capital Plan allocation of £155,000 is projected to be spent on various car parks budgets including upgrades to St Giles Car Park.
- 2.3 **Waste Management** - Expenditure of £529,000 has been incurred for the ongoing project to provide integrated waste facilities at Moycroft in Elgin. £612,000 has been spent on the Dallachy Landfill site, this project is currently projecting an underspend of £453,000 and it is requested that this be carried forward to 2021/22. This is to accommodate the capping of Phase 7B which has been delayed due to a decrease in the amount of waste being landfilled (any decrease in waste being sent to landfill extends the life of the cell, therefore delaying the schedule for capping and reinstatement works). It is anticipated that phase 7B will be at full capacity by April/May 2021. £2,866,000 has been spent to date on the NESS energy from waste project.
- 2.4 **Lands and Parks Cemetery Provision in Moray** - This budget is projected to spend £5,000 by 31 March 2021 as ground checks and early design brief work are commenced in preparation for a new cemetery in Elgin.

Vehicles, Plant and Equipment

- 2.5 **Vehicle plant and replacement programme** – Expenditure of £2,823,000 is projected by 31 March 2021. However, vehicle factories across the world have been closed during the Covid-19 lockdown so levels of spend are dependent on how backlogs of work are resolved.
- 2.6 **Waste Management** – There has been expenditure on the replacement of a green waste shredder £235,000 and £207,000 for a new baler at Moycroft. Domestic & Trade Waste Bins have an actual expenditure at 30 December of £59,000.
- 2.7 **Lands and Parks Play Equipment** - This has an actual expenditure at 30 December 2020 of £9,000. £35,000 is projected to be spent by the end of the financial year with £26,000 allocated for upgrading children play areas.
- 2.8 **Harbours** - £65,000 was spent at 30 December on a pilot boat replacement at Buckie Harbour with a total projected spend of £80,000. Expenditure of £59,000 occurred in quarter 3 for a replacement excavator engine for the dredger (Selkie).

Infrastructure

- 2.9 **Road Safety**- The 5 projects have a total actual expenditure of only £95,000 to 30 December 2020 against a total projected expenditure of £546,000 to the end of March 2021.
Road Safety – New Road Signs and Markings had an actual spend of £12,000 with total projected expenditure of £37,000, Covid 19 has resulted in a reduced lining programme.
Road Safety Barrier provision - the full capital allocation of £36,000 has been spent.
Road Safety Provision has an actual expenditure of £17,000 to 30 December 2020 and a total projected expenditure of £27,000 to the end of March 2021. This projected underspend of £65,000 is due to the impact of COVID and the reduced number of schemes being implemented.
Road Safety CWSS Cycling Walking Safer Streets has incurred expenditure to 30 December 2020 of £27,000. Whilst scheme delivery has been impacted by Coronavirus, it is still anticipated to spend £185,000 by end March 2021. This is ring-fenced government grant funding and unspent grant (currently estimated at £236,000) will be returned.
- 2.10 **Road Improvements – Carriageway resurfacings/ reconstruction /surface dressing / drainage/footways/ kerbs** have an actual expenditure of £901,000 against a capital plan allocation of £2,020,000. A reduced surface dressing programme was due to a delayed start and only 50% of pre Covid workforce allowed on site. Because of the impact of Covid, these schemes, which are also weather dependent, have been rated as red- they are not expected to meet projected expenditure this financial year.
- 2.11 **Road Improvements – A95 Landslip River Isla** £17,000 expenditure to date has been incurred to date on this project with works on site progressing and the full budget of £40,000 is expected to be spent by 31 March 2021.
- 2.12 **Street Lighting** - £30,000 expenditure has been incurred replacing SOX and SON street lights with energy efficient LED units and £192,000 has been spent to date replacing columns and lights. Works were severely affected by Covid19 which prevented the full complement of operational staff on site.
- 2.13 **Bridges** – Works are progressing on 9 bridge refurbishment and repair projects with an actual spend of £310,000 and a projected combined full budget spend of £1,662,000 by 31 March 2021. £77,000 has been spent on Lossiemouth bridge replacement and £40,000 expenditure has been incurred on remote footbridges, with a further £127,000 projected to be spent by 31 March 2021.
- 2.14 **Flood Risk Management & Coastal Protection** - The Schemes at Forres (River Findhorn and Pilmuir) are operational but there are compensation claims that need to be agreed before these budgets can be closed and £375,000 expenditure has occurred this year in the Findhorn scheme.
- 2.15 **Sustainable Travel Projects (grant funded)** - £7,000 was spent on Low Carbon Travel and Transport ERDF car charging points with a total of £57,000 projected to be spent by the end of March 2021. These additional works were approved by the funder as they are within the overall grant budget – to utilise project underspend on path upgrade.

- 2.16 **Harbours replacement of life expired elements and upgrades** - works expected on Findochty Pontoons will not be undertaken this year due to delays associated with the Covid pandemic. £27,000 expenditure has been incurred to date on Burghead Sheet Pile Repairs and £206,000 on Portknockie Inner Basin Repair.
- 2.17 **Harbours Economic Development** – has only £1,000 expenditure to date this year. There has been no expenditure on Buckie Harbour Infrastructure Improvements – Ice Plant at 30 December 2020. This will be funded by a Grant from the Coastal Community Fund.



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021**

SUBJECT: REVENUE BUDGET MONITORING TO 31 DECEMBER 2020

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

1. REASON FOR REPORT

- 1.1 To advise Committee of the revenue budget monitoring position to 30 December 2020 and of the current estimated out-turn for 2020/21.
- 1.1 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 It is recommended that Committee considers and notes:

- (i) the budget monitoring position of £573,000 over budget for 2020/21 as at 30 December 2020;**
- (ii) that this position consists of an underspend on Devolved School budgets of £1,236,000, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £882,000 an overspend of £5,344,000 on Covid related expenditure and an underspend on other services of £4,417,000;**
- (iii) movement of £1,630,000 in the General Revenue Grant, as detailed in paragraph 3.4;**
- (iv) the current estimated out-turn for 2020/21 of an underspend of £2,505,000 and shortfall in Council Tax income of £2,400,000, a net £105,000 underspend, the retention under the Business Rates Incentivisation Scheme (BRIS) £1,859,000 and additional funding**

for loss of income £1,191,000 resulting in a decrease in projected net expenditure of £3,155,000 which has the effect of a projected return of £2,640,000 to the Council's ear marked reserves for transformation and reduction of planned use of free general reserves of £515,000; and

- (v) The position regarding Moray Integration Joint Board (MIJB) as described in paragraph 8.3, with no cost implications for the Council.**

3. BACKGROUND

- 3.1 When the revenue budget for 2020/21 was approved by Moray Council on 3 March 2020 (paragraph 3 of the minute refers), General Revenue Grant of £162,442,000 was estimated for the year, based on the latest amount notified to the Council and including estimates for further distributions of grant during the year. Council Tax receipts of £45,700,000 were anticipated. Budgeted expenditure of £210,490,000 was agreed, and this required projected use of £2,348,000 of the Council's General Reserves to balance the budget.
- 3.2 On 12 August 2020 the Emergency Cabinet approved additional expenditure of £437,000 to be funded from General Reserves. On 2 September 2020 Council approved adjustments to the base budget to reflect variances during 2019/20 which were projected to continue into 2020/21. The net effect of these adjustments was to reduce budgeted expenditure by £156,000. All of these adjustments have been posted to departments.
- 3.3 In addition to the Council's core budget, monies allocated to schools through the Devolved School Management (DSM) scheme and not spent are brought forward from previous years. The DSM balance brought forward in 2020/21 is £466,000 (2019/20 £10,000). In addition to this, unused funding of £660,000 received in 2019/20 for the Pupil Equity Fund and £431,000 for expansion of Early Learning and Childcare has been carried forward into 2020/21 in accordance with the grant conditions.
- 3.4 Variations to General Revenue Grant (GRG) since quarter 2 amounting to £1,630,000 have been notified. This relates to additional funding for Covid agreed by Scottish Government: £371,000 for the safe reopening of schools; £23,000 Environmental Health Officer funding during Covid, £45,000 for Test and Protect and £1,191,000 funding for loss of income during Covid.
- 3.5 With these adjustments the Council's overall General Services revenue budget currently stands at £217,922,000.
- 3.6 Funding of £3,940,000 for the expansion of Early Learning and Childcare (ELC) was included in base budget. Grant funding of £9,345,000 has been notified for 2020/21 and the budget will be adjusted to reflect this additional funding. Scottish Government has given permission for ELC funding to be

allocated to certain expenditure on response to the COVID-19 pandemic and this has been taken into account as the estimated result for the year was developed. ELC is funded by specific grant, but for transparency it is included in the government grant figure in **APPENDIX 3**.

- 3.7 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 2 March 2020 is shown in **APPENDIX 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 30 December 2020 with the budget to 30 December 2020.
- 4.2 Overall the position at 30 December 2020 is expenditure over budget to date of £573,000 or 0.4% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 4.3 The principal areas of overspend and underspend across the Council are summarised below:
- 4.3.1 In Children and Families and Criminal Justice Services, there is an overall underspend to date of £2,081,000. This is predominantly due to £1,300,000 relating to Out of Area placements partly due to children transitioning into adult services; £80,000 on a contract for residential care for children with disabilities, due to two of the three children originally in this service having made the transition to adult services; fostering fees and allowances are underspent by £244,000; the adoption service is underspent by £162,000, due to one-off income received and reduced placements with external providers and area teams are underspent by £231,000 relating to Self Directed Support, home to school transport for foster children and their operational budgets. As agreed by Council on 16 December 2020 (paragraph 7 of the minute refers) the underspend on Children and Families will be transferred to the ear-marked reserves for transformation of services.
- 4.3.2 Devolved School budgets are underspent by £1,236,000 at the end of the third quarter, £441,000 in primary schools and £795,000 secondary schools.
- 4.3.3 The impact of the Covid-19 pandemic and lockdown measures have had significant impact on budgets during the first half of the year. All services are generating less income than budgeted, with a total shortfall of £4,507,000 for the year to date. This includes loss of leisure income, catering income, car parking income, planning and building control fees and also loss of internal revenue income due to roads DLO staff time being unable to be recharged to capital. Funding of £1,191,000 for loss of income has been notified by

Scottish Government. The income loss scheme does not cover internal recharges to capital.

- 4.3.4 The loss of income is partially offset by underspends in many services due to works and expenditure being unable to be incurred or completed. The main service underspends total £4,010,000, which includes repairs and maintenance, energy costs, landfill tax from reduced tonnage landfilled, school transport contract (with supplier relief paid at 75% of the contract value during schools closure in lockdown), catering supplies, purchases of tyres and parts for the Council's fleet of vehicles, corporate training. Payments from the Scottish Welfare Fund (SWF) are also below budget. After an initial spike in demand, requests reduced, partly due to the circumstances of lockdown, with house moves being prevented and so claims for grants for household furniture and white goods reducing and partly due to alternative sources of funding being made available.
- 4.3.5 There is also directly related Covid expenditure totalling £837,000. This is made up of £606,000 in Education, relating to set up costs of the Hub and payments to supply teachers during the first lockdown; £120,000 in Housing, mainly relating to the setting up of temporary accommodation and agency costs and £111,000 in Environmental and Commercial services for relief staff and agency staff payments.
- 4.3.7 When MIJB set its budget for 2020/21 it included a financial recovery and transformation plan amounting to £1,944,000 for 2020/21. Progress against the recovery plan has been impeded by the pandemic. At the end of quarter 3, there is an overspend across both Council and NHS services of £556,000. 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 £883,000. Funding may be made available by the Scottish Government for IJB's to fund unachievable savings due to the pandemic. No details have yet been received.
- 4.3.8 In addition to the impact on expenditure discussed in paragraphs 4.3.3 to 4.3.7, a further impact of the pandemic has been a reduction in Council Tax income. As at 30 December Council Tax income collected is £2,400,000 below what would be expected in the normal course of events.
- 4.4 **APPENDIX 8** gives details of budget monitoring for Environmental and Commercial services and Economic Growth and Development services that are usually reported to the Economic Development and Infrastructure Services Committee.

5. **BUDGET PRESSURES AND NEW DUTIES**

- 5.1 Budget pressures recognised when the budget was approved on 3 March 2020 are released when the pressure crystallises to the extent that it can be

accurately quantified. Provisions to meet budget pressures and new duties totalling £234,000 have been released in quarter 3.

- 5.2 Provisions still held centrally at the end of quarter 3 total £5,921,000 and are detailed in **APPENDIX 5** and given a RAG assessment for likelihood of requirement.
- 5.3 Eleven provisions are assessed as red or no longer required, seven of these have been previously reported to Committee: £65,000 for RHI payments; £139,000 for school meals; £40,000 additional whole life costing for Lossiemouth High School; £80,000 Moray Growth Deal economic impact assessments; £120,000 for site clearance at Bilbohall; £101,000 rapid rehousing transition; £22,000 for NDR reform.
- 5.4 The other four provisions which have now been assessed as red or no longer required are: £272,000 for school counselling; £257,000 additional support for learning; £80,000 relating to school roll numbers and £23,000 Environmental Health Officer funding during Covid. A new school counselling service will be the subject of a tender process and the service will not commence until April 2021. This provision is therefore not required in 2020/21. The additional funding for support for learning will not be required in 2020/21. Following the October census £194,000 was drawn down for school roll numbers, which leaves a balance of £80,000 which is not required. Additional funding received for Environmental Health Officer during Covid is not required until 2021/22.
- 5.5 Four provisions are assessed as amber, for uncertainty of requirement: Registrars £11,000; Linkwood primary school running costs £76,000; and improvement and modernisation programme £1,748,000 (budgeted to be funded from capital receipts with the full £2,000,000 budget provision for capital receipts still shown in central provisions). The handover of Linkwood primary school was delayed and full provision made for running costs will not be required in 2020/21. Part of the balance of provision for expenditure on the improvement and modernisation programme will be required in 2021/21. The level of use of capital receipts will be the subject of a separate report to Council at a later date.
- 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. There have been no new pressures for 2020/21 identified during quarter 3. The budget will continue to be reviewed for any emerging pressures and any further recommendations made to Council for 2021/22.

7. SAVINGS

- 7.1 Savings of £3,102,000 were approved when the budget was set on 3 March 2020. These savings comprised increased income of £48,000 from inflationary uplifts to charges for services; one-off savings of £582,000, and other permanent savings of £2,472,000.
- 7.2 To date budgets for charges have been adjusted in full. Temporary savings of £43,000 have been posted to departmental budgets, £677,000 less than in quarter 2 due to the final Leisure VAT refund claim being reversed following an audit adjustment to the 2019/20 annual accounts. This recognised the income in 2019/20 and is reflected in an increased free general reserves figures as at 31 March 2020.
- 7.3 Of the originally approved permanent savings, a balance of £611,000 remains in central provisions as at the end of December. These are detailed in **APPENDIX 6** and given a RAG assessment for anticipated achievement.
- 7.3.1 Eight savings totalling £317,000 are assessed as red, five of these have been previously reported to Committee: £14,000 saving for customer services use of e-forms; savings of £55,000 from the review of Property Services; £83,000 relating to the commercialisation of the sport/ leisure service; £32,000 relating to public conveniences, and £36,000 balance of savings relating to the relocation of staff from Auchernack and Forres community centre.
- 7.3.2 The other three savings which have now been assessed as red are £3,000 relating to the members service reduction in hours is not achievable until 2021/22. Savings of £7,000 relating to management restructures for transportation has not been progressed during 2020/21. 1 project under the Improvement and Modernisation Programme totalling £87,000 for ICT & digital schools admin will not be achieved in 2020/21
- 7.3.3 Three savings totalling £273,000 are assessed as amber. These all relate to 3 projects under the Improvement and Modernisation Programme that were paused during lockdown at this point it is unclear whether savings will be achieved during this financial year.
- 7.3.4 One saving relating to management restructure for catering and cleaning £21,000 will be achieved before year end.

8. **ESTIMATED OUT-TURN**

- 8.1 **APPENDIX 2** summarises the second estimated out-turn position for each service area, comparing the estimated expenditure to the financial year-end with the budget to 31 March 2021.
- 8.2 Overall the estimated out-turn position for 2020/21 is expenditure under budget of £1,589,000 or 0.7% of budget to date (including services

delivered on behalf of the Moray Integrated Joint Board).

- 8.3 The estimated out-turn position for 2020/21 for Health & Social Care is an overspend of £916,000 on services provided by the Council to MIJB. The overall projected outturn for all MIJB services is £36,000 underspend. As the MIJB has a cost sharing agreement between the Council and NHS Grampian, an adjustment to reflect the agreement is shown. This decreases the budget shortfall for which the Council is liable by £916,000, to bring the MIJB to a breakeven position. This brings the total anticipated variance in expenditure for 2020/21 to an underspend of £2,505,000.
- 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 out-turn variances are summarised below:
- 8.4.1 In Children and Families and Criminal Justice Services, there is a total projected underspend of £2,684,000. This predominantly relates to £1,730,000 for out of area costs, partly due to a contract for residential care for children with disabilities, due to two of the three children originally in this service having made the transition to adult services. Fostering fees and allowances are projected to be underspent by £310,000; £106,000 relating to contracts that have ended during the year: the adoption service is projected to be underspent by £202,000, due to one-off income received and reduced placements with external providers and social work area teams are projected to be underspent by £313,000 relating to Self Directed Support, home to school transport for foster children and operational budgets. The underspend will be transferred to the ear-marked reserve for transformation of Council services (see paragraph 4.3.1).
- 8.4.2 Staff savings from vacancies and appointment below top of scale across all services are anticipated to exceed the overall budget provision by £1,852,000. Variances are anticipated across all services due to the impact of the pandemic upon the recruitment process and the ability for services to fill vacancies.
- 8.4.3 The impact of the Covid pandemic and lockdown measures have had significant impact on the budgets to date and a continued level of impact was always anticipated but is now expected to be worse, given the second lockdown. All services are generating less income than budgeted, now projected to total £4,473,000 at the year end. This includes loss of leisure income, catering income, car parking income, trade waste, planning and building control fees. There is also £1,781,000 projected loss of income due to roads DLO staff costs and property service fees being unable to be recharged to capital. Forecasted direct costs of response to the pandemic are £837,000 as detailed in paragraph 4.3.5. This puts the estimated additional costs of the pandemic at £7.1 million, £0.7 million below the estimate reported to Council on 1 December 2020. Since the quarter 2 report, the estimate of direct costs (net of specific grant funding received) has been reduced by £403,000 by further application of grant funding, the estimate of lost income has increased

by £218,000 following the latest lockdown and property service fee lost income has been reduced by £351,000. This estimate was based on schools returning on 1 February 2021. The financial impact of the pandemic has been regularly reported to Council and is constantly changing as additional funding is awarded and costs change in response to changing circumstances. The estimated out-turn does not include additional costs of heating schools in the ventilation regime required.

- 8.4.4 Council Tax income is considerably below the level budgeted for. An estimate of a shortfall against budget of £2,400,000 is included in the estimated out-turn for the year. This is consistent with the estimated shortfalls reported previously.
- 8.4.5 The overall estimated out-turn is for net expenditure less government funding and Council Tax receipts of around £1million less than that reported at the end of quarter 2. Since the quarter 2 report funding of £1.2 million for loss of income has been notified to the Council. Other major variances are a reduction in income due to the VAT refund of £0.7 million now being recognised in 2020/21; MIJB is now forecast to come in on budget and so £0.1 million expenditure is removed from the estimate; net impact of the pandemic is reduced by £0.7 million and slippage on the use of a number of provisions for budget pressures of a further £0.4million is now forecast.

Movement in forecast	£million
SG grant for lost income	1.2
Recognition of VAT refund	(0.7)
MIJB improved out-turn	0.1
Pandemic	0.7
Budget provisions	0.4
Other cumulative effect	(0.7)
Total	1.0

9. **FREE GENERAL RESERVES**

- 9.1 The balance on general reserves (excluding DSM and ear-marked reserves) as at 1 April 2020 was previously reported as £14,639,000. Following the audit of the annual accounts, an audit adjustment was required (see paragraph 7.2 which increased the general reserves by £710,000 to £15,349,000.
- 9.2 Use of reserves totalling £2,348,000 was approved to balance the 2020/21 budget. Since then the BRIS retention of £1,859,000 for a three year period was notified to the Council and this reduces the need to use reserves in 2020/21. The Moray Council on 12 August 2020 approved an additional use of reserves totalling £437,000, as listed in **APPENDIX 7**, and on 2 September 2020 approved a net budget reduction of £156,000, reducing the underlying need to use reserves. The Moray Council on 16 December 2020 approved

one-off savings and the impact of these is reflected in the projected out-turn for the year.

- 9.3 In the report to Council on 2 September on short term financial planning, the estimated impact of the pandemic was £8.4 million to be funded out of reserves. In the report to Committee on 1 December the impact of Covid on the reserves was reduced by £600,000 due to the application of ELC grant funding and this has further been reduced again following the revised estimated actuals, this is again in part due to the application of further grant funding and through a revised methodology of property fee allocations. The short term financial planning report to Council on 20 January noted the grant funding of £1,191,000 for loss of income due to the pandemic, further reducing the call on reserves.
- 9.4 The impact of the estimated out-turn is a reduction in the use of reserves of £105,000, with a transfer to ear-marked reserves of £2,640, leaving an estimated free balance of £13,235,000 at 31 March 2021.

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.
- (f) **Property**
No property implications arise directly from this report.
- (g) **Equalities**
No equalities implications arise directly from this report.

(h) Consultations

Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

11. CONCLUSION

- 11.1 The financial position of the Council at the end of December 2020 is an overspend against General Services Revenue Budget of £573,000 (including services delivered on behalf of the Moray Integration Joint Board).**
- 11.2 Variations in General Revenue Grant totalling £1,630,000 have been notified to the council.**
- 11.3 There are no additional budget pressures noted for Council services at quarter 3. The estimated out-turn position consists of an underspend of £2,505,000 less £2,400,000 Council Tax income below budget, £1,191,000 additional funding from redetermination and the BRIS retention, a net underspend of £3,155,000, of which £2,640,000 falls to be transferred to ear-marked reserves for transformation.**

Author of Report: Deborah O'Shea, Principal Accountant

Background Papers: Held by author

Ref:

MORAY COUNCIL - APPENDIX 1
BUDGET MONITORING REPORT
QUARTER 3 to 31 DECEMBER 2020

Service	Revised Budget 2020/21 £000s	Budget to 31 December 2020 £000s	Actual & Committed to 31 December 2020 £000s	Year to date variance £000s
Education, Resources & Community	24,492	18,381	19,214	(833)
Childrens Services	19,584	14,533	12,452	2,081
Education	63,236	43,387	42,442	945
General Services Housing & Property	2,980	3,159	3,135	24
Environmental & Commercial Services	22,625	15,232	17,145	(1,913)
Economic Growth & Development Services	2,787	1,897	2,159	(262)
HR, ICT & Organisational Development	5,275	4,503	4,411	92
Financial Services	1,638	1,571	1,550	21
Governance, Strategy & Performance	5,841	5,302	5,076	226
Other Services	2,658	2,118	2,097	21
SERVICES excl HEALTH & SOCIAL CARE	151,116	110,083	109,681	402
Health & Social Care (IJB)	44,006	31,934	32,816	(882)
Health & Social Care (Non IJB)	(19)	(15)	78	(93)
TOTAL SERVICES incl HEALTH & SOCIAL CARE	195,103	142,002	142,575	(573)
Loans Charges	15,207	0	0	0
Provision for Contingencies and Inflation	179	0	0	0
Additional Costs	8,082	0	0	0
Unallocated Savings	(649)	0	0	0
TOTAL PROVISIONS	7,612	0	0	0
TOTAL GENERAL SERVICES EXPENDITURE	217,922	142,002	142,575	(573)

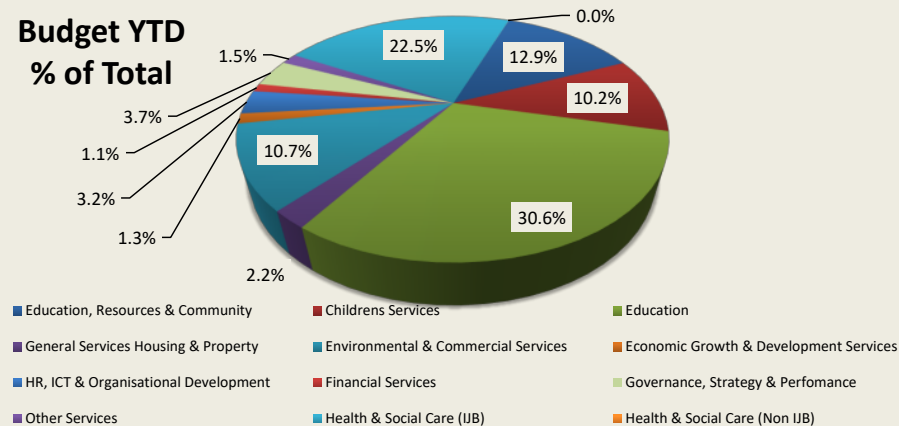
Commentary on Quarter 2 Performance

Education Resources: Loss of income due to closure during covid pandemic £1237k, offset by reduced costs £228k. Overspend on Covid-19 is £230k and is mainly for average pay for relief staff during lockdown and recovery costs associated with the reopening of leisure facilities and hardship payments which will be recovered from the SG Schools R&M underspend of £257k due to no building works being undertaken in the first few months of the pandemic

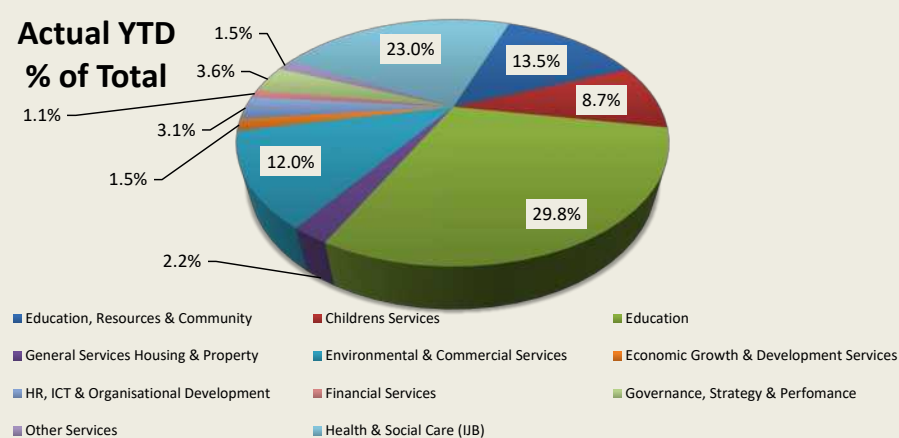
Childrens Services: OOA underspend of £1300k partly due to children transitioning into adult services. Fostering fees & allowances £244k underspent. One-off adoption income from other LA £78k

Environmental & Commercial: The impact of the Covid pandemic has had a major impact on income budgets with losses in car parking £610k, trade waste £451k and school catering £698k

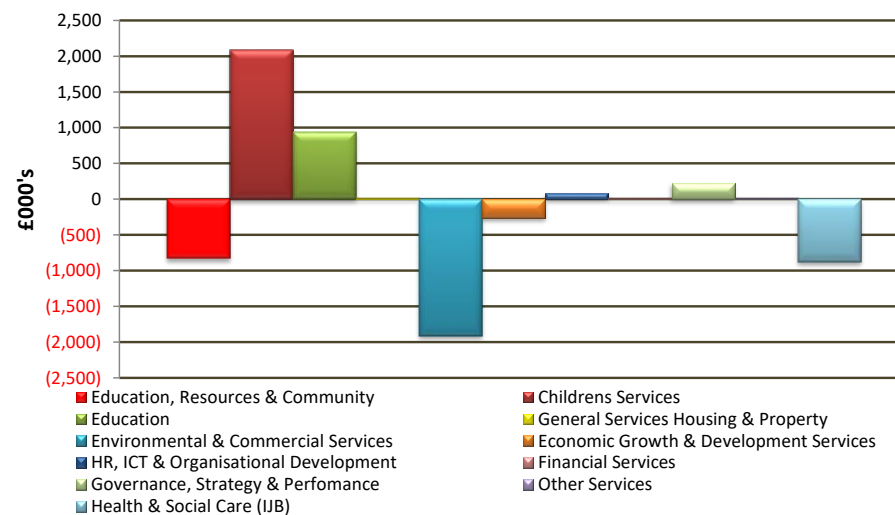
**Budget YTD
% of Total**



**Actual YTD
% of Total**



YTD Actual Variance to Budget (excl Loans & Provisions)



MORAY COUNCIL - APPENDIX 2
BUDGET MONITORING REPORT
ESTIMATED OUTTURN 2020/21

Service

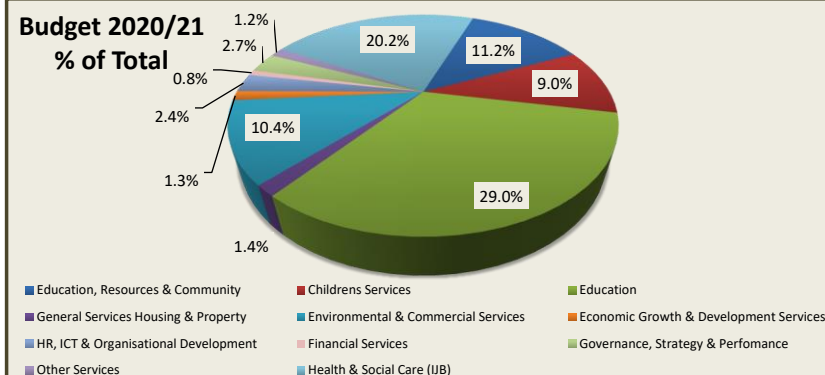
	Revised Budget 2020/21 £000s	Estimated Outturn 2020/21 £000s	Anticipated Variance £000s	Variance vs Base Budget %
Education, Resources & Community	24,492	24,804	(312)	(1.3)%
Childrens Services	19,584	16,900	2,684	13.7%
Education	63,236	63,196	40	0.1%
General Services Housing & Property	2,980	3,068	(88)	(3.0)%
Environmental & Commercial Services	22,625	24,548	(1,923)	(8.5)%
Economic Growth & Development Services	2,787	2,850	(63)	(2.3)%
HR, ICT & Organisational Development	5,275	5,041	234	4.4%
Financial Services	1,638	1,835	(197)	(12.0)%
Governance, Strategy & Performance	5,841	5,815	26	0.4%
Other Services	2,658	2,641	17	0.6%
SERVICES excl HEALTH & SOCIAL CARE	151,116	150,698	418	0.3%
Health & Social Care (IJB)	44,006	44,922	(916)	(2.1)%
Health & Social Care (Non IJB)	(19)	93	(112)	589.5%
Adjustment to reflect cost sharing agreement			916	
TOTAL SERVICES incl HEALTH & SOCIAL CARE	195,103	195,713	306	0.2%
Loans Charges	15,207	12,772	2,435	16.0%
Provision for Contingencies and Inflation	179	171	8	4.5%
Additional Costs	8,082	7,176	906	11.2%
Unallocated Savings	(649)	501	(1,150)	177.2%
TOTAL PROVISIONS	7,612	7,848	(236)	-3%
TOTAL GENERAL SERVICES EXPENDITURE	217,922	216,333	2,505	1.1%
Funded By:				
Scottish Government Grant	168,162	169,353	(1,191)	(0.7)%
Council Tax	45,700	43,300	2,400	5.3%
BRIS	0	1,859	(1,859)	0.0%
Funded From Reserves:				
DSM	466	466	0	0.0%
Other earmarked reserves	1,247	1,247	0	0.0%
General	2,347	108	2,239	95.4%
MIJB Adjustment			916	0.0%
TOTAL FUNDING	217,922	216,333	2,505	1.1%
OVERALL VARIANCE	0	0	0	

Commentary on Quarter 2 Performance

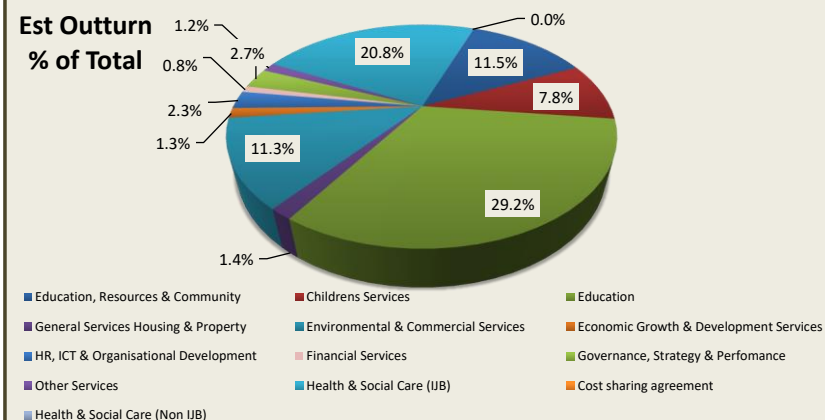
Childrens' Services: OOA/ARP underpend of £1,730k partly due to children transitioning into adulthood. Fostering fees & allowances £310k, SDS £140k, fostering home to school travel £74k all underpends

Environmental & Commercial Services: As a consequence of the pandemic there has been reduced income across a number of areas: car parking £750k, harbours £90k, trade waste £520k and catering £945k

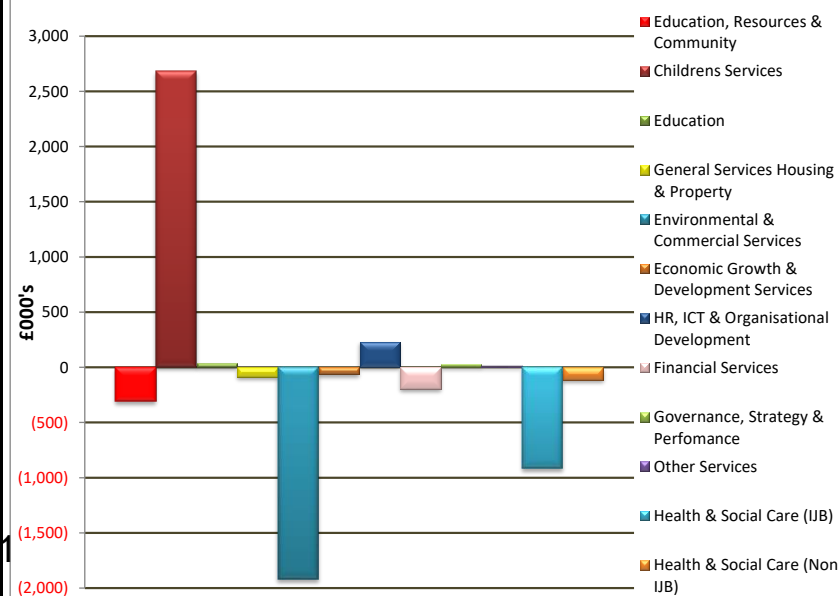
Budget 2020/21
% of Total



Est Outturn
% of Total



Est Outturn Variance to Budget (excl Loans & Provisions)



APPENDIX 3

	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
3 March 2020	188,834	4,478	6,773	(3,102)	196,983	13,507		210,490
School carry forwards	683				683			683
PEF carry forwards	443				443			443
Additional GRG			4,137		4,137			4,137
Adjustment 1	6,609	(4,444)	(5,573)	1,708	(1,700)	1,700		0
EGH&ES 6 Oct 2020	196,569	34	5,337	(1,394)	200,546	15,207	0	215,753
Adjustment 2	(4,822)	3,924	(326)	1,224	0	0		0
School carry forwards	(218)				(218)			(218)
PEF carry forwards	218				218			218
ELC carry forwards	432				432			432
Additional GRG			1,144		1,144			1,144
Funded from reserves - approved MC	100				100			100
EGH&ES 1 Dec 2020	192,279	3,958	6,155	(170)	202,222	15,207	0	217,429
Adjustment 3	2,770	(1,618)	(673)	(479)	0			0
Increase in GRG			439		439			439
Funded from Reserves	54				54			54
EGH&ES 16 Feb 2021	195,103	2,340	5,921	(649)	202,715	15,207	0	217,922

APPENDIX 3

ALLOCATIONS FROM PROVISIONS SINCE 30 SEPTEMBER 2020

Provision for Contingencies and Inflation	Committee reference	£000s	£000s
Balance at 30 September 2020			3,958
ELC to be funded from specific grant		(1,668)	
Clash Gour legal fees		(17)	
Maximum Basic Scale (MBS) Primary & Secondary		31	
NDR refunds		58	
Contract uplifts		(4)	
Other		(18)	
		<u>(1,618)</u>	
Balance at 30 December 2020			2,340
Additional Costs		£000s	£000s
Balance at 30 September 2020			6,155
Movements in General Revenue Grant			
Additional Covid-19 funding			
Additional Costs of Safe Reopening of Schools		371	
Trading Standards Officer Funding during Covid-19		23	
Test and Protect Funds Covid-19		45	
Food fund		120	
Movements approved when budget set			
Additional running costs for Linkwood Primary School		(152)	
School roll numbers		(194)	
Scottish Welfare Fund additional ring fenced grant		(29)	
Improvement & Modernisation costs		(47)	
Additional Covid-19 funding			
Additional Costs of Safe Reopening of Schools		<u>(371)</u>	
		(234)	
Balance at 30 December 2020			5,921
Savings & Charges		£000s	£000s
Balance at 30 September 2020			(170)
Leisure income VAT refund (py adjustment)		(676)	
Savings identified when budget set:			
Permanent savings taken		77	
Savings identified after budget set:			
Contaminated land saving	MC 2/9/20	52	
Library reduction in opening hours/ ESOL post	MC 25/9/19	18	
Fleet restructure		49	
Charges			
Education resources & communities		<u>1</u>	
		(479)	
Balance at 30 December 2020			(649)

BUDGET PRESSURES

Ref	Description	Para Ref	Amount £000's	Status	Committee reference	Reasons Qtr 3
RECOGNISED WHEN BUDGET SET						
	General Services Housing & Property Services					
	RHI payments cease (after 7 years)		65	not required		Not required as payments will continue for 20 years as per the service
	Social Work					
	Additional Support for Learning		257	not required		Will not be required this year.
	Education					
	Linkwood primary school running costs		76	£61,000 not required		£15,000 still to be drawn down balance of £61,000 not required.
	School roll numbers		80	Not required		All costs now drawn down £80k not required.
	Additional whole life costing Lossiemouth High School		40	Not required		Will be required once the school is operational, not expected to be until 2021/22
	School meals (change in regulations)		139	Not required		New regulations not now until Apr 21, not required this year
	Economic Growth & Development					
	Moray Growth Deal economic impact assessments		80			Not committed yet. Likely to be required for future years
	Cross Service					
	Removal of statutory mitigation for flexi-leave and TOIL accruals		150	Not required until year end		Not required until year end
	Loans Fund					
	Clearance of Bilbohall Site for housing development		120	Not required		Construction not likely to begin until 21/22, so not needed until then.
	Funding Capital Receipts		(2,000)			
	Improvement & Modernisation Programme		1,748			Will be partly required this year. Have been drawing down as and when used £252k to date . Estimate a further £116k required for final quarter
	Total		755			
VARIANCE REPORT						
	Staff savings target increase		62		02/09/2020	Actioned
	ECDL income adjustment		(27)		02/09/2020	Actioned
	Waste - increase in salt		(47)		02/09/2020	Actioned
	Total		(12)			

ADDITIONAL PRESSURES						
	SWF additional ring fenced grant 20-21		(29)			Actioned
	Total		(29)			
FUNDING FOR NEW DUTIES						
	Rapid Rehousing Transition		101	Required but not this FY		Will be required but not likely until 2021/22 at earliest
	School Counselling		272	Required but not this FY		New counselling service being tendered funding will not be utilised this year.
	NDR Reform		22	Not required		Confirmed already included within GVJB budget requisitions so not required
	Additional Covid-19 funding		2,644	Held		Will be required
	Hardship fund		853	Held		Will be required
	Food fund		70			
	Registrars of death		11	Held		Potentially not required in full
	Share of £49m UK Govt consequentials		836	Held		Will be required
	Additional Council Tax reduction funding		330	Held		Will be required
	Trading Standards Officer Funding during Covid-19		23	Held		Will be required - likely to be 21-22
	Test and Protect Funds Covid-19		45	Held		
	Total		5,207			
	Total		5,921			

SAVINGS

Ref	Description	Amount £000s	Committee reference	Update Qtr 3
Approved for 2020/21 budget:				
	Governance, Strategy & Performance			
	Customer Services - reduce stationery cost with e-forms	(14)	MC 27/02/2019	Unachievable - lower than estimated take up will mean savings unachievable although postages will be down this year due to reduced reminders being sent
	Members service reduction in hours	(3)	MC 03/03/2020	Delayed - No savings can be taken until return from mat leave then Annual Leave so revised return date now 8 Mar 21. So saving unlikely to be achieved in full 20/21 but will be achievable 21/22 for a higher amount
	GS Housing & Property Services			
	Property Services - review of service	(55)	MC 27/02/2019	See MC 12/2/20 additional cost £88k.
	Education Resources & Communities			
	Sports/Leisure Service - commercialisation of service	(83)	MC 27/02/2019	Delayed due to COVID and will not be achieved this year.
	Relocate staff from Auchernack plus Forres Community Centre staff restructure	(36)	MC 27/02/2019	ALLY COMMENT £16k taken - No further property savings anticipated. NDR costs of £16k still being incurred, £4k residual running costs still eing met. NICKY - I think 13k staffing savings from restructure was already removed in 19/20 but is anything else anticipated on that side?
	Approved Subject to Consultation			
	Cleaning and catering management restructure	(21)	MC 12/02/2020	Will be achieved by year end
	Transportation management restructure	(7)	MC 12/02/2020	Not progressed - likely to be 21-22
	Closure of public conveniences	(32)	MC 12/02/2020	Decision taken to leave PC's open this year
	Indicative Savings from I&M programme			
	Stream 1: Asset Management	(148)	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year
	Stream 2: ICT & Digital - Schools Admin	(87)	MC 03/03/2020	Project in progress - no savings will be achieved this year.
	Stream 2: ICT & Digital - Open Revenues Portal (Council Tax)	(85)	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year
	Stream 2: Customer Services RE-Design - Access Point	(40)	MC 03/03/2020	Project in progress - unknown yet if achievable in full this year
	Total	(611)		
	Temporary Savings	(539)		VAT leisure savings taken in 2019/20 , adjustment as part of audit
	Balances from roundings:			
	Savings	127		
	Additional Savings Identified :			
	Business Gateway review	11	ED&I 21.1.20	
	NDR Savings	63		
	Waste recycling	(133)	MC 2.9.20	
	Vacancy target	224	MC 2.9.20	
	Scottish water contribution	3		
	Finance saving	30		
	GVJB	19		
	NDR Moray Leisure	13		
	Street lighting	25		
	Contaminated land saving	52	MC 2.9.20	
	Library reduction in opening hours & ESOL post	18	MC 25.09.19	
	Fleet Restructure	49		
		374		
		(649)		

APPENDIX 7

General Reserves	Committee reference	Approved £000s	Budget released £000s
General Reserves @ 1 April 2020		14,639	
Amendment following Audit adjustment		710	
Revised General Reserves @ 1 April 2020		15,349	
Less commitments against reserves when budget was set:			
To balance the 2020/21 budget	MC 03/03/20	(2,348)	
Budget reduction from variance report	MC 30/06/20	156	
Funding from reserves approved in 2020/21:			
Additional Support for Learning	MC 12/08/20	(257)	
Whole System Approach	MC 12/08/20	(43)	
DHP	MC 12/08/20	(29)	(29)
Syrian refugees	MC 12/08/20	(26)	(26)
Core paths network	MC 12/08/20	(10)	(10)
Community Planning Partner projects	MC 12/08/20	(10)	(10)
Moray Growth Deal	MC 12/08/20	(36)	
Energy efficiency small projects	MC 12/08/20	(6)	(6)
Elgin traffic survey	MC 12/08/20	(20)	(20)
		(437)	(101)
Adjustment for BRIS	MC 02/09/20	1,859	
Adjustment for SG funding for loss of income	MC 20/01/21	1,191	
Approved use of reserves		421	
Balance		15,770	
Estimated actual		(2,535)	
Estimated free balance @ 31 March 2021		13,235	

ENVIRONMENTAL & COMMERCIAL SERVICES REVENUE BUDGET PERIOD TO 31 DECEMBER 2020

Environmental & Commercial Services actual and committed budget has an overall overspend to budget of £1,913,000 for the period to 31 December 2020.

Service	Budget to Dec 2020 £000's	Actual to Dec 2020 £000's	Variance 2020-21 £000's
Building Cleaning & Catering	3,648	3,997	(349)
Waste Management	5,089	5,311	(222)
Direct Services Admin/Quality Assurance	304	304	0
Lands and Parks/Countryside Amenities/Access	729	901	(172)
Roads Management	2,758	3,561	(803)
Fleet Services	(1,488)	(1,616)	128
Traffic & Transportation Management	3,288	3,722	(434)
Engineering Design	626	574	52
Unallocated Efficiency Savings	0	0	0
Direct Services Directorate	136	139	(3)
Emergency Planning	38	38	0
Direct Services Covid 19	104	214	(110)
TOTAL ENVIRONMENTAL & COMMERCIAL SERVICES	15,232	17,145	(1,913)

Major variances:-

- Waste Services** has an overspend of £222k resulting from a loss of trade waste income of £451k and additional leachate costs of £23k being offset by savings in landfill tax of £99k, fuel £50k, and Bulky Waste £23k and Green Waste Income £93k
- Building Cleaning and Catering** has an overspend of £349k being driven by lost school meal income of £698k offset by reduced food costs of £326k and transport costs of £13k COVID-19 pandemic
- Roads Management** has an overspend of £803k due mainly to a loss of income from charging to roads capital projects which have been disrupted as a result of Covid-19 pandemic
- Traffic & Transportation Management** has an overspend of £434k mainly due to loss of income resulting from the pandemic. Lost car-parking income of £610k, loss of traffic income from roads construction consent, and road closure income of £128k These have been offset by a saving in PTU School Transport contract of £265k as only 75% of the contract value was paid between April and June, and concessionary travel income £24k

- **Lands and Parks** has an overspend of £172k due to loss of rechargeable works done during the initial months of the pandemic. Income under achieved by £298k which is partially offset by reduction in materials expenditure £64k. Dorenell developer contribution funding received of £50k but not yet spent.
- **Direct Services Covid-19** cost of £214k resulting from additional expenditure directly attributable to the pandemic.

ECONOMIC GROWTH AND DEVELOPMENT REVENUE BUDGET PERIOD TO 31 DECEMBER 2020

Economic Growth and Development Service actual and committed budget has a minor overall overspend to budget, of £262,000 for the period to 31 December 2020.

Service	Budget to Dec 2020 £000's	Actual to Dec 2020 £000's	Variance 2020-21 £000's
Economic Growth & Development	1,897	2,159	(262)

- Overspend mainly a result of loss of income due to Covid-19 in building standards £59k, planning £184k and environmental health £20k



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021**

**SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING –
31 DECEMBER 2020**

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

1. REASON FOR REPORT

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

2. RECOMMENDATION

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

3. BACKGROUND

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

4. HOUSING REVENUE ACCOUNT TO 31 DECEMBER 2020

- 4.1 **APPENDIX I** details the HRA budget position to 31 December 2020.
- 4.2 The main expenditure variances relate to:–

- 4.2.1 **Supervision and management** – there are a range of variations within this budget resulting in a net underspend of £121k. There were underspends in staffing (£213k), training (£6k), insurance (£21k), Software and Hardware (£19k), and other minor cumulative underspends (£5k). This was reduced by overspends in voids (£95k), Laptops for Homeworking (£21k), Council tax on empty properties (£7k) and Common Housing Register (£20k).
- 4.2.2 **Sheltered Housing** – there is a small variance to date with an underspend of £1k.
- 4.2.3 **Repairs and maintenance** – there was an underspend of (£1,273k) in the repairs and maintenance budgets. Underspends include planned maintenance (£400k), response repairs (£574k) and voids (£299k). The impact of COVID-19 lock down has restricted work that can be carried out on site by Building Services and external contractors. The Housing Business Plan will be impacted by the effects of the COVID-19 restrictions particularly in relation to Repairs and Maintenance investment. The Business Plan will be reviewed more frequently as we enter the recovery period.
- 4.2.4 **Bad and doubtful debts** – there was an underspend of £47k to date due to an allowance for potential increase in bad debt provision.
- 4.2.5 **Downsizing Incentive Scheme** – there was an underspend of £30k with fewer transfers due to the COVID-19 lockdown.
- 4.2.6 **Service Developments** – the budget of £38k has not been spent due to the service responding to the COVID-19 pandemic.
- 4.2.7 The income at 31 December 2020 was £158k lower than expected. This is due mainly to new build handovers being delayed because of COVID-19 (£150k) and other income (£8k) recovered from rechargeable repairs.

5. **HRA PROJECTED OUTTURNS 2020/21**

- 5.1 **APPENDIX I** also details projected outturns for 2020/21.
- 5.2 **Expenditure**
- 5.2.1 **Supervision and management** - an underspend of £203k was projected. This variance resulted from projected underspends in staffing (£244k), Shared Accommodation (£88K), Software and Hardware (£22k), insurance (£17k) and other minor cumulative underspends (£13k). This is reduced by a projected overspend in voids (£133k), Laptops for Homeworking (£21k), Council tax on empty properties (£8k) and Common Housing Register (£19k).
- 5.2.2 **Sheltered Housing** – a minor overspend of £1k was projected.
- 5.2.3 **Repairs and Maintenance** - an overspend of £126k was projected. Underspends include planned maintenance (£1,075k), response repairs (£1,045k) and voids (£231k). The overspend relates to the Building Services costs (£2,477k) as a result of COVID 19 delays. During the year COVID-19, has restricted work that can be carried out on site by Building Services and external contractors.

- 5.2.4 **Financing costs** - an underspend of £36k was projected due to lower than estimated borrowing levels and interest rates.
- 5.2.5 **Bad and Doubtful debts** - an underspend of £55k was projected based on write off and arrears levels to date.
- 5.2.6 **CFCR** - the level of Capital from Current Revenue (CFCR) was projected to reduce by £343k due to overspends elsewhere across the HRA budget.
- 5.2.7 **Downsizing Incentive Scheme** – an underspend of £36k was projected due to fewer transfers during the COVID-19 lockdown.
- 5.2.8 **Service Developments** – an underspend of £26k was projected as staff resources were diverted to maintaining key services during the pandemic.
- 5.2.9 **Total expenditure on the HRA** - was projected to be £572k lower than budgeted.
- 5.3 Income
- 5.3.1 Total income to the HRA was projected to be £500k lower than budgeted for in 2020/21. This was mainly due to lower income from house rents (£440k) with COVID-19 restrictions causing major delays in the letting of vacant houses and the completion of new homes.
- 5.4 Overall, a surplus balance of £2.219m is projected for the HRA budget in 2020/21.

6. **OTHER HOUSING BUDGET**

- 6.1 **APPENDIX II** provides details of the budget position to 31 December 2020.
- 6.2 **Planning and Development** - consists of Improvement Grants and Affordable Housing budgets. The position at 31 December 2020 shows an overspend spend of £59k. This is because of a delay due to COVID restrictions in carrying out adaptations for the disabled and the overspend is a result of how Capital Income is budgeted for by the Integrated Joint Board who operate this budget.
- 6.3 **Housing Management** - relates to the Gypsy/Traveller budget. The position at 31 December 2020 shows an underspend of £4k.
- 6.4 **Homelessness/Allocations** - comprises of Homelessness and Housing Support services. There was an overspend of £40k in this budget. Homelessness is a “high risk” budget and pressures can quickly arise if homelessness increases. Service Managers continue to closely monitor this budget.
- 6.5 **Miscellaneous General Services Housing** - comprises of House Loans, a maintenance bond from Grampian Housing Association and the new complex needs development at Urquhart Place, Lhanbryde. The budget is showing an overall underspend of £25k which mostly relates to the complex needs development at Urquhart Place, Lhanbryde.

- 6.6 **The Building Services Budget** - is reported in detail separately on this Committee's agenda and any surplus achieved will return to the HRA. There is an overspend of £24k in this budget which relates to the small general services share of the trading variance.
- 6.7 **The Property Services Budget** - includes the budgets for the Design Team and Property Resources. There was an underspend of £238k to date with underspends in Central Repairs and Maintenance (£260k), Shared Buildings (£29k) and other minor budgets (£12k). There were overspends in Architects software (£33k), Industrial Estates Repairs and Maintenance (£30k) mainly relating to residual fire reinstatement works at Isla Bank Mills.
- 6.8 The service has also incurred £120k of expenditure to date directly relating to the response to the COVID-19 pandemic. This includes setting up additional homeless temporary accommodation at a cost of £51k, building alterations/recommissioning works (£23k) and £46k for Property Services supplier relief in relation to the COVID-19 lockdown which stopped construction projects.
- 6.9 As at 31 December 2020, the Other Housing budget shows a net overspend of £24k.
7. **OTHER HOUSING PROJECTED OUTTURNS 2020/21**
- 7.1 **APPENDIX II** also indicates the projected outturns for 2020/21.
- 7.2 **Planning and Development** - is projected to overspend by £150k. This assumes that discretionary grants are likely to underspend based on current projections.
- 7.3 **Housing Management** - is projected to underspend by £3k.
- 7.4 **Homelessness/Allocations** - projects an overspend of £66k. The majority of this overspend relates to additional costs for voids, staff and furniture to provide additional homeless accommodation during the first lockdown in March 2020.
- 7.5 **Miscellaneous General Services Housing** - projects an underspend of £20k. The main reason for this is lower than anticipated repairs and maintenance costs relating to Urquhart Place.
- 7.6 **Building Services** - projected outturn is considered in further detail in the separate report on the Committee's agenda. There is a projected overspend of £44k in this budget which relates to the small general services share of the trading variance.
- 7.7 **Property Services** - projects an underspend of £33k. Projections include an underspend in Repairs and Maintenance (£397k), Energy Efficiency budget (£20k), Shared Buildings (£16k) through reduced energy costs and minor cumulative budgets (£7k). There were overspends in Industrial Estates (£76) which included fire damage works at Isla Bank Mills, Keith and Property Services Fee Income (£331k) due to restricted construction works during the first COVID-19 lockdown period.

- 7.8 **Housing and Property Savings** – Staffing savings (£251k) are projected to be achieved by year end.
- 7.9 **Housing and Property Allocations** – is projected to overspend (£15k) due to lower than expected service recharges.
- 7.10 **COVID-19 – GS Housing & Property** - The service has also incurred £120k of expenditure to date directly relating to the response to the COVID-19 pandemic. This includes setting up additional homeless temporary accommodation at a cost of £51k, building alterations/recommissioning works (£23k) and £46k for Property Services supplier relief in relation to the COVID-19 lockdown which stopped construction projects.
- 7.11 Overall, it is now projected that the Other Housing Budget in General Services will overspend by £88k on the agreed budget.

8. **SUMMARY OF IMPLICATIONS**

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

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

(b) **Policy and Legal**

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

(c) **Financial Implications**

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

(d) **Risk Implications**

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

(e) **Staffing implications**

None.

(f) **Property**

None.

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

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

(h) Consultations

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

9. CONCLUSION

9.1 This report sets out the budget position for the HRA and General Services Housing budgets to 31 December 2020 and also comments on the variances on these budgets.

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

Budget Monitoring to 31st December 2020

Service Description	Annual Budget 2020-21	Budget to 31st December 2020	Actual to 31st December 2020	Variance to 31st December 2020	Projected Outturn to 31st March 2021	Projected Variance to 31st March 2021
Expenditure	£,000	£,000	£,000	£,000	£,000	£,000
Supervision & Management	4,239	2,380	2,259	121	4,036	203
Sheltered Housing	22	17	16	1	23	(1)
Repairs and Maintenance	6,981	4,296	3,023	1,273	7,107	(126)
Financing Costs	4,236	0	0	0	4,200	36
Bad & Doubtful Debts	250	75	28	47	195	55
CFCR	4,793	0	0	0	4,450	343
Downsizing Incentive Scheme	72	54	24	30	36	36
Service Development	50	38	0	38	24	26
Total Gross Expenditure	20,643	6,860	5,350	1,510	20,071	572
Income	£,000	£,000	£,000	£,000	£,000	£,000
Non-dwelling rents	227	176	176	0	227	0
House rents	20,217	14,959	14,809	(150)	19,777	(440)
IORB	37	0	0	0	3	(34)
Other income	90	68	60	(8)	64	(26)
Total Income	20,571	15,203	15,045	(158)	20,071	(500)
Surplus / (Deficit) for the year	(72)	8,343	9,695	1,352	0	72
Accumulated Surplus Balance brought forward			2,219		2,219	
Estimated Surplus Balance at 31st March					2,219	

Monitoring to 31st December 2020

Service Description	Annual Budget 2020-21 £'000	Budget to 31st Dec 2020 £'000	Actual & Comm to 31st Dec 2020 £'000	Variance at 31st Dec 2020 £'000	Projected Outturn 2020-21 £'000	Projected Variance 2020-21 £'000
Planning & Development	249	223	282	(59)	399	(150)
Housing Management	17	26	22	4	14	3
Homelessness / Allocations	1934	1495	1535	(40)	2000	(66)
Miscellaneous General Services Housing	(21)	(15)	(40)	25	(41)	20
Building Services	0	261	285	(24)	44	(44)
Property Services	720	1169	931	238	687	33
General Services Housing & Property Savings	251	0	0	0	0	251
General Services Housing & Property Allocations	(170)	0	0	0	(155)	(15)
Covid 19 - GS Housing & Prop	0	0	120	(120)	120	(120)
General Services Housing & Property Total	2980	3159	3135	24	3068	(88)



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021

SUBJECT: ROADS ASSET MANAGEMENT PLANNING

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

1. REASON FOR REPORT

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

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- (i) **notes the latest road condition indicator (RCI) results for Moray Council; and**
- (ii) **agrees that the RCI results continue to be to be closely monitored to determine if this year's results are a one-off reversal in trend and future financial modelling is undertaken based on our RCI results that are reported November 2022.**
- (iii) **notes that any adjustment to investment will be part of the council's budget setting process.**

3. BACKGROUND

- 3.1 The road network represents the Councils' single largest asset and therefore regular and adequate maintenance is vital to ensure it does not deteriorate or become dangerous, and that considerable past investment is not lost. Roads Maintenance covers those activities aimed to preserve the existing roads asset and our gross replacement cost (GRC) has recently been valued at over £1.677 billion.

- 3.2 The network and associated asset liabilities are increasing year on year as new developments are built and adopted. The charts highlighted in **APPENDIX A** clearly show how revenue and capital budgets have significantly reduced over a period of time yet more assets are added to the list of public roads for the Council to maintain. This leads to increased costs of complying with statutory duties; however this has not been recognised by a corresponding increase in budget allocation.
- 3.3 In simple terms, the base allocation needs a similar enhancement if standards are to be maintained.
- 3.4 Roads maintenance activities have four primary purposes:
- Structural maintenance to repair and maintain the fabric of the road network
 - The continued lighting of the network to ensure a safe and free flow for both vehicular and pedestrian traffic
 - Traffic management and road safety aspects to provide for the safe movement of traffic, including cyclists, pedestrians and other vulnerable groups
 - Other routine functions of a reactive or environmental nature needed to remove hazards to road users, to prevent deterioration to the fabric of the road, and to keep the network clean and attractive.
- 3.5 Following the earlier Council decision that was made on the 11 February 2014 (paragraph 3 of the Minute refers), to allow Moray's road condition to deteriorate, it has since been recognised at a meeting of Moray Council on 3 March 2020 (paragraph 3 of the Minute refers), that the reduced capital investment since that decision has had the desired outcome. The Economic Development and Infrastructure Services Committee on 21 January 2020 (paragraph 7 of the Minute refers) considered a report highlighting that Moray's road condition indicator figures are now increasing more aggressively than previous years and that if this is not addressed, the costs of reversing this trend will rapidly become unaffordable.
- 3.6 The condition of the council's road network is monitored via the Scottish Road Maintenance Condition Survey (SRMCS) which is a Scotland-wide machine-based survey, the results of which are used to calculate a Road Condition Indicator (RCI). The RCI provides information about which sections of a network should be considered for planned maintenance soon, which sections should be investigated to determine the optimum time for maintenance and which sections are generally in a good state of repair (these three categories are colloquially known as "red", "amber", and "green" lengths). The RCI in Scotland is the proportion of the network falling within Red and Amber.
- 3.7 In simple terms, the higher this percentage is, the worse the road network's condition is in.

- 3.8 This report summarises the latest RCI results & highlights what significant factors have changed since the previous survey was undertaken.

4. **LATEST ROAD CONDITION INDICATOR (RCI) & RANKINGS (2018/20)**

- 4.1 Following the completion of the road condition surveys undertaken in 2020, the council has now received the latest RCI % figures. Table 1 below details the current RCI % figures and ranking position in comparison with other Scottish Authorities for previous years.

Table 1: RCI (%) and ranking position

Network	2015-17		2016-18		2017-19		2018-20		2019-21	
	RCI	Ranking	RCI	Ranking	RCI	Ranking	RCI	Ranking	RCI	Ranking
Whole Network	26.9%	4	27.9%	4	29.1%	4	30.6%	8	28.5%	?
A Class	25.2%	17	25.9%	15	28.6%	21	29.2%	20	26.6%	?
B Class	22.8%	8	23.5%	7	25.6%	13	25.8%	12	22.3%	?
C Class	21.9%	5	24.9%	5	28.1%	8	25.2%	7	21.3%	?
A,B,C Class	22.9%	5	24.6%	5	27.3%	9	26.2%	8	22.7%	?
Unclassified	31.4%	5	31.6%	5	31.1%	6	35.5%	16	35.0%	?

- 4.2 Unfortunately, at the time of writing this report the rankings of where Moray sits when compared with the other 32 Scottish Authorities have not been released. This is due to a delay as a result of the current Covid pandemic and operational issues in the undertaking of road surveys.
- 4.3 However, quite surprisingly, it can be noted that in each road classification as well as the overall network, the % of the network that requires treatment has reduced – i.e. our network is in better condition this year than last (this completely bucks the trend of the last few years where the network has been getting worse year on year). However, there have been changes in the way the surveys have been undertaken this year, which are detailed below.
- 4.4 The national results are not available yet for this year but as a reminder, it was reported at the Economic Development and Infrastructure Services Committee on 21 January 2020 (paragraph 4 of the Minute refers), that Moray had the highest shift change in RCI, (worsening condition of our roads) in comparison with other Scottish Authorities over the previous 6 years.
- 4.5 The chart in **APPENDIX B** clearly shows our RCI position in 2010/12 and where our RCI is at present. The increased deterioration is exactly as forecast, which further reinforces the need to address the change in road condition and increase the investment to target this.

5. **FACTORS INFLUENCING RCI CHANGES**

- 5.1 There are a number of factors that may have influenced our RCI figures and road conditions improving this year and following discussions with our survey provider, WDM, these are referenced below.

Change in survey process

- 5.2 WDM use a correction process known as texture data correction, which has been

changed this year from previous years. This has been a significant factor in our RCI shift. Our latest network RCI of 28.5% would have been 29.3% if they had continued with the old process. They also confirmed that last year's network RCI of 30.6% would have been 28.5% if it had been calculated using the new process. This can be seen in **APPENDIX C**

Survey timing

- 5.3 WDM carried out the SRMCS survey later last year (August 2020) due to the Covid pandemic. In previous years our surveys have been undertaken in May. This later start means that some of our resurfacing/surface dressing works were completed before the most recent survey. The extended gap between the 2019 and 2020 surveys will have benefitted from 2 years' worth of improvement works. In addition, the lower traffic volumes (due to Covid), and the drier summer weather may both be contributory factors.

Cracking data

- 5.4 WDM's own investigations into our SRMCS data has detected a bias in this year's cracking data, with an increase in the "no cracking identified" category. Clearly less cracking will result in an improved RCI. It is unclear at this time why less cracking was detected, but it could be due to the drier summer and the cracks being full of dust and therefore invisible to the scanner.

Scheme selection

- 5.5 Our annual surface dressing programme has been developed at short notice last year, due to Covid, and officers targeted locations where no (or minimal) preparatory work was required. By their nature, these sites could have been locations which were either red or amber in the previous SRMCS survey due to poor texture only, so the surface dressing will have restored them to green. In previous years we have been using surface dressing to treat roads which really required resurfacing. So, in short, we may have got more 'RCI benefit' from this year's surface dressing programme than we normally would.

6. STRATEGIC CONTEXT MOVING FORWARD

- 6.1 There are a number of strategic drivers for this investment and associated strategies, programmes, and plans are contained in the vision for the Moray Growth Deal which is:
- By the year 2030 Moray is a destination of choice, the area being known and recognised as an outward facing and ambitious community with a thriving and well connected commercial base and an environment in which quality of life is valued and supported."
There is also strong strategic fit with the UK Governments Industrial Strategy and Scotland's Economic Strategy
 - Infrastructure: a major upgrade to the UK's infrastructure, which aims to deliver an economy where growth is underpinned by long-term sustainable investment in people, infrastructure and assets;
- 6.2 The capital plan approved 2020/2021 included a phased increase in capital budget of £500,000 on an annual basis to address the issue of our deteriorating road conditions. Due to the pandemic, that level of investment was not possible. Proposals for adjusted investment levels are part of the

council's budget setting process and will be confirmed at the council's budget setting meeting on 3 March.

- 6.3 In light of discussions during budget preparations and RCI scores, it is suggested that officers monitor our 2021 and 2022 RCI results and, subject to the outcome of these (assuming they show a deterioration), undertake a more detailed analysis that would provide a more up to date long term prediction on our road condition based on different budget scenarios for the years 2023/24 onwards. In the meantime work will continue to the current standard which is to be mid table in terms of our headline RCI scores.
- 6.4 The risk in this approach is that we could see a dramatic decrease in the condition of our roads. However, given the most recent results and the static position from last year, it is felt that this is unlikely over the next 12 month period.
- 6.5 It is also felt that there may be no significant change in our RCI condition until November 2022 when our results are released. The rationale behind this is due to the impact of Covid during 2020/2021 less traffic and reduced spend. In addition, any the majority of capital works for 2021/22 will not be completed before our annual condition survey, which will take place around July 2021. So, in summary investment in 21/22 will not have any bearing on our roads assessment until the condition surveys are undertaken in the summer of 2022.

7. SUMMARY OF IMPLICATIONS

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

Several objectives of these plans are influenced by the condition of the public roads network.

A Growing, Diverse and Sustainable Economy – the public road network is used by all sections of society, to access shops and services and to transport goods within and to and from Moray.

Building a better future for children and young people in Moray encouraging active travel options of walking and cycling require well maintained, and adequately treated during the winter months, facilities.

Empowering and connecting communities – road and footway hazards have the potential to cause injury. Winter gritting provision contributes to making communities safer.

(b) Policy and Legal

The Council is responsible for the maintenance of 1558km of road network which have been adopted by the Local Authority in terms of the Roads (Scotland) Act 1984. The Act places a duty on the Local Authority to maintain the roads, lighting units and structures so adopted, but does not prescribe the level of maintenance to be delivered.

The Well-managed Highway Infrastructure Code of Practice identifies good practice, and consideration has to be given to this advice.

(c) Financial implications

Continuing reduced revenue maintenance budgets as part of the Councils financial savings options approved for 19/20 will have a significant impact on the repair of potholes and overall condition of the road network over time. The current 10 year capital plan recognises the need for increased investment and this will be updated to reflect implications of the RCI indicators in the future.

(d) Risk Implications

Pressure on general maintenance budgets will increase in terms of reactive maintenance as carriageway conditions deteriorate.

(e) Staffing Implications

There are no staffing implications as a result of this report.

(f) Property

There are no property implications as a result of this report.

(g) Equalities/Socio Economic Impact

There are no equalities implications as a result of this report.

(h) Consultations

Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services, Chief Financial Officer, Legal Services Manager, the Equal Opportunities Officer and L Rowan, Committee Services Officer have been consulted and any comments taken into consideration.

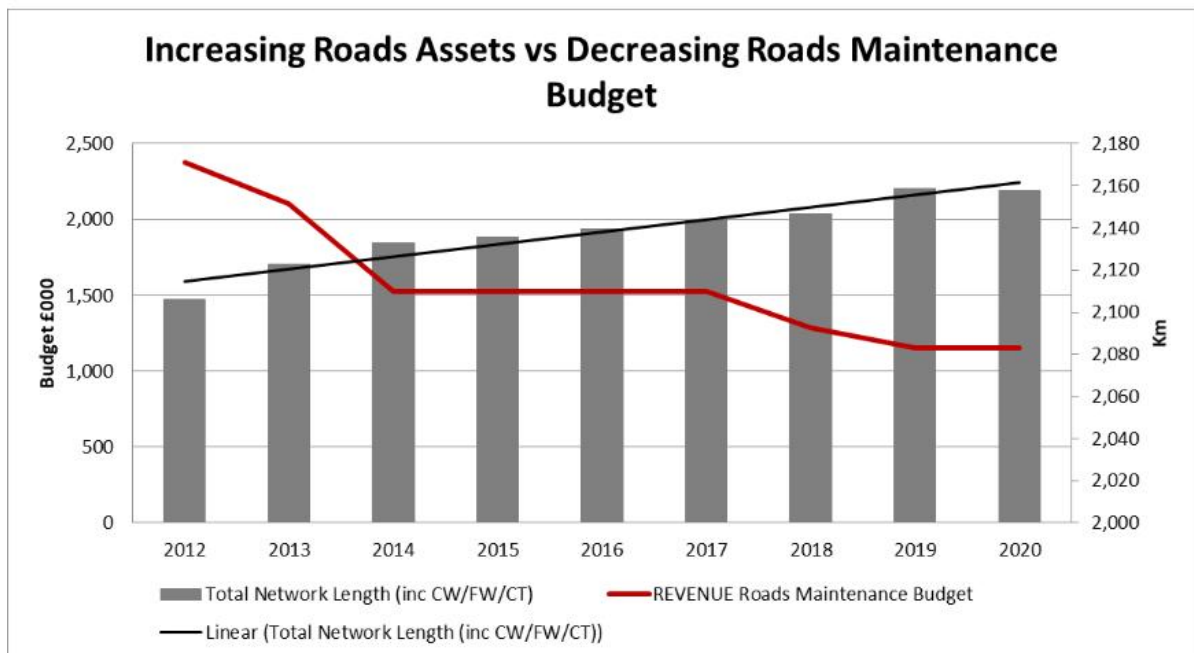
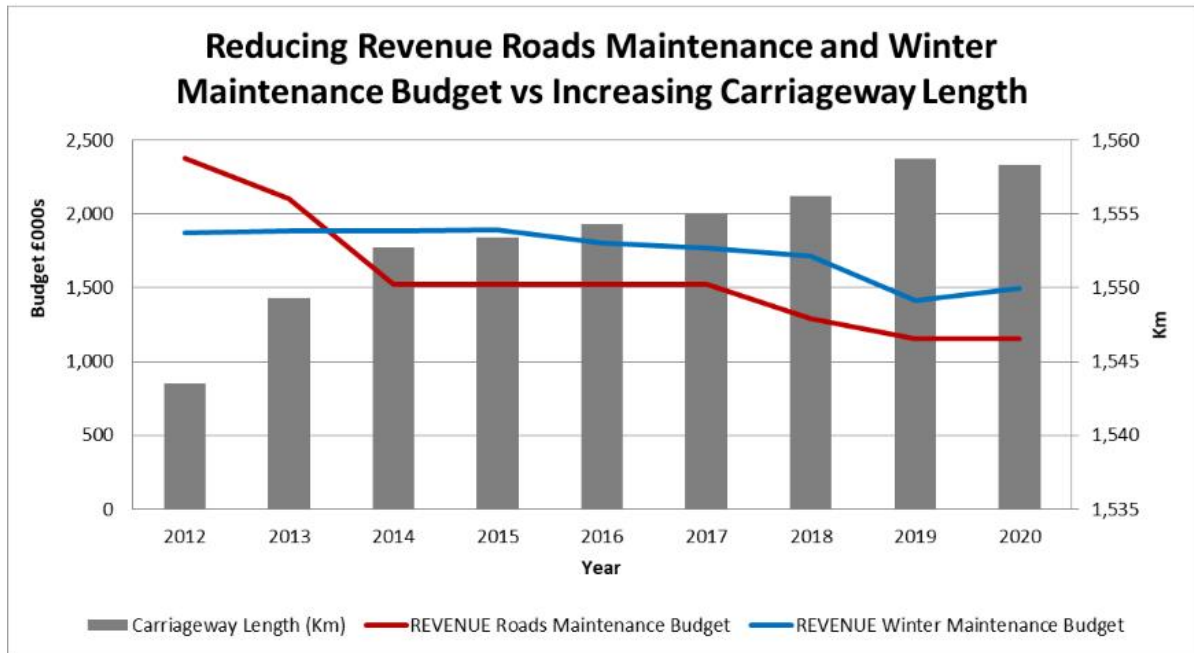
8. CONCLUSIONS

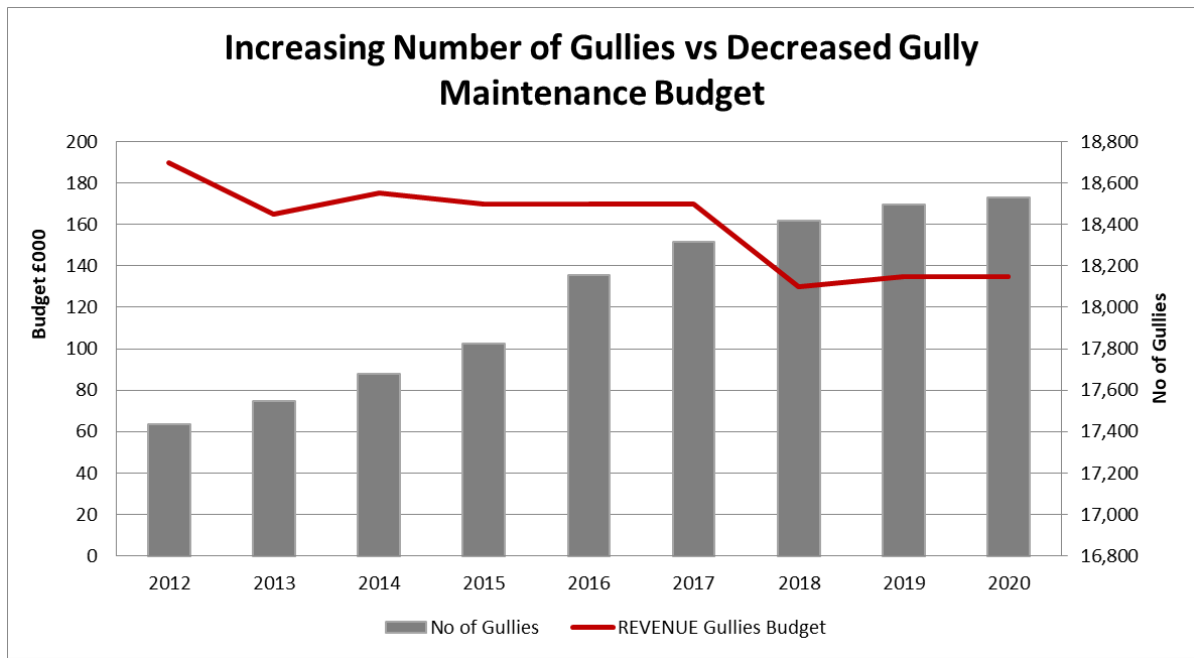
- 8.1 **The report highlights our current most up to date RCI position and whilst it can be seen that the latest figures have increased slightly there are mitigating factors referenced that may have influenced this.**

Author of Report: Mark Atherton, Roads Maintenance Manager
Background Papers:
Ref:

APPENDIX A

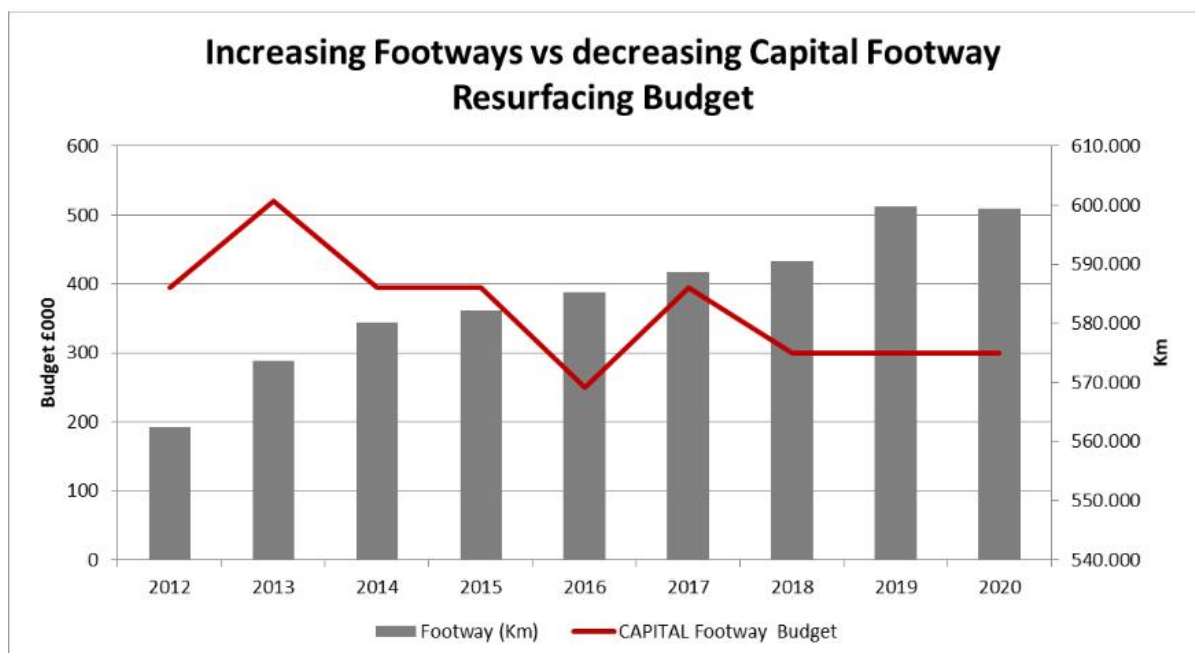
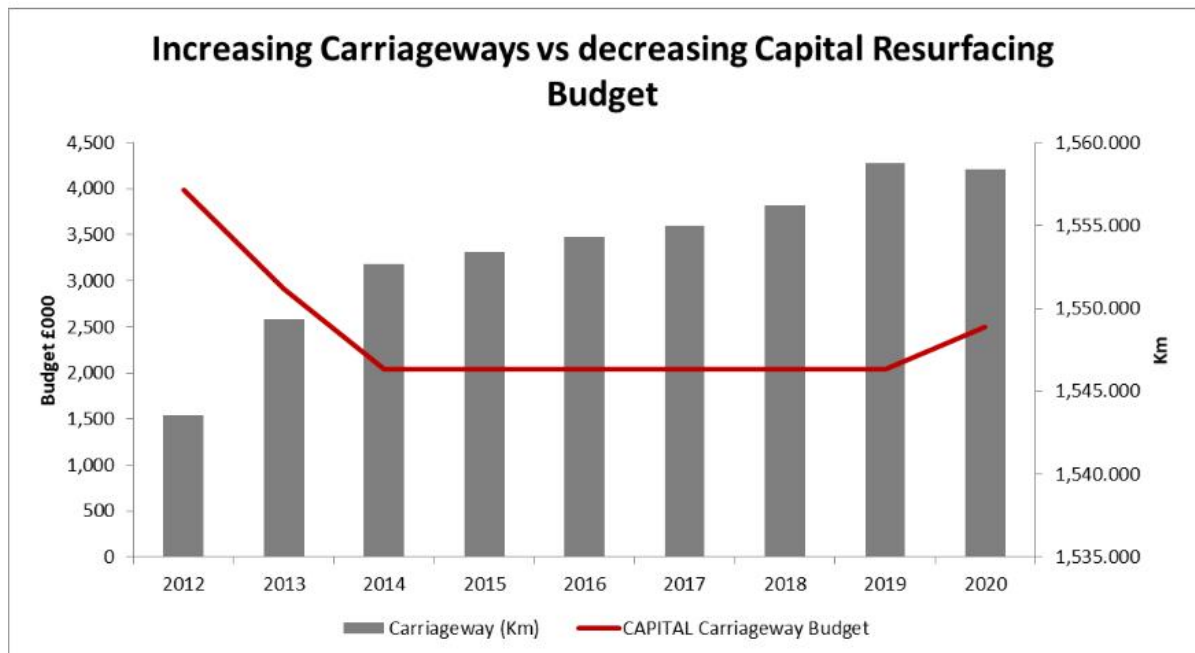
Revenue Budget Charts



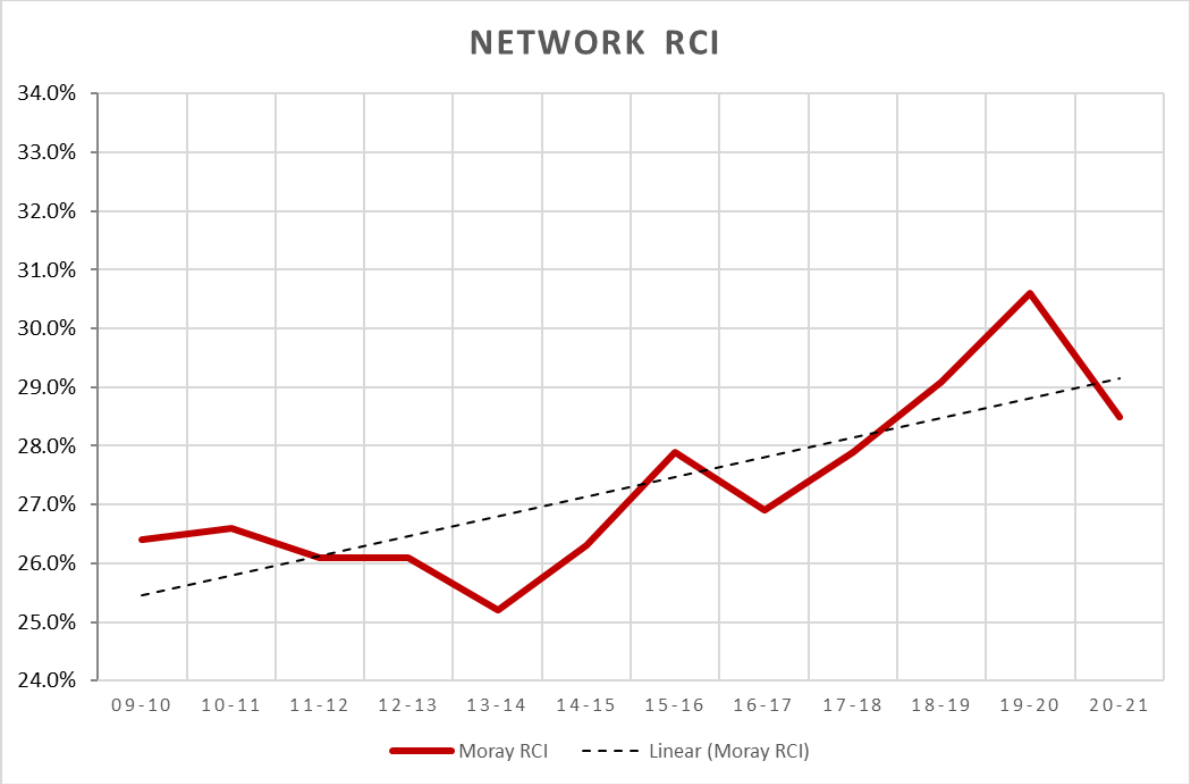


APPENDIX A

Capital Budget Charts

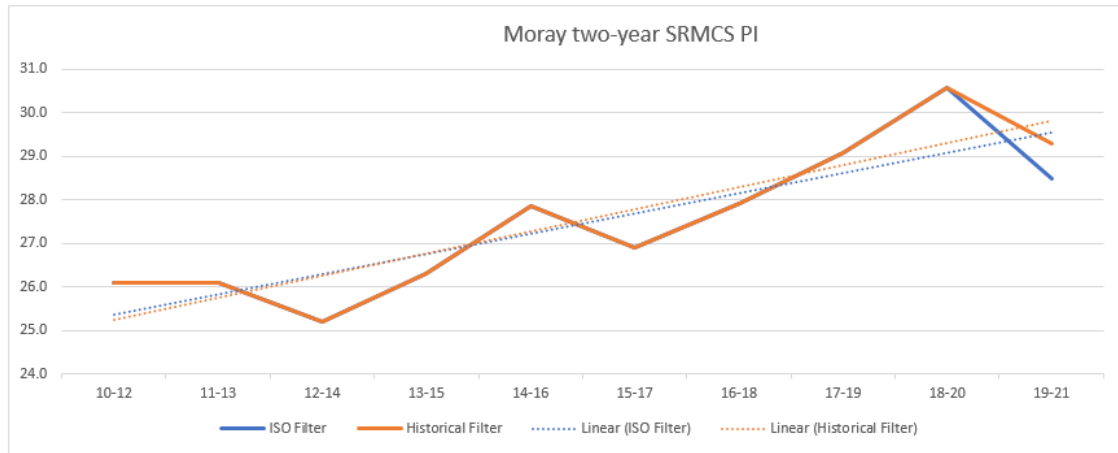


APPENDIX B – Moray RCI



APPENDIX C – Moray RCI – Change in Texture Calculation

10-12	11-13	12-14	13-15	14-16	15-17	16-18	17-19	18-20	19-21
26.1	26.1	25.2	26.3	27.9	26.9	27.9	29.1	30.6	28.5
26.1	26.1	25.2	26.3	27.9	26.9	27.9	29.1	30.6	29.3





**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021**

SUBJECT: MARINE SAFETY PERFORMANCE REVIEW Q3 2020/21 UPDATE

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

1. REASON FOR REPORT

- 1.1 To inform the Committee with regard to matters of Marine Safety and compliance with the Port Marine Safety Code (PMSC) for the third quarter of 2020/21.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

- 2.1 **Committee is asked to consider the contents of this report.**

3. BACKGROUND

- 3.1 A report was submitted to the meeting of the Economic Development and Infrastructure Services Committee on the 20 March 2018, with the subject Port Marine Safety Code (PMSC).
- 3.2 Paragraph 6 of the minute of that meeting instructs officers to report quarterly to this Committee, as the Duty Holder, on matters of marine safety.

4. COMMITMENT TO THE PMSC

- 4.1 Moray Council, in its capacity as a Statutory Harbour Authority, is committed to undertaking and regulating marine operations to safeguard all its harbour areas, the users, the public and the environment.
- 4.2 The aim of the harbour team is to manage operations safely, efficiently, sustainably and as a benefit to all of the users and wider communities.

4.3 The team are committed to:

- a) full compliance with all legal requirements in harbour operations while seeking to meet the changing needs of all harbour users
- b) improving safety in all processes. Competent skilled personnel backed by an active safety culture are key to a positive safety record.
- c) undertaking hazard identification and risk assessments when required and implementing improvement measures where necessary.

4.4 The team expect that all harbour users recognise the effect that they can have on the harbours operation and reputation and must work to our standards as a minimum. A Permit to Work system is in place to maintain control over hazardous work. The team will ensure that any contractors or others management systems fully support the same commitment to health, safety and environmental performance.

5. VESSEL MOVEMENTS

5.1 In the third quarter of 2020/21 there were 15 cargo movements (arrival and departure) at Buckie. This included 8 acts of pilotage, 5 in and 3 out, with 5 of the operations being during the hours of darkness.

5.2 There were 3 exports, 2 of Malting Barley and 1 of Stones through the quarter.

5.3 Vessels continue to arrive at Buckie for maintenance work at Macduff Shipyards.

5.4 During quarter three all cargo vessels have continued to complete a Medical Health Declaration which includes details of the recent movements and port visits, as well as any medical issues on board. All the completed Declarations are stored in SharePoint.

5.5 The Declaration also informs decisions relating to pilotage, such that no pilot would board any vessel where the risks to health are considered unacceptable. Appropriate physical distancing has been achieved on the bridges of all the vessels concerned and routine pilotage service continues to be maintained.

5.6 All commercial vehicle drivers attending Pier 1 for cargo operations continue to complete a self-declaration form to confirm that they do not have COVID-19 symptoms or have been in contact with anyone exhibiting symptoms.

6. CONSERVANCY

6.1 There have been no dredging operations during the quarter with the vessel's digger breaking down and requiring a new engine.

6.2 When the vessel return to dredging operations, at the start of Q4, the priority areas for dredging remain Burghead (sand bank approaching harbour entrance) and Buckie (entrance channel). Other dredging requirements include:

- Findochty: dredging to run in conjunction with pontoon renewal works
- Hopeman: continue to work on the mound of silt at the end of the pontoon system and another mound in the outer basin – will continue to maximise spring tides
- Cullen: removal of sand from the beach side of the basin

7. GENERAL SAFETY IMPROVEMENTS

Buckie

- 7.1 Installation of new lights in the Chill in new positions has improved the lighting and prevents the lights getting damaged. The sides of the Chill door has also been reinforced to prevent further damage.
- 7.2 The Pontoon, Fish market and various minor areas have been treated with algae killer to prevent slippages.
- 7.3 Various plumbing issues have been rectified in Showers and Public Toilets, mainly to prevent slippery surfaces.
- 7.4 Various housekeeping jobs have been completed during this quarter.
- 7.5 There has been a temporary change to the Cliff Terrace Lighthouse from occulting to fixed lighting.

Burghead

- 7.6 New wash down pump has been supplied but has still to be plumbed in.
- 7.7 Housekeeping continued throughout the quarter.
- 7.8 The issue of reducing vehicle movements on piers is ongoing Discussions are continuing with all interested parties to come to a suitable resolution.
- 7.9 Replacement of waste oil tank lid.
- 7.10 Issues with street lights rectified.

Hopeman

- 7.11 Solution for rescue ladder replacement is still being investigated, various ideas have been tried and rejected.
- 7.12 The team have successfully contacted all owners of trailers in the compound and these have now been named and are easily identified for ease in the future.
- 7.13 The pothole on road to west pier has been fixed.

Findochty

- 7.14 The pontoons remain closed to access and all berth holders were instructed to contact the harbour team for their own safety prior to checking their boats. The

contract for the replacement of the pontoons has now been awarded, and a stakeholder briefing will be put to members and berth holders in Q4 setting out timescales and other information.

- 7.15 The pontoons continue to be checked regularly to ensure the circumstances have not changed and rope change out when required.

Portknockie

- 7.16 Pontoons and slipway treated with algae killer.
- 7.17 Extensive work has been carried out on the pontoon hinges, including a new design of hinge fitting a new float and plates to secure the bolts.
- 7.18 New life ring holders have been installed including one at a new location at the top of the steps from the paddling pool.
- 7.19 Full new railing on order on North Pier after safety railing had to be cut away due to corrosion.

Cullen

- 7.20 Replacement of handrail at top of steps at North Pier.
- 7.21 Redundant hardware continues to be removed with a start on toe rails.
- 7.22 Street lighting has been improved on Mid Pier.

8. INCIDENT STATISTICS

8.1 Injuries:

There were no injuries during the quarter.

8.2 Incidents:

On 16 November 2020 a vessel in slipway area of Buckie Harbour was not tied up properly and when the tide went out it resulted in the boat tipping to one side with fuel coming out the fuel tank breather, activating the oil spill response plan.

On 1 December 2020 an incoming vessel at Buckie Harbour, after requesting the depth of water the Skipper ignored the advice of the Harbour Office and proceeded to come in but took the bottom adjacent to the North Pier breakwater. The boat was moved as close to the pier as possible to avoid blocking the channel and waited for water.

8.3 Near Misses:

None.

9. KEY PERFORMANCE INDICATORS

9.1 Pilotage

Pilotage is not compulsory at Buckie harbour, and therefore not all cargo movements require the services of a pilot. The number of pilotage acts carried out in the third quarter of 2020/21 was 8, in relation to 15 vessel movements in and out of the harbour. Despite a further 2 pilotage acts planned during December 2020 these had to be cancelled due to the late change in the estimated time of arrival of the vessels and the Windcat vessel ferrying the pilot out to the cargo vessel was not available at the rescheduled time. To ensure this does not reoccur a further Windcat vessel has been endorsed to carry out this duty. A Windcat is being used as pilot boat whilst the council's pilot boat is repaired following damage to the propeller.

9.2 Aids to Navigation

As a Local Lighthouse Authority, Moray Council is required to report the availability of all its navigational lights to the Northern Lighthouse Board in March of each year. The following table gives the detail that is reported on an annual basis. This is the table submitted in March 2020.

Table 1: Availability of Navigation Lights

IALA Category	No Of Aids	Total Hours	No Of Failures	OOS Hours	MTTR	MTBF	Availability	Target Availability
Moray Council								
CAT 1	1	26,304	0	0:00	0:00	0:00	100.00 %	99.80 %
CAT 2	15	394,560	4	26403:25	6600:51	92039:09	93.31 %	99.00 %
CAT 3	4	105,216	1	18350:00	18350:00	86866:00	82.56 %	97.00 %
No Category	0	0	0	0:00	0:00	0:00	0.00 %	0.00 %
Totals	20							

Key to headings:

IALA	International Association of Marine Aids to the Navigation and Lighthouse Authorities
OOS hours	Out of service
MTTR	Mean Time To Repair
MTBF	Mean Time Between Failures

The low Availability shown in Table 1 for the Cat 2 and 3 lights was principally due to the old and unreliable lights at Cullen and Portknockie. These have now been replaced with new solar units.

Table 2 lists all the navigation aids currently managed by the Council. There is only one Category 1 light, which is located on the West Mucks at Buckie harbour, principally to aid cargo vessel movements. There are eleven Category 2 lights and four Category 3 lights of which two are unlit beacons.

Table 2: Moray Council - Aids to Navigation						
ALLFS No.	AtoN No.	Aton Name	Aton Type	Character	Range	IALA Cat
A3396.1	3396.1	Buckie Harbour. Cliff Terrace.	Sector Light	Iso WG 2s	16	CAT 2

A3394	3394	Buckie Harbour. N Pier. Lts in line 096. Rear. 60m from front	Leading Light	Oc R 10s	15	CAT 2
A3392	3392	Buckie Harbour. North Pier Lts in Line 096. Front	Leading Light	2 F R(ver)	9	CAT 2
A3396	3396	Buckie Harbour. W Pier. Elbow	Light	2 F G(ver)	4	CAT 2
A3391	3391	Buckie Harbour. West Muck	Light	Q R	7	CAT 1
A3429.	3429.	Burghead Harbour. Entrance Groyne	Light	Fl G 5s	1	CAT 2
A3428.5		Burghead Harbour. Fishing Transit Light	Light	FG	1	CAT 3
A3424	3424	Burghead Harbour. N Pier. Head	Light	Oc W 8s	5	CAT 2
A3428	3428	Burghead Harbour. S Pier. Head	Light	Q G	5	CAT 2
A3426	3426	Burghead Harbour. Spur. Head	Light	Q R	5	CAT 2
	3383U	Cullen Harbour. North Pier.	Unlit Beacon			CAT 3
A3372	3372	Cullen Harbour. Outer Basin.	Light	Fl G	2	CAT 3
A3385	3385	Findochty. Ldg Lts 166deg. Front.	Leading Light	F R	3	CAT 2
A3385.1	3385.1	Findochty. Ldg Lts. Rear. Harbour Road. 30m from front	Leading Light	F R	3	CAT 2
	3386U	Findochty. West Pier	Unlit Beacon			CAT 3
A3418.1	3418.1	Hopeman Harbour. Ldg Lts 081deg. Rear. 10m from Front	Leading Light	F R	4	CAT 2
A3418	3418	Hopeman Harbour. N Quay. Elbow. Ldg Lts 081deg.Front	Leading Light	F R	4	CAT 2
A3416	3416	Hopeman Harbour. W Pier. Head	Light	Oc G 4s	4	CAT 2
A3382.1	3382.1	Portknockie Harbour. Ldg Lts 150 30' (Rear)	Leading Light	Fl G	2	CAT 2
A3382.	3382.	Portknockie Harbour. Ldg Lts. 150 30' (Front)	Leading Light	Fl G	2	CAT 2

Local Lighthouse Authorities are required to manage their Aids to Navigation within international guidelines as determined by the IALA. Aids to Navigation (AtoN) are categorised according to their navigational importance with their 'availability' requirements reflecting this:

Availability	Objective	Definition
Category 1	99.8%	AtoN considered to be of primary navigational significance
Category 2	99.0%	AtoN considered to be of navigational significance
Category 3	97.0%	AtoN considered to be of less navigational significance

The 'Availability Objective' is calculated over a rolling 3-year period. This means that over this period a Cat 1 AtoN needs to be functional for 99.8% of the time.

10. FUTURE OBJECTIVES AND PLANS

10.1 Objectives identified for 2020/21 and beyond include the following:

- Preparation for statement of compliance – the statement of compliance with the PMSC will need to be submitted in March 2021, and a review and audit was carried out on 22 October 2020 by the Designated Person in Q3 in preparation.
- Review of SMS: the SMS is constantly under routine monitoring and review.
- Monitor consistent incident reporting, including potential incidents.
- Further Pilot training and accreditation is ongoing.

11. SUMMARY OF IMPLICATIONS

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

Sustainable harbours maintained to operate safely and efficiently contribute to the economic development of Moray.

(b) Policy and Legal

Non-compliance with the Code will have legal implications.

(c) Financial implications

Non-compliance of the Code may have financial implications.

(d) Risk Implications

Prosecution of the authority may result from the failure to comply with the Port Marine Safety Code.

(e) Staffing Implications

Key personnel are to be trained, qualified and experienced.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no specific equalities matters, however, the Equalities Officer has been consulted and comments incorporated into this report.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Legal Services Manager (Property & Contracts), Principal Accountant, Committee Services Officer (L Rowan), and Equalities Officer have all been consulted and their comments incorporated into the report.

12. CONCLUSION

12.1 The council is currently deemed to be compliant with the PMSC, however, there is still work to be done to stabilise our position in relation to marine safety. This will be evidenced through future reports to this Committee, and scrutinised by this Committee as Duty Holder.

Author of Report: Karen McGilly, Acting Harbours Manager

Background Papers:

Ref:



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON TUESDAY 16 FEBRUARY
2021**

**SUBJECT: PERFORMANCE REPORT (FINANCIAL SERVICES) – APRIL TO
DECEMBER 2020**

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

1 REASON FOR REPORT

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

2 RECOMMENDATION

2.1 It is recommended that Committee:

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

3 BACKGROUND

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

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

4 SUMMARY OF PERFORMANCE

- 4.1 At a meeting of the Economic Growth, Housing and Environmental Sustainability Committee on 1 December 2020, approval was given for the Financial Services Service Plan (para 7 of the minute refers).
- 4.2 As per the Performance Management Framework, this Service Plan consists of two distinct sections;
- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan and the Corporate Plan.
 - Service Level Outcomes – reflecting service priorities not covered in higher level plans.
 - Additionally, a third section has been added due to the pandemic – Recovery & Renewal Outcomes.
- 4.3 A total of 9 actions were included in the Service Plan, including one Recovery & Renewal Outcome action that was due for completion by the end of December 2020. Overall the plan is 69% complete indicating actions are on schedule.

Level of Action	Number of Actions	Expected completion by December 2020	Actual completion by December 2020
Strategic Outcome	1	Nil	N/A
Service Level Outcomes	7	Nil	N/A
Recovery & Renewal Outcomes	1	1	Action was 93% complete

Strategic Outcomes - successes

- 4.4 Financial Services have been tasked with developing the council's medium to long term financial strategy in support of the Corporate Plan priority: 'A Sustainable Council: that provides valued services to our communities'. The outcome will be an affordable and achievable budget, more clearly aligned to council priorities. The work is progressing according to the planned timetable and the first update report will be submitted to elected members in March 2021, as planned, albeit with no final solution for future budget gaps developed at that stage. (**ACTION FIN20-22.Strat-4.1**)

Service Level Outcomes - successes

- 4.5 Progress is being made on developing mainstream Participatory Budgeting (PB) and implementing PB projects within the community working with Money for Moray. The Scottish Government, who have set this priority, have recognised nationally the impact of the pandemic on its implementation. **(ACTION FIN20-22.Serv-5.2)**
- 4.6 Moray Council's Procurement Strategy is being amended to support the Climate Change Strategy and 80% of the procurement actions that have been identified within the strategy have been completed. **(ACTION FIN20-22.Serv-5.4b)**

Recovery and Renewal Outcomes – successes

- 4.7 As part of the lockdown recovery plans Payment Services undertook to check and pay supplier relief claims to ensure accurate payments were made in accordance with the guidance to sustain suppliers. These have mainly been for social care, though some were also for children's services. Note that supplier relief for Early Learning and school transport has been dealt with in the relevant service areas. Approximately 78 financial claims, which can include multiple locations and periods, were received. This action was 93% complete at the end of the reporting period. **(ACTION FIN20-22.Recovery-6.1)**

Strategic Outcomes – challenges and actions to support

- 4.8 No Strategic Outcome actions currently face challenges.

Service Level Outcomes – challenges and actions to support

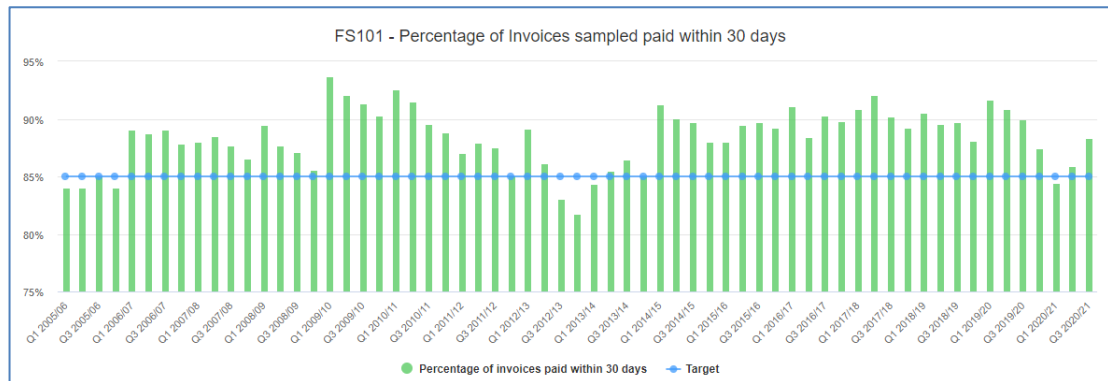
- 4.9 No Service Level Outcome actions currently face challenges.

Operational Indicators - successes

- 4.10 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance below comparators will be reported to this committee for member scrutiny.
- 4.11 The Accountancy team have 4 indicators that were all on target:
- 4.11.1 The annual accounts were submitted on time **(INDICATOR FS001)** and an unqualified audit certificate has been received. **(INDICATOR FS002)**
 - 4.11.2 A financial report was submitted to the February meeting of the Full Council to enable members to set the 2020/21 Council Tax. **(INDICATOR FS003)**

4.11.3 All budget monitoring reports were issued to budget managers on time during the first half of 2020-21; quarter 3 information not yet available. (**INDICATOR FS004**)

- 4.12 The Payments team paid 88.3% of invoices in the prescribed categories within 30 days; the team has consistently exceeded the target of 85% in recent years. There was a slight drop in performance during quarter 1 during the initial lockdown period, but the team have recovered the situation and quarters 2 and 3 both exceeded the target. (**INDICATOR FS101**)



Operational Indicators - challenges and actions to support

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

Complaints & MP/MSP Enquiries

- 4.14 Between 1 April and 31 December 2020, Financial Services received 1 complaint for which the response is being prepared. No MP/MSP enquiries were received.

5 SUMMARY OF IMPLICATIONS

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

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

(b) **Policy and Legal**

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

(c) **Financial implications**

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

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

(h) Consultations

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

6 CONCLUSION

- 6.1 At the end of December 2020 the one planned Service Plan Recovery and Renewal outcome had achieved 93% completion. Despite the circumstances brought about by the pandemic lockdown and response measures, all operational performance indicators are performing well and progress on the Service Plan actions has been made.

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



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021

SUBJECT: PERFORMANCE REPORT (ENVIRONMENTAL AND COMMERCIAL SERVICES) – 01 APRIL TO 31 DECEMBER 2020

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

1. REASON FOR REPORT

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

2. RECOMMENDATION

2.1 It is recommended that Committee:

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

3. BACKGROUND

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

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

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

4. SUMMARY OF PERFORMANCE

- 4.1 At a meeting of this Committee on 1 December 2020, approval was given for the Environmental and Commercial Services Service Plan covering the period 2020-2022 (para 7 of the minute refers).
- 4.2 As per the Performance Management Framework, this Service Plan consists of two distinct sections;
- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan and the Corporate Plan.
 - Service Level Outcomes – reflecting service priorities not covered in higher level plans.
- 4.3 In light of the Covid-19 Pandemic, a separate section has also been included this year covering the Recovery and Renewal actions to be undertaken by the Service.
- 4.4 A total of 8 actions are included in the Service Plan across these three sections. COVID-19 has affected work in relation to one of the Strategic Level actions however two Service Level actions, due to be completed by the end of March 2021, have progressed well and are expected to be completed on time. The Recovery and Renewal action has also progressed as expected.

Level of Action	Number of Actions	Total progress at end December 2020
Strategic Outcome	2	0%
Service Level Outcomes	5	32%
Recovery and Renewal Outcomes	1	60%

Strategic Outcomes - challenges and actions to support

- 4.5 ECS20-25 (Yr 1) - Section 4(a); To promote and develop active and green travel, it was planned to deliver level 2 and 3 bikeability sessions in primary and secondary schools and increase the number of electric car charging points in Moray. Unfortunately due to COVID-19, work with both has not progressed as expected. School closures and restrictions have affected the delivery of bikeability while work on additional chargers in Elgin was delayed. This work has now restarted with six additional chargers planned to go live during quarter 4 2020/21. Bikeability will restart as soon as restrictions allow.

Service Level Outcomes - successes

- 4.6 ECS20-25 (Yr 1) – Section 5(a); As part of the COVID-19 Service Delivery Recovery for Roads Maintenance, the 2020/21 Capital and Revenue Programme was reprioritised with the aim to deliver 60% of the original planned work by the end of March 2021. This is progressing well and is on track to be completed on time, however this is subject to the introduction of any further construction sector restrictions and any delays brought on by any inclement winter weather.
- 4.7 ECS20-25 (Yr 1) - Section 5(e); Work to improve satisfaction of the services provided by the Waste Team has continued as planned this year despite the impact COVID-19 had on this service. This work includes, the introduction of regular communication with the Contact Centre, better use of Moray Council's online Service Disruption Page and access for contact centre staff to the Household Waste Recycling Centre (HWRC) booking system allowing quicker resolution of any customer queries. Final improvements and any required staff training will be completed during quarter 4 with complaints analysed at the end of the year to identify the impact of this work.

Recovery and Renewal Outcomes – successes

- 4.8 ECS20-25 (Yr 1) - Section 6(a); the Spaces for People programme aims to ensure essential travel and exercise are safe during the COVID-19 pandemic. The action plan for Moray includes the use of flexible interventions that can be introduced and removed as required. Temporary road closures and parking suspension were implemented during the summer of 2020 with road closures in Elgin Town Centre ending on 29 October 2020 and other temporary changes ending on 31 December 2020. The remainder of this project will focus on cycle parking and seating, along with measures to enforce existing pedestrianisation orders.

Operational Indicators - challenges and actions to support

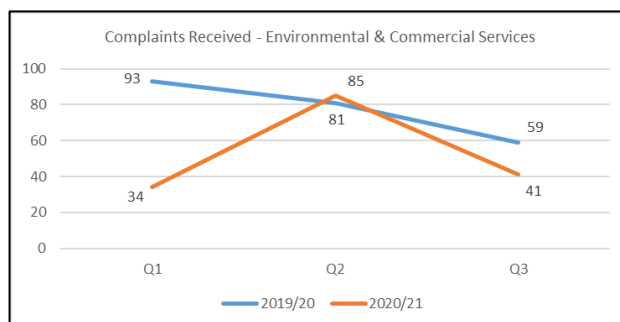
- 4.9 Due to the COVID-19 restrictions in place at the time, the 'Average occupancy of all paid car parks in Elgin' (Envdr232) understandably dropped significantly during quarter 1 this year; falling from 53% in quarter 4 to 22%. Quarter 2 recorded an increase back to 49% however the occupancy rate has declined again in quarter 3 to 39%. Many people continue to follow Scottish Government advice by working from home but occupancy is also likely to

have been affected by the temporary restrictions introduced across Scotland between 07 October and 02 November.

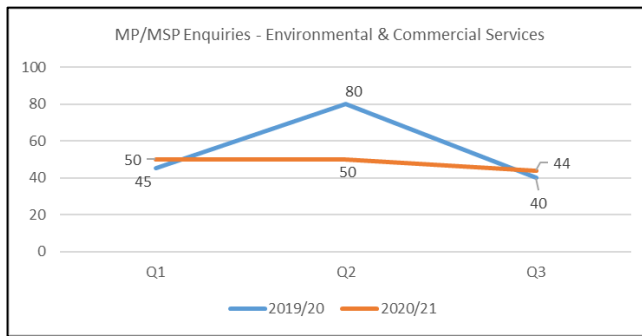
- 4.10 Throughout the COVID-19 pandemic and restrictions, all routes for the Dial M Services have continued, ensuring public transport has been available to those who need it. This has resulted in large increases in costs with the 'Net unit cost per passenger per trip of the Dial M Service' (Envdr257) approximately three times higher during quarters 1-3 than that recorded during quarter 4 2019/20. Despite strict hygiene regimes on all vehicles, passenger numbers remain low with confidence affected by government guidelines still advising against use of public transport. To offset the cost to local bus services, the Scottish Government has confirmed estimated concession revenue will be retrospectively awarded. Recorded net unit costs will be amended to reflect this when payments are received.
- 4.11 Uptake of primary school meals both overall (Envdr071) and with P1-3 pupils (Envdr249) were low during the recovery phase of school meals provision when cold lunches only were provided. The reintroduction of hot meals in late September has helped increase uptake in quarter 3 however both indicators remain below target. These targets will be reviewed for the financial year 2021/22 allowing time for COVID recovery to continue and the return to a normal school meal service. Within this review, consideration will be given to national trends and the introduction of the new Food & Drink Legislation in April 2021.

Complaints & MP/MSP Enquiries

- 4.12 Between April and December 2020, Environmental and Commercial Services received 160 complaints; a fall of 31% compared to the same period last year. Of the three quarters covered during this time, quarter 1 recorded the largest decline with complaints received falling by 63%. This large decline can likely be attributed to the COVID-19 pandemic restrictions in place at the time.



- 4.13 During the first three quarters of the year, 163 complaints were closed with 150 (92%) dealt with as frontline and 13 (8%) investigated further. There were no escalated complaints. A total of 71 complaints (44%) were upheld, 11% less than the same period last year.
- 4.14 In addition to complaints, 144 MP/MSP enquiries were dealt with between April and December; a decrease of 13% from the same period last year. Unlike with complaints, the COVID-19 restrictions in quarter 1 did not affect the number of enquiries made, with the largest decline compared to last year recorded during quarter 2.



5 **SUMMARY OF IMPLICATIONS**

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

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

(b) Policy and Legal

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

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

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

(h) Consultations

The Head of Environmental and Commercial Services, Depute Chief Executive (Economy, Environment and Finance), Service Managers, Legal Services Manager, the Equal Opportunities Officer, and Lissa

Rowan, Committee Services Officer have been consulted with any comments received incorporated into this report.

6. CONCLUSION

- 6.1 At the end of December 2020, the impact of the COVID-19 pandemic continues to be felt across Environmental & Commercial Services. Work planned to promote and develop active and green travel has been delayed while the uptake of services such as Car Parks, Public Transport and School Meals has declined. COVID-19 has resulted in additional work including the Spaces for People project while Road Maintenance work has been reprioritised. During the final quarter of 2020/21, work to meet as many of the planned outcomes for this year as possible will continue.**

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



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021

SUBJECT: PERFORMANCE REPORT (ECONOMIC GROWTH AND DEVELOPMENT SERVICES) – YEAR TO SEPTEMBER 2020

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

1. REASON FOR REPORT

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

2. RECOMMENDATION

2.1 It is recommended that Committee:

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

3. BACKGROUND

- 3.1 On 7 August 2019, the Moray Council, approved a revised Performance Management Framework for services (para 5 of the minute refers). The

framework introduced new arrangements for managing, delivering and reporting of performance with the aim of increasing focus on priority areas, reducing the level of reporting on lower priority indicators and directing scrutiny towards areas of strategic importance trends. Whilst the key performance trends in operational performance will continue to be reported, the focus of committee scrutiny will be on the delivery of priorities in the Local Outcome Improvement Plan (LOIP), Corporate Plan, and Service Plan. This report covers progress in achieving the Economic Growth and Development Services' Service Plan priorities, as well as the important trends in the key Economic Growth and Development Services' performance indicators.

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

4. SUMMARY OF PERFORMANCE

- 4.1 At a meeting of this Committee on 1 December 2020, approval was given to the Economic Growth and Development Services Service Plan covering the period 2020-2022 (item 5b of the Supplementary Agenda refers).
- 4.2 As per the Performance Management Framework, this Service Plan consists of three distinct sections along with the added recovery sections:
- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan, and the Corporate Plan.
 - Service Level Outcomes – reflecting service priorities not covered in higher level plans.
- 4.3 In light of the COVID-19 pandemic, a separate section has also been included this year covering the Recovery and Renewal actions to be undertaken by the Service.
- 4.4 A total of 8 actions are included in the Service Plan across these three sections; overall the Plan is 46% complete. No actions were due for completion by the end of December 2020, but one has been completed ahead of time. As a result of the pandemic, a shift in focus has been necessary with significant activity around the delivery of the Economic Recovery Plan. The majority of indicators aligned to Service Plan priorities are gathered annually so will be incorporated in the quarter 4 performance report.

Level of Action	Number of Actions	Expected completion by end of Dec 2020	Actual completion by end of Dec 2020
Strategic Outcome	3	0	0
Service Level Outcomes	0	0	0

Recovery and Renewal Outcomes	5	0	1
-------------------------------------	---	---	---

Strategic Outcomes - successes

- 4.5 Pursuit of the Cultural Quarter and other Moray Growth Deal projects is progressing as planned, all outline business cases were submitted to the Scottish Government in December with feedback expected from February. The Cultural Quarter planning and design procurement is underway. EG&D20-22.54.1.1

Recovery and Renewal Outcomes - successes

- 4.6 A draft Elgin Town Centre Masterplan is due to be published in March 2021, with consultation running 12 weeks to the end of May. Other Town Centre Masterplans will be progressed from October 2021. Seven of eight applications for transforming empty space to living space were approved realising grant funding of £165k with £513k of match funding. EG&D20-22.S6.1.1a
- 4.7 From November 2020 no fee pre application advice and fast track planning and building standards services is offered as standard to facilitate high street development and promote economic recovery. EG&D20-22.S6.1.1b
- 4.8 Supporting business to increase training and to meet rising demand from COVID-19 and Brexit has been progressed in the promotion and administration of the Scottish Government grant support scheme for small business and those in retail, leisure and hospitality sectors; the fund attracted 2005 applications of which 1706 were approved generating £19.2m of payments. The Economic Growth Development Team and Business Gateway administered the Newly Self-Employed Hardship Fund that generated £242k of funding to 121 of 160 applicants; the Bed and Breakfast Hardship Fund generated £39k to 13 of 25 applicants. EG&D20-22.S6.1.2
- 4.9 Safe physical distancing in Town Centres was achieved through implementing road closures, suspension of parking bays and approval of outside seating space promoting economic recovery.
- 4.10 Employability and skills activities to meet rising demand from COVID-19 progressed with Moray Pathways increasing provision to meet increased demand from individuals and employers. School leavers participated in a six week summer outdoor activity programme to build core employability skills such as communication and resilience. A new employability and training hub was launched at Elgin Youth Café to support digital inclusion within a community setting that to afford the hardest to reach access to pathway providers. Over 90 employers applied for Kickstart places and Moray Employer Recruitment Scheme (MERI) opened for applications providing employers with the equivalent of 50% wage subsidy for 12 months. Four Developing the Young Workforce (DYW) Coordinators were recruited to support employer engagement in schools and deliver on the young person's guarantee commitment. EG&D20-22.S6.1.3

- 4.11 Procurement of consultancy services gives small and medium sized enterprises access to one to one advice, assistance and support on Brexit issues and developing bids for procurement. Support information will be embedded in current procurement practice and promoted via social media. The Consultancy contractor has already engaged with local businesses experiencing difficulties with import / export documentation. EG&D20-22.S6.2.1

Complaints & MP/MSP Enquiries

- 4.12 Performance in relation to complaint and enquiry numbers, stages and status is reported by service to the Planning and Regulatory Committee. In terms of assessing complaint performance, Development Services incorporates Building Standards, Development Management, Environmental Health and Planning and Development.

5. SUMMARY OF IMPLICATIONS

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

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

(b) Policy and Legal

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

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

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

(h) Consultations

The Head of Economic Growth and Development Services, the Depute Chief Executive (Economy, Environment and Finance), the Development Management and Building Standards Manager, Environmental Health and Trading Standards Manager, Strategic Planning and Delivery

Manager, the Legal Services Manager, the Equal Opportunities Officer, and Lissa Rowan, Committee Services Officer have been consulted with any comments received incorporated into this report.

6. CONCLUSION

6.1 At the end of December 2020, no Service Plan outcomes were due to be completed but 1 has been completed ahead of time so the overall plan is 46% complete. An increasingly challenging period, activity has centred on progressing the Economic Recovery Plan.

Author of Report: Catriona Campbell, Research & Information Officer

Background Papers: Held by Author

Ref:



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021**

SUBJECT: COMMUNITY ASSET TRANSFER: DUFFTOWN WOODLANDS

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

1. REASON FOR REPORT

- 1.1 This report invites the Committee to grant delegated authority to the Chief Financial Officer to obtain specialist external valuation advice.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

- 2.1 **The Committee is invited to delegate authority to the Chief Financial Officer to obtain specialist external valuation advice in respect of five areas of woodland, including fishing rights, in Dufftown that are held on the Common Good account.**

3. BACKGROUND

- 3.1 On 27 October 2020, the Council received a formal expression of interest from a local community body in a free transfer of ownership of five areas of woodland in the Dufftown area. All of the land is held on a Dufftown Common Good title. In addition to the right to the timber, the title includes salmon and other fishing rights on the River Fiddich.
- 3.2 To properly assess the costs and benefits of an asset transfer request, fulfil the Council's duty to secure Best Value, and satisfy the requirements of the Disposal of Land by Local Authorities (Scotland) Regulations 2010, it is essential that the market value of the subject property rights is identified prior to the request being determined.

- 3.3 The specialist advice required to value these subjects is not available in-house. Informal discussions with the Valuation Office Agency (the District Valuer), have established that the likely fee for the specialist valuation advice required for these sites would lie between £2,000 and £2,500.
- 3.4 On 21 March 2017, the Policy and Resources Committee considered policy changes required following the coming into force of Part 5 of the Community Empowerment (Scotland) Act 2015 and the publication of the Scottish Government's related guidance to public authorities (para 5 of the Minute refers). The report, which also addressed the valuation implications of the Act and its associated guidance, confirmed that no external valuation incurring a cost to the Council of more than £1,000 would be instructed without prior committee approval.
- 3.5 The community body has indicated a clear intention to make a formal asset transfer request for the sites and that it intends making the necessary changes to become eligible under the CAT scheme. It has not, however, agreed to meet a share of the costs of a joint valuation instruction. Consequently, the Council would need to meet in full all costs incurred. It should be noted that the community body is under no obligation to meet a share of these costs and failure to reach agreement in this regard should be disregarded when determining any subsequent asset transfer request.
- 3.6 In cases where external valuation advice is required, it is generally sought prior to a formal asset transfer request being submitted to ensure that the request can be determined within the timescale imposed by legislation. External valuation advice would only be instructed once it becomes clear that a request is likely to be received by an eligible body.

4. SUMMARY OF IMPLICATIONS

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

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

(b) Policy and Legal

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

"Moray Council recognises the important role that the transfer of property assets can play in empowering communities and strengthening their resilience. Where appropriate, the Council will use the transfer of assets to give more control to communities and local people, inspire them to find local solutions to community needs, and as a means of helping communities become more sustainable in the long term. In determining

all asset transfer requests, the Council will have regard to the guidance provided by the Scottish Government in relation to asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015, whether or not such requests are made under the provisions contained in the Act.”

Assets transferred to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires the Council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any of the following purposes:

- a) Economic Development,
- b) Regeneration,
- c) Public Health,
- d) Social Wellbeing, or
- e) Environmental Wellbeing.

Reasonableness in this context is taken to imply that the requested discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project.

(c) Financial Implications

The cost to the Council of obtaining the necessary external specialist advice is estimated to lie between £2,000 and £2,500.

(d) Risk Implications

There is a low risk that no asset transfer request will be submitted. The consequences of this would be that the Council has a better understanding of the value of its assets. There is a high risk that leaving any valuation instruction until after receipt of a formal asset transfer request would leave insufficient time to obtain the necessary authority to instruct, prepare and receive the advice to allow the committee to determine the request within the timescales imposed by legislation.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

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

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Estates Manager, L. Rowan Committee Services

Officer, and Equal Opportunities Officer have been consulted and comments incorporated in the report.

The local Ward Members, Councillors Nicol, Ross, and Wilson, are aware of the interest and may make their views known at Committee.

5. CONCLUSION

- 5.1 In order to ensure that appropriate specialist valuation advice is received in sufficient time to allow the Committee to determine a transfer request for these assets within the timescale set down in legislation, delegated authority is sought for the Chief Financial Officer to approve the necessary instructions at the appropriate time.**

Author of Report:	Andrew Gray, Asset Management Coordinator
Background Papers:	Held by author
Ref:	CAT/EOI/120