



Moray Council

Tuesday, 03 March 2020

NOTICE IS HEREBY GIVEN that a **Special Meeting** of the **Moray Council** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 03 March 2020 at 14:00.**

BUSINESS

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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.

THE MORAY COUNCIL

Moray Council

SEDERUNT

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

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REPORT TO: SPECIAL MORAY COUNCIL ON 3 MARCH 2020

SUBJECT: 2020/21 BUDGET AND 2020 to 2023 FINANCIAL PLAN

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

1. REASON FOR REPORT

- 1.1 To ask Council to set the level of Council Tax for 2020/21, to agree the Council's revenue and capital budgets for 2020/21 and to consider the Council's Financial Plan for 2020 to 2023.
- 1.2 This report is submitted to the Council in terms of the council's Administrative Scheme section (II) (1) relating to setting the Council Tax and section (II) (24) and (25) relating to the approval of the annual estimates of revenue and capital expenditure for all services.

2. RECOMMENDATION

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

- (i) An increase of 4.84% on Council Tax for 2020/21;**
- (ii) Provision of £4,528,000 for budget pressures as listed in APPENDIX 2;**
- (iii) Further savings totalling £104,000 as listed in APPENDIX 3;**
- (iv) Indicative budgets for 2021/22 and 2022/23 as set out in APPENDIX 1;**
- (v) Capital expenditure for 2020/2021 as set out in the indicative ten year Capital Plan in APPENDIX 4;**
- (vi) Funding for Moray Integration Joint Board (MIJB) to increase by £1,792,000 in 2020/21 compared to 2019/20 per the settlement letter from Scottish Government; and**
- (vii) Use of general reserves of up to £3,828,000 to balance the budget, and flexibility to extend this to £5,004,000.**

2.2 It is recommended that the Council notes:

- (i) The conditions placed on the Council in terms of the settlement letter from the Minister for Public Finance and Digital Economy;
- (ii) That the budget is based on the Local Government Settlement issued by the Scottish Government on 6 February 2020 and that the Council's budget will be amended to reflect any changes made by the Scottish Parliament when the Scottish budget is approved;
- (iii) That the Chair of Moray Integration Joint Board has written to the Chief Executive formally notifying him that MIJB anticipates an overspend of £1.7 million in 2019/20, which falls to be part-funded by the Council;
- (iv) Savings previously approved totalling £1,928,000 for 2020/21 and savings approved subject to consultation totalling £181,000 for 2020/21 as listed in APPENDIX 3; and
- (v) One-off savings of £583,000 projected for 2020/21.

3. **BACKGROUND**

- 3.1 The Council's revenue and capital budgets for 2020/21 fall due to be considered in a continued period of reduced funding from central government at both a United Kingdom and Scottish level.
- 3.2 The Council receives around 80% of its revenue funding from Scottish Government. Over the last nine years, this grant funding has increased marginally in cash terms, and by considerably less than the cost of new duties required of local authorities. Inflation increases for pay and prices and growth in demand for services in some areas have therefore had to be balanced by efficiency savings and cuts in services. As previously reported, the Council has made savings totalling £53 million since 2010/11.
- 3.3 Although the proposed Scottish budget for 2020/21 was not announced until 6 February 2020, further cuts in local government funding were expected and the Council has been preparing for these. The most recent report on the financial planning process was considered by the Council on 12 February 2020. Milestones for the financial planning process for 2020/21 are set out in **APPENDIX 6**. The Local Government settlement is for one year only but the Council is setting its 2020/21 budget in the context of longer term planning. The Council's proposed Medium to Long Term Financial Strategy forms another item on the agenda of this Council meeting.
- 3.4 Indications are that funding for local government will remain tightly circumscribed in the medium term and the forecast use of reserves for 2021/22 is of particular note in the context of consideration of the 2020/21 budget, as the underlying overspend in 2020/21 will put pressure on the Council for 2021/22.

- 3.5 The Council had free general usable reserves of £12.3 million as at 31 March 2019. Projected use of these reserves in 2019/20 is set out in the table below.

General Reserves	Committee Reference	Approved £000s
General Reserves @ 1 April 2019		12,276
LESS		
To balance the 2019/20 Budget	MC 27/02/19	4,016
Investment in change	MC 27/02/19	1,172
Budget reduction from variance report	MC 27/06/19	(1,121)
		<hr/> 4,067
Funding from reserves approved in 2019/20:		
Business Support (Education and Social Care)	MC 08/05/19	32
Senior Social Workers	MC 08/05/19	87
Development of child poverty outcomes	MC 27/06/19	5
Moray Growth Deal	MC 27/06/19	5
Discretionary Housing Payments	MC 27/06/19	29
Community Planning	MC 27/06/19	25
Homelessness: temporary accommodation	MC 27/06/19	15
Syrian refugee Resettlement Programme	MC 27/06/19	39
Buckie regeneration	MC 27/11/19	3
		<hr/> 240
Approved use of reserves		<hr/> 4,307
Transfer to ear-marked reserve for transformation	P&R 03/09/19	2,000
Transfer to ear-marked reserve for transformation	MC 12/02/20	881
Estimated out-turn – variance not required from reserves	MC 12/02/20	(4,916)
Projected Free Balance @ 31 March 2020		<hr/> 10,004

- 3.6 The Council needs to retain a certain amount of free reserves in case of unforeseen contingencies or emergencies. The Council's reserves policy as approved by Council on 31 October 2018 (paragraph 5 of the minute refers) is to hold £5 million as free reserves. This equates to around 2.5% of budgeted revenue expenditure on General Services.
- 3.7 The table above indicates that the Council has flexibility to use £5,004,000 general reserves to balance the budget without breaching its reserves policy.
- 3.8 Any movement in grant support from Scottish Government following the Scottish budget approval expected on 5 March 2020 or following any concomitant amendments after the UK budget is approved will decrease or increase the projected use of reserves.

4. REVENUE BUDGET

- 4.1 The draft revenue budget for 2020/21 to 2022/23 is set out in **APPENDIX 1** to this report.
- 4.2 The starting point for the 2020/21 budget is the budget allocated to departments and loans charges for 2019/20. The brought forward Devolved School Management balance is removed and budgets adjusted to reflect the reinstatement of temporary savings and the full year effects of budget adjustments made for part of 2019/20 only. The resultant starting point for the 2020/21 budget is expenditure of £202,355,000.
- 4.3 Provision for pay and prices
Provision of £4,400,000 is made within the budget for pay awards and some other inflationary increases in expenditure. No provision has been made for inflationary pressures for health and social care services delivered under direction from MIJB, as additional funding of £1,792,000 for health and social care services must be passed through from the Council to MIJB, under the terms of the settlement letter. Part of this funding is related to new duties under the Carer's Act. (The Council has received no additional funding for its new duties relating to young people who are carers). The bulk of the funding however comes with no strings attached or additional duties associated with it. Consequently it is proposed that no further increase in funding is made by the Council. The additional funding equates to an uplift of 4.24% for MIJB.
- 4.3.1 The pay award for 2020/21 was agreed as part of a three year pay agreement from 2018/19 to 2020/21. The 3% increase amounts to £3.6 million (excluding Health and Social care), which accounts for most of the provision for inflation.
- 4.3.2 Other inflationary increases included are for PPP/PFI contracts, the Grampian Valuation Joint Board requisition, fostering fees and allowances, school and other transport contracts, electricity and gas price increases and increase in landfill tax rates.
- 4.3.3 The increase in Non-Domestic Rate (NDR) poundage from 49p to 49.8p announced alongside the local government settlement has the effect of increasing NDR payable by the Council by £65,000. The Council will also benefit from the reduction in the Higher Property Rate from 2.6p to 1.3p for properties with Rateable Value between £51,000 and £95,000. The Council has 14 properties in that range and NDR payable will be reduced by £11,000. Provision for the net increase in NDR payable is included.
- 4.4 The Capital Plan is discussed in section 6 of this report. The full year effect of borrowing in 2019/20 and the estimated impact of planned capital expenditure in 2020/21 are included in the draft revenue budget. This results in a projected year-on-year increase of £1,700,000.
- 4.5 New burdens are created for local government by legislation passed by the Scottish Government. The General Revenue Grant funding notified in the draft settlement includes funding for Rapid Rehousing Transition Plans, counselling in schools and NDR reform – costs are borne by the Assessors service and recharged to the constituent authorities through the requisition for the Valuation

Joint Board. A later announcement of grant funding for Parental Employability Support Fund is expected and the provisionally announced sum is included in new burdens. A total of £545,000 is anticipated for new burdens.

- 4.6 Provision is also made within the draft budget for budget pressures which are not funded by Scottish Government. Some of these have already been approved by Council, some recognised as pressures in previous budget papers and some are newly emerging pressures. These are listed in **APPENDIX 2** to this report and total £4,856,000. There are other known potential budget pressures which have not been included, either where it has not been possible to assess the financial impact or where it is considered that the Council can absorb the pressure within current budgets, as experience indicates that some budget pressures will be deferred or be lower than anticipated. Budget pressures recognised within the draft budget are discussed below.
- 4.6.1 The Council has benefited from income under the Renewable Heat Incentive (RHI) scheme, following the installation of bio-mass heating at Speyside High School and Milne's High School. Payment under the RHI scheme ceases after seven years and provision of £65,000 is included to remove this income budget in 2020/21.
- 4.6.2 The additional funding for MIJB of £1,792,000 is included in budget pressures.
- 4.6.3 The Council on 8 May 2019 approved the creation of two new Senior Social Worker posts (paragraph 17 of the Minute refers). The budget pressure of £92,000 is the balance of costs allocated in 2019/20 following recruitment to bring the budget to a full year cost. Additional funding of £15 million was distributed to Council in 2019/20 to increase the provision of support for learning. In 2020/21 the same sum has been distributed as part of the Council's core grant. However, there is a clear expectation from Scottish Government that the monies thus distributed will be spent on additional support for learning. Accordingly, the Council's share of this funding – which was calculated as £257,000 in 2019/20 – is included as a budget pressure.
- 4.6.4 Costs of £353,000 in 2020/21 are estimated for running the new Linkwood Primary School building, due to open in August 2020. Additional costs of £40,000 are also anticipated to be incurred when the new Lossiemouth High School building is opened. School roll numbers are projected to increase and a budget pressure of £700,000 based on the latest school census figures is included. The contribution rate for contributions the Council as employer makes to the Teachers' Pension Scheme increased in September 2019 and a budget pressure for the full year effect of this increase is included. Scottish Government is providing additional monies as part of the Local Government Settlement to significantly contribute towards this additional cost. Provision of £139,000 in 2020/21 has been made for additional costs and reduced income anticipated following the introduction of new regulations for school meals. COSLA is making representations to Scottish Government about the financial impact this is anticipated to have.
- 4.6.5 A reduction in funding of £22,000 from the Department of Work and Pensions (DWP) as contribution towards the Council's cost of administering a range of benefits previously administered by DWP has been notified. This is the latest in a series of reductions in funding from DWP over a number of years.

- 4.6.6 A one-off budget pressure of £80,000 to prepare economic impact assessments for four Moray Growth Deal projects is noted. This is an essential stage in business case development. This is considered to be the upper limit by doing as much in house as possible and any call on funds and costs will be contained at a lower level if possible.
- 4.6.7 The Council's leave year and financial year do not match, and under the accounting regulations which the Council must follow, the Council is obliged to account for holiday leave, flexi-leave and time off in lieu (TOIL) due but not taken at the end of the financial year. In order that this does not become a cost borne by the Council Tax payer, a statutory mitigation has been in force – this enables the Council to account for this notional cost through an unusable reserve. The mitigation is to be removed from 2020/21 for flexi leave and TOIL and this creates a budget pressure of £150,000.
- 4.6.8 When Elgin High School was built, significant quantities of peat had to be removed from the site. In order to facilitate this being done within a tight timescale, the Council agreed that land at Bilbohall, held on the Housing Revenue Account (HRA) could be used, providing the cost of remediation of this land when required for houses was not borne by the HRA. Planning permission for housing development is now sought, and a budget pressure of £120,000 for additional loans charges to cover the capital cost of remediation work is included. The capital plan presented to Council for approval does not include provision for this work.
- 4.6.9 The Council on 8 May 2019 approved an additional Business Support post in Education and Social Care (paragraph 9 of the Minute refers). The budget pressure in 2020/21 of £18,000 is to bring the currently allocated budget up to the full year cost of the post.
- 4.6.10 The Council on 12 February 2020 approved a variance to the Priority 1 routes for gritting at an estimated recurring annual cost of £15,000 and this is included as a budget pressure.
- 4.6.11 The Council's Microsoft licences are due to be renewed on 1 July 2020. The cost of this has not been confirmed but early indications are that across the corporate and schools licences an additional cost of £135,000 might be incurred and provision for this across 2020/21 and 2021/22 has been included.
- 4.7 The Council is looking ahead at a programme of Improvement and Modernisation to transform Council services, and this is a key part of the Council's medium term financial strategy. This requires investment and a sum of £2,000,000 is included for 2020/21. It is now assumed that this can be funded completely from capital receipts generated in 2019/20 and not spent and from capital receipts anticipated to be raised in 2020/21, under the permission given to use capital receipts to fund transformation of Council services for the period from 2018/19 to 2021/22. This takes the total budgeted revenue expenditure for 2019/20 before savings to £213,856,000.
- 4.8 The bulk of the Council's funding is from government grant, given as a combination of General Revenue Grant and Non Domestic Rates distribution. The local government settlement in January 2020 confirmed that funding for

Discretionary Housing Payments (DHP) and for the Teachers' Induction Scheme is being held back by Scottish Government at present. An estimate has been made for Moray's likely share of the funding streams for DHP and Teachers' Induction, as the expenditure on these areas is included in the base budget. Increased funding for Early Years Expansion will be paid as specific grant (as in 2019/20) and applied to that workstream, and so no estimate of either income or expenditure related to Early Years is included in the figures in **APPENDIX 1**. Core Scottish Government funding of £160,277,000 is included, plus £545,000 for new burdens. This compares to total Scottish Government funding of £159,543,000 in 2019/20. This is a headline increase in core budget support of £734,000, less the additionality for MIJB of £1,792,000, a reduction in core budget of £1,058,000 or 0.66% in cash terms.

- 4.9 Under the terms of the local government settlement for 2020/21 the Council is permitted to increase Council Tax by up to 4.84%, and given the anticipated reliance on reserves in 2020/21, a 4.84% increase has been included in the draft budget. This coupled with the projected rise in the Council Tax base is estimated to raise an additional £2,343,000 income. The impact on individual householders is set out below:

	Council Tax 2019/20	3% Impact Council Tax 2020/21	4.84% Impact Council Tax 2020/21
Band A	£841.20	£866.44	£881.91
Band B	£981.40	£1,010.84	£1,028.90
Band C	£1,121.60	£1,155.25	£1,175.89
Band D	£1,261.80	£1,299.65	£1,322.87
Band E	£1,657.87	£1,707.60	£1,738.11
Band F	£2,050.43	£2,111.94	£2,149.67
Band G	£2,471.03	£2,545.16	£2,590.62
Band H	£3,091.41	£3,184.15	£3,241.03

These figures do not include charges for water and waste water which are collected alongside Council Tax on behalf of Scottish Water, nor do they take into account any Council Tax Reduction, discount or exemption which may be due in individual cases.

- 4.10 Moray's Band D Council Tax for 2019/20 sits just above the Scottish average of £1,251. Comparisons with other councils are set out in the table below.

COUNCIL TAX BY BAND 2019/20

Scotland Average Band D Council Tax (based on total Band D Equivalents)

£1,251

	Band D	%age of Scottish average
Eilean Siar	£1,138.40	91.0%
Shetland Islands	£1,150.64	92.0%
Orkney Islands	£1,152.69	92.1%
North Lanarkshire	£1,164.87	93.1%
Dumfries & Galloway	£1,166.19	93.2%
South Lanarkshire	£1,168.00	93.4%
Falkirk	£1,169.00	93.4%
Angus	£1,171.40	93.6%
Scottish Borders	£1,196.02	95.6%
West Lothian	£1,217.49	97.3%
Fife	£1,221.67	97.7%
East Renfrewshire	£1,230.41	98.4%
West Dunbartonshire	£1,233.83	98.6%
Aberdeenshire	£1,240.76	99.2%
East Lothian	£1,242.47	99.3%
Renfrewshire	£1,257.09	100.5%
East Dunbartonshire	£1,259.24	100.7%
Moray	£1,261.80	100.9%
Perth & Kinross	£1,264.00	101.0%
Clackmannanshire	£1,266.63	101.2%
Highland	£1,270.83	101.6%
Edinburgh, City of	£1,277.40	102.1%
North Ayrshire	£1,280.70	102.4%
Stirling	£1,282.23	102.5%
South Ayrshire	£1,282.87	102.5%
Inverclyde	£1,293.05	103.4%
Argyll & Bute	£1,308.83	104.6%
East Ayrshire	£1,311.86	104.9%
Dundee City	£1,316.00	105.2%
Aberdeen City	£1,324.33	105.9%
Glasgow City	£1,325.00	105.9%
Excludes Water and Sewerage		

Source: As reported by the Local Authorities on the statistical return Council Tax Assumptions 2019

- 4.11 The resultant budgeted income to the Council for 2020/21 leaves a shortfall of income compared to expenditure of £7.3 million, which requires to be found from savings, which failing from reserves, as discussed in section 3 of this report.

5. **SAVINGS**

- 5.1 When the budget for 2019/20 was set a range of savings proposals were approved, many of which would not be fully achieved or not achieved at all until 2020/21. Further savings were approved on 26 June 2019, when the unaudited accounts were reviewed and on 14 January 2020, when the annual review of charges for services was approved. A further suite of savings was presented to Council on 27 November 2019 but deferred until the Council meeting on 12 February 2020, when those not previously approved as charges were approved, subject to staff consultation in some instances. Any adjustments required following consultation have been delegated to service managers. All previously approved savings are listed in **APPENDIX 3**.
- 5.2 Further savings totalling £189,000 across 2020/21 and 2021/22 are presented to Council today. These are listed on **APPENDIX 3** and discussed below.
- 5.3 Homelessness Allocations (Marleon House) Following discussions with Moray Women's Aid (MWA) it is proposed to reduce the housing support contract relating to Marleon House by £42,000 from 1 July 2020. The impact of this would be the withdrawal of the overnight helpline, withdrawal of staff sleepovers, reduction in support staff hours and management hours, unless MWA can source other funding. An Equalities Impact Assessment for this savings is reported as **APPENDIX 5** to this report.
- 5.4 Charge cost of SQA music tuition to schools It is proposed to recharge secondary schools the cost of music tuition for pupils sitting SQA music examinations. This is estimated to save £12,000, based on current numbers of pupils sitting music SQA examinations.
- 5.5 School DSM budget to bear cost of absence until 20 days Currently teaching staff absence for the first ten days is a charge to the school's devolved budget and from the 11th day is charged to the central supply budget. It is proposed that this changes so that school budgets cover the first 20 days of staff absence. At present the central supply budget is forecast to overspend and this measure should reduce the pressure on that budget.
- 5.6 Moray Leisure Centre Moray Leisure Ltd has agreed to a reduction in grant support from the Council of £60,000 in 2020/21. This will not impact on the service delivered at Moray Leisure Centre. The reduction in funding is covered by increase income from increased usage.
- 5.7 Cease funding for NHS Mental Health support team from 2021/22 This service is not currently being used by the Council and the NHS has been notified that the funding of £75,000 is being withdrawn. If some or all of this saving can be taken in 2020/21 it will be taken earlier.
- 5.8 Temporary savings of £583,000 for 2020/21 are noted. This consists of one-off income from the final VAT claim regarding leisure services opting for exempt status, forecast at £540,000 and an estimate of repayment of Business Loan Scotland loans as reported to Policy and Resources Committee on 29 October 2019 (item 9 of the Minute refers), also one-off income.

- 5.9 Work will continue to find budget savings, to decrease the predicted budget gap for 2021/22 and if possible identify additional savings which can be made during 2020/21.

6. **CAPITAL BUDGET**

- 6.1 The Council approved its latest Capital Strategy on 12 December 2018. The Strategy identifies the Council's capital investment objectives as ensuring an adequate suite of assets to deliver the Council's services, in accordance with the Council's policies, strategies and plans, and priorities, legislative duties and other requirements and identifies as a key consideration when developing the Capital Plan the requirements to provide new infrastructure and facilities to accommodate planned local developments. This was a move from previous Capital Strategies which had been primarily focussed on asset management and the need to invest in the Council's asset base to bring it up to or maintain it at the Council's approved standard for the asset type.

- 6.2 Accordingly, the Capital Plan is framed by the following drivers for expenditure:

- Local Development Plan and other council plans
- Asset Management Planning
- Expenditure arising from legislative requirements
- Improvement and Modernisation Programme / efficiencies
- Funded government priorities
- Other developments to meet Council priorities
- Responsive expenditure

- 6.3 A draft ten year capital plan is included as **APPENDIX 4** to this report. Expenditure of £42.3 million is proposed for 2020/21. Expenditure under the draft plan and sources of funding are summarised below:

	Driver	£m	%age
1.	Local Development Plan and other Council plans	2.3	5.3%
2.	Asset Management Planning	26.9	63.6%
3.	Expenditure arising from legislative requirements	10.4	24.5%
4.	Improvement and Modernisation Programme / efficiencies	0.5	1.3%
5.	Funded government priorities	2.1	4.9%
6.	Other developments to meet Council priorities		0.1%
7.	Responsive expenditure	0.1	0.3%
	Total	42.3	100%

	Funding	£m	%age
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	Grant funding	9.8	23%
	Prudential borrowing	32.9	77%
	Total	42.7	100%

- 6.4 The Council's borrowing must comply with the Prudential Code: this requires borrowing to be affordable and sustainable. As identified in a report to Council on 30 March 2016 (paragraph 7 of the minute refers) the Council's overall financial position is not sustainable and the capital plan for future years requires to be reduced; to achieve this the Council must reduce its asset base, and this issue was addressed in the Property Asset Management Appraisal (PAMA) approved by Council on 12 December 2018 (paragraph 6 of the minute refers).
- 6.5 As well as the work currently being carried out under the PAMA, there are other significant pieces of work which will shape the development of the Council's ten year capital plan, in particular the Learning Estate review, Leisure review and Climate Change Strategy and Action Plan. Accordingly the detail of the plan, particularly for future years is not well developed at this stage across all headings. The Council's Financial Regulations envisage the detail of capital works being approved by service committees at the start of the financial year, and that process is well established. Accordingly, the Capital Plan is presented in outline format, with detail to be brought forward to service committees and in line with other major projects which will impact on the capital plan.
- 6.6 Based on indicative high level work about the likely amount of spend the draft plan shows considerable growth in years six to ten from the indicative ten year capital plan noted by Council on 27 February 2019 (paragraph 4 of the minute refers). This shows the value of scoping out work at a high level for the medium term, as this gives the Council good prior warning that there is an increasing need to review its asset base and service delivery arrangements in order to respond to this forecast increase in demand, or – and particularly in the case of the Learning Estate – to attempt to source funding for the level of work which has been identified as required.
- 6.7 Provision has been made in the later years on the ten year plan for funding for school re-build or refurbishment. Plans will be developed following approval of a Learning Estate Strategy, to guide that process. In the meantime, no provision has been made for Scottish Government grant funding, which under current arrangements would take the form of revenue support.
- 6.8 The various component strands of the ten year capital plan are discussed below.
- 6.9 Bridges The Council's programme of bridge refurbishments is based on conditions surveys and strategic importance, and is kept under review. Failing bridges can be life-extended by having weigh restrictions placed on them, but this is not always a practical solution, depending on the type of traffic using the bridge and the availability of alternative routes. The indicative requirement over the ten year plan is for expenditure of £15.5 million, with £1 million provisionally allocated for 2020/21.
- 6.10 Car parks The Council has a programme to replace waterproofing and expansion joints in multi-storey car parks. It is proposed to augment that with budget for replacement lighting in multi-storey car parks and for resurfacing car

parks as and when more work than can be carried out from the car parks revenue budget is needed. £269,000 is provisionally allocated for 2020/21.

- 6.11 Corporate This budget heading covers small budgets for furniture and equipment; for minor energy efficiency projects; contains provision in years two and three for potential works relating to depots, which will be planned in detail following the completion of the depot review under PAMA, and the vehicle and plant replacement programme for the Council's fleet of vehicles. The budget included is based on a like-for-like replacement of vehicles under the Council Fleet Asset Management Plan (AMP), which seeks to replace vehicles at the optimum time in their life-cycle, taking into account maintenance cost and downtime, and therefore optimum cost to the Council. Following adoption of a Climate Change Strategy and Action Plan, the Fleet AMP will require to be reviewed and this will be done through the Council's governance arrangements. Consideration will also require to be given to the infrastructure to support electric or hydrogen powered vehicles. A total of £3.1 million is allocated for 2020/21, with £3 million for vehicles.
- 6.12 Economic Development This line in the Capital Plan is for the Council's contributions to the Moray Growth Deal. It will be required to be developed in detail when Heads of Terms have been signed. Meantime an indicative sum of £500,000 is included in the budget for 2020/21 to support project development, with a view to some projects commencing capital works in 2021/22.
- 6.13 Flood Risk Management and Flood Protection This budget line includes provision for outline design and promotion of a coastal flood protection scheme at Lossiemouth Seatown in 2020/21, with provision for construction of a scheme in future years. Construction of a scheme is contingent on grant funding from Scottish Government. £0.2 million is provisionally allocated for 2020/21.
- 6.14 Harbours This programme is founded on asset management principles and based on condition information. A detailed programme of works will be brought forward annually to the Economic Development and Infrastructure Services Committee. £0.7 million is provisionally allocated for 2020/21.
- 6.15 ICT This budget is also largely based on asset management planning and includes for replacement desktop and mobile devices, network infrastructure, servers infrastructure, software and telephony. It includes the final stages of the Schools ICT Strategy implementation. £0.9 million is provisionally allocated for 2020/21.
- 6.16 Industrial Portfolio The bulk of this budget is for development of the industrial portfolio, in support of economic development in Moray and increasing revenue income. It allows for acquisition of land, site servicing, construction of new units and the refurbishment of existing stock at locations across Moray. Detailed plans are reported to the Economic Development and Infrastructure Services Committee on an annual basis. £0.3 million is provisionally allocated for 2020/21, for refurbishment of existing units.
- 6.17 Libraries and leisure No significant expenditure is anticipated under this heading for 2020/21, pending conclusion of the Leisure Review. A provisional

budget of £60,000 is allocated in the draft Capital Plan for fittings, furniture and equipment.

- 6.18 Mortuary Services A business case has been prepared for replacement mortuary facilities in Aberdeen and a requirement also exists for a replacement mortuary facility in Elgin. This line is included as a marker that the Council will have to consider the extent of its involvement in either or both of these projects and business cases brought forward as to how this is to be done to ensure Best Value for Moray Council.
- 6.19 Parks and Open Spaces This budget is to cover new or extended cemetery provision in accordance with the Council's cemetery provision policy; upgrading existing cemetery infrastructure; replacement of equipment in play areas; operational works arising from tree surveys; upgrade of parks and open space infrastructure. The annual budget in 2019/20 was £35,000 and was estimated to be sufficient to maintain equipment in one play area on a Make Do and Mend basis. Budgets totalling £170,000 have been added in for upgrading existing cemetery infrastructure, operational works arising from tree surveys and upgrade of parks and open space infrastructure, where it is recognised that the Council's asset management has been lacking, with an additional £100,000 for play area equipment replacement in order that play areas can be refurbished with modern equipment. Play area equipment is being considered as a potential for Participatory Budgeting. In total £305,000 is provisionally allocated.
- 6.20 Roads On 11 February 2014 Moray Council made the decision to allow Moray's road condition to deteriorate, with a target to be at mid-point in the national table across the network as a whole by the end of the following 5 year period (paragraph 3 of the Minute refers). It was recognised that this would be a short-term measure and that in due course the capital budget would require to be increased to keep Moray's roads at the new target of mid-point in terms of conditions. A reduced capital investment since that decision has caused our network condition to deteriorate and the Economic Development and Infrastructure Services Committee on 21 January 2020 (paragraph 7 of the draft 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. The draft capital plan therefore includes a phased increase in capital budget of £500,000 on an annual basis to address this issue. It is proposed that the roads service will monitor the annual RCI figures and adjust the future capital investment recommended to Council accordingly to address the road network deterioration. £3.6 million is provisionally allocated for 2020/21.
- 6.21 Road Safety This budget head covers a comprehensive range of road safety elements: barriers, traffic islands, lines, pelican crossings, minor junction improvements, dropped kerbs, disabled parking spaces, road signs and markings. The Council may require to incur expenditure to prevent pavement parking, but no details of this are currently available. A budget of £355,000 has been provisionally allocated for 2020/21.

- 6.22 Street lighting This budget includes the final element of the LED street lighting project and thereafter is for the replacement of life expired columns. The budget for 2020/21 is £1.1 million.
- 6.23 Traffic This includes replacement of life expired traffic signal and traffic data collection equipment and Cycling, Walking, Safer Streets, funded by specific capital grant from Scottish Government. An allowance for developments in Elgin is included in the latter half of the ten year plan. The provisional allocation for 2020/21 is £384,000.
- 6.24 Waste Management This budget includes £9.7 million for the construction of the NESS energy from waste plant, as agreed by Council, and provisional sums for the construction of a new cell at Dallachy (£1.65 million) and replacement recycling centre in Elgin (£0.5 million), which projects requires to be approved through the Council's governance arrangements before any capital allocation could be spent. £60,000 is also included for new domestic and trade waste bins and containers for recycling centres. A provisional sum of £12.2 million is included in the draft budget but over £2 million is at a very high level estimate relating to projects which are at a very early stage in development.
- 6.25 Schools BB and other minor works The Council on 27 February 2019 (paragraph 4 of the minute refers) agreed to commence a planned move from Make Do and Mend to a programme of works aimed to reach and maintain BB standard for all Council buildings. 2020/21 will still be a transitional year for schools expenditure. The programme in future years will be under the aegis of the Learning Estate Strategy, which is currently in the course of being developed. Significant increased expenditure is likely to be necessary to meet backlog maintenance. Provision is also included for resurfacing and rejuvenating astro-turf pitches and for works arising from fire safety and other similar inspections. A provisional allocation of £3.4 million is included in the draft capital plan for 2020/21.
- 6.26 Schools new builds and refurbishment The budget for 2020/21 consists of £10.3 million for the replacement Lossiemouth High School, £1.2 million for Linkwood Primary School, £0.5 million as a provisional budget allocation for preliminary options appraisal and design work relating to Findrassie Primary School and £1.9 million for the expansion of Early Learning and Childcare, which is fully funded by specific government capital grant. Future years contain high level indicative costs on an illustrative basis only at this stage.

7. FUTURE YEARS

- 7.1 As noted in paragraph 3.3, the local government settlement for 2020/21 is a one-year settlement only. To assist in forward planning, projected budgets for 2021/22 and 2022/23 are included in **APPENDIX 1**. This assumes that the savings approved for 2020/21 and 2021/22 are achieved and the rest of the budget rolled forward, with adjustments for one-off funding and one-off savings. With a provision for inflation and known budget pressures, this results in a shortfall of £8.3 million in 2021/22: an underlying overspend of £3.8 million to be met from reserves in 2020/21 plus inflationary and other budget pressures anticipated in 2021/22 totalling £6 million, less an anticipated reduction in loans charges of £0.3 million following a change to the method used to calculate

loans charges, and a modest reduction (£0.3 million) in core government funding and increase in income from Council Tax of £1.6 million.

- 7.2 Various components in the budget are used to develop best case, worst case and mid-point scenarios for financial planning purposes. These have been finalised for the draft 2020/2021 budget. The assumptions used for future years are described in the Medium to Long Term Financial Strategy, which forms another item on the agenda for this Council meeting.
- 7.3 The Capital Plan will be amended following development of the Learning Estate Strategy, conclusion of the Leisure Review and adoption of the Climate Change Strategy and Action Plan.

8. SUMMARY OF IMPLICATIONS

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

Financial Planning is integral to the Council's overall planning processes and allows the Council to direct resources to its agreed priorities.

(b) Policy and Legal

The Council is required by statute to set a balanced budget before the start of the financial year. The requirement is set out in the Local Government Finance Act 1992 (section 93).

The Local Government (Scotland) Act 2003 (section 35) places a duty on local authorities to manage their capital expenditure. It also provides for Scottish Government to issue regulations for the governance of capital expenditure. In practice this means that compliance with the CIPFA Prudential Code is in effect a statutory duty.

(c) Financial implications

The Council's funding gap arises from an underlying overspend in 2019/20 and pressures from inflation and service requirements in 2020/21.

As the draft budget assumes use of reserves in 2020/21, that funding gap is carried forward into 2021/22. It is anticipated that the Council will be then have almost exhausted free reserves and the result is a very challenging forecast budget gap for 2021/22.

It is important that this is taken into account when considering budget proposals for 2020/21.

(d) Risk Implications

The proposed budget for 2020/21 is subject to the following risks:

- Budget assumptions may be lower than the actual level of expenditure required by services.
- Price inflation will impact on areas where no provision has been made for inflationary increases and this will add pressure to budgets. Budget Managers will need to control their expenditure to absorb any such pressure and may have to reduce service levels or identify further savings.

- A particular risk relating to construction inflation should be noted. The Royal Institution of Chartered Surveyors (RICS) are forecasting an above inflation rise in tender prices for the next five years, reflecting input costs pressures and forecast growth in construction work. This could significantly impact on the capital plan
- Budget pressures may exceed the available allocation. The Corporate Management Team will be responsible for closely monitoring the issues identified and will report any emerging issues to committee.
- Unforeseen factors can impact on the council's position. There is little allowance made for contingencies.
- Government funding may be less than assumed for the elements yet to be allocated at Council level.
- Council Tax income may be less than anticipated, depending on the collection rate, rate of growth of Council Tax base, income from the levy and loss of income under the Council Tax Reduction Scheme and other reliefs.
- There may be slippage in achieving savings; savings may not be achieved in full, or the impact of spend-to-save measures may be less than anticipated.
- The cost of borrowing for capital expenditure will increase if the cost of borrowing rises.
- The impact on the Council of external economic factors, including BREXIT, is unpredictable, and could affect income generated from local taxes and from charges for services, as well as demand for services and benefit entitlement.
- The MIJB is anticipating an overspend for the second successive year and the Council is obliged to meet its share of the overspend, despite having no influence on the operation of the Board.

(e) Staffing Implications

Only one new saving proposed in this report has staffing implications, and the proposed reduction in hours has been mutually agreed by the staff affected. All other staffing implications have been fully discussed in earlier reports proposing savings

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

The equality duty

Under the equality duty (set out in the Equality Act 2010) the Council must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who are in a protected group and those who are not.

Groups protected by the Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Councillors need to consider the effects of budget proposals on these protected groups before making a decision on the recommendations. An 'equalities impact assessment' or EIA is a recognised way of doing this.

Only one of the proposed savings required an EIA and it is included as **APPENDIX 5** to this report.

Socio-Economic Impact

To assess socio economic impacts, consideration has been given to individual and cumulative impact. In relation to changes to charges for services, most of these are one-off or incidental charges which are unlikely to contribute to inequalities in terms of outcome based on socio-economic differences.

(h) Consultations

CMT and Heads of Service have been consulted in the preparation of this report.

Communication from the EIS in November 2019 when the DSM proposals were initially discussed raised concerns about further pressure for schools with possible overspends, the lack of influence over absence through illness and the impact on budget for supply or other areas in order for cover to be provided. For the SQA Music Instruction proposal, the concern was that this would also add pressure to reducing budgets, some schools may consider having to pass the cost on to parents and that this would be contrary to addressing the poverty and raising attainment agendas as well as the ethos of collaboration and collegiality expected within the empowerment agenda. Further opportunity for providing thoughts and views on the DSM related proposals was provided to the Local Negotiating Committee for Teachers, however the date for receipt of same passed with no additional comments received.

The concerns that have been raised are noted, however the challenging financial situation and future facing the Council means that difficult decisions are required and all council services are having to manage reducing budgets. Further consideration is being given to managing absence where there is a direct front line replacement cost and as those responsible for managing absence in their schools, head teachers will have a significant role to play in ensuring this is managed in accordance with agreed policy and procedures. Additional resources are also being accessed that will help to address the main causes of absence such as mental health training through the Flexible Workforce Development Fund. Regarding the SQA proposal, once the impact of the changes are split across schools, the school level impact is lessened to make the change more manageable.

9. CONCLUSION

- 9.1 The Council's revenue budget is unsustainable, even in the short term, with a balanced budget achieved for 2020/21 by use of reserves. Significant further savings are forecast to be required in 2021/22.**

- 9.2 The budgets for 2020/21 and 2021/22 include provision to invest in transformation of the Council.**
- 9.3 To minimise the level of savings required and avoid breaching the Reserves Policy, Council Tax is proposed to be increased by the maximum permitted by Scottish Government without incurring sanctions.**

Author of Report: Lorraine Paisey, Chief Financial Officer

Background Papers:

APPENDIX 1

	Est Actual 2019/20	2020/21	2021/22	2022/23
Revenue Expenditure	£000s	£000s	£000s	£000s
Service allocations (assuming prior year savings are achieved)	208,208	202,422	210,350	212,405
Adjustments to brought forward figure:		(67)	(322)	43
Opening budget	<u>208,208</u>	<u>202,355</u>	<u>210,028</u>	<u>212,448</u>
Pay and price increases		4,400	4,000	4,000
Increase / (Decrease)/ in Loan Charges		1,700	(300)	1,700
New Burdens	290	545	115	0
Budget pressures:				
- Approved or noted for future years when budget set		4,528	2,050	270
MIJB deficit (37% share)	632			
2019/20 Estimated Actual	(5,548)			
Investment in Change		2,000	400	
Funded by capital receipts		(2,000)	(400)	
	<u>203,582</u>	<u>213,528</u>	<u>216,293</u>	<u>218,418</u>
Revenue Funding				
General Revenue Grant / NDRI	159,253	161,897	162,152	161,862
New burdens funding not included in grant above	290	545	115	0
Council Tax	43,356	45,700	47,342	49,046
Release from Repairs and Renewals Reserve	704			
Funding from General Reserves:				
Amount From Reserves Required to balance budget	(1,362)	2,208	2,796	
Other one-off funding from reserves	121			
MIJB deficit (37% share)	632			
Transfer to ear-marked reserve for Transformation	881			
	<u>203,875</u>	<u>210,350</u>	<u>212,405</u>	<u>210,908</u>
SAVINGS REQUIRED		<u>3,178</u>	<u>3,888</u>	<u>7,510</u>

Savings Summary**Savings Approved:**

Approved	9,717	1,951	355	115
Approved subject to consultation		181	31	0
Temporary savings	241	583	43	24
Indicative Savings from I&M Programme	250	360	63	

Other savings proposed	0	104	96	0
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Savings to be identified			3,300	7,371
	<u>10,208</u>	<u>3,178</u>	<u>3,888</u>	<u>7,510</u>

Estimated Free Balance on General Reserves	<u>10,004</u>	<u>7,796</u>	<u>5,000</u>	<u>5,000</u>
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APPENDIX 2

	2020/21 £000s	2021/22 £000s	2022/23 £000s
Energy			
RHI payments cease (after 7 years)	65	45	
Social Care			
Children in Transition		200	200
Additional funding in settlement	1,792		
Integrated Children's Services			
Additional Social Work posts (C&YP 23/08/2017)		6	17
Creation of new 2 Senior Social Worker posts Children's & Families (MC 8.5.19)	92		
Additional Support for Learning	136		
Schools			
Linkwood primary school running costs	275	100	
School roll numbers	450	855	
Additional whole life costing Lossiemouth High School	40		
Schools Repairs and Maintenance		600	
Reduction in Public Service Pension Scheme Discount Rate - teachers' pension costs	913		
School meals (change in regulations)	139	232	
Income			
DWP funding	22		
Closure of swimming pools for refurbishment		55	55
Economic Growth & Development			
Moray Growth Deal economic impact assessments	80		
Corporate / cross service			
Removal of statutory mitigation for flexi-leave and TOIL accruals	150		
Clearance of Bilbohall Site for housing development (loan charges)	122		
Creation of new Business Support Post to deal with workload pressures and complaints in Education & Social Care (MC 08/05/19)	18		
	<u>4,528</u>	<u>2,047</u>	<u>272</u>

	Approved	2020/21 £000s	2021/22 £000s	2022/23 £000s
Financial Services				
AP Electronic processing - staff saving	MC 27/02/2019	20	20	
Purchasing card rebate	MC 12/02/2020	8		
HR & ICT				
SWAN	MC 27/02/2019	30		
Transform - cease electronic matching	MC 27/02/2019	14		
Contracts - contract renewal	MC 27/02/2019	10		
ICT Contract Review	MC 12/02/2020	20	6	
Legal & Democratic Services				
Contact Centre - reduce staffing complement	MC 27/02/2019	22		
Taxation - reduce processor post with e-forms	MC 27/02/2019	22		
Customer Services - reduce stationery cost with e-forms	MC 27/02/2019	14	5	
Customer Services - senior management review	MC 27/02/2019		30	30
Mailroom - reduce staffing complement	MC 27/02/2019	20		
Chief Executive's Office				
Restructure	MC 27/02/2019	23		
Direct Services				
Building Cleaning - Reduce cleaning hours at schools	MC 27/02/2019	84		
Waste Collection - increased charge for garden waste	P&R 14/01/2020	94		
Landfill tax - reduction in tonnage landfilled	MC 27/02/2019	58		
Waste Management - reduce overtime	MC 27/02/2019	40		
Core paths maintenance funded from Dorenell Wind Farm monies	ED&I 27/01/2020	13		
Maintenance of Open Spaces - reduce grass cutting in parks/seek sponsorship for parks	MC 27/02/2019	41		
Maintenance of Open Spaces - reduce litter collection and shrub bed maintenance in parks	MC 27/02/2019	16		
Maintenance of Open Spaces - reduce lands and parks supervisors	MC 27/02/2019	19		
Increase burial charges	P&R 14/01/2020	77		
Car park income	MC 12/02/2020	48		
Parking charges - Additional charged locations	MC 27/02/2019	27		
Transportation - charge for staff parking at HQ	MC 27/02/2019	11		
School crossing patrollers - Remove remaining provision	MC 27/02/2019	49		
Reduce street lighting maintenance	MC 12/02/2020	50		
Reduce vehicle fuel consumption	MC 12/02/2020	77		
Development Services				
Economic Development - Support for projects	MC 27/02/2019	120		
Development Management - planning applications: major projects/national fee review	MC 27/02/2019		50	
Museums - transfer to trust/closure of service	MC 27/06/2019	30		
Discretionary charging for Building Standards	MC 12/02/2020	0	10	
Charge for processing viability assessment (planning)	MC 12/02/2020	3		
Reduce consultancy budget (Planning)	MC 12/02/2020	3		

	Approved	2020/21 £000s	2021/22 £000s	2022/23 £000s
Employee Assistance Programme	MC 12/02/2020	15		
Housing & Property Services				
Homelessness Allocations - service reprovision	MC 27/02/2019	59		
Property Services - reduce corporate repairs and maintenance budgets	MC 27/02/2019	100	110	
Property Services - review of service	MC 27/02/2019	55	45	
Estates rental review	MC 27/02/2019	30	30	30
Rental income from new industrial sites / units	MC 27/02/2019	20	9	15
Schools & Curriculum Development				
Reduce DSM budget	MC 27/02/2019	36		
Increase class sizes P2 and P3	MC 27/02/2019	70		
0.5% DSM budget saving	MC 27/02/2019	55		
Music Instruction - Increased cost recovery amended proposal	MC 27/02/2019	20		
Lifelong Learning, Culture and Sport				
Sports/Leisure Service - commercialisation of service	MC 27/02/2019	83		
Relocate staff from Auchernack plus Forres Community Centre staff restructure	MC 27/02/2019	52		
Active Schools	MC 27/02/2019	4		
VAT (leisure services)	MC 12/02/2020	118		
Other				
Inflationary increase in charges	P&R 14/01/2020	47	25	25
Increase in NI threshold	MC 27/02/2019	15	15	15
Telephone book review	MC 12/02/2020	16		
IMP				
Senior Management restructure (Part year effect)	MC 26/09/2019	93		
Total Savings approved		1,951	355	115
Approved subject to consultation				
Housing Information Officer	MC 12/02/2020	34		
Homelessness central admin	MC 12/02/2020	53		
Cleaning and catering management restructure	MC 12/02/2020	21		
Transportation management restructure	MC 12/02/2020	7		
Building Standards establishment	MC 12/02/2020	34		
Closure of public conveniences	MC 12/02/2020	32	31	
Total Savings approved subject to consultation		181	31	

Further savings proposed	2020/21 £000s	2021/22 £000s	2022/23 £000s
Review of mental health support arrangements		75	
Homelessness Allocations - Marleon House	32	10	
Charge cost of SQA music tuition to schools	9	3	
Moray Leisure Centre	60		
DSM (absence 10 to 20 days)			
Members Support service reduction in hours	3	8	
	104	96	
TOTAL PERMANENT SAVINGS APPROVED AND PROPOSED	<u>2,236</u>	<u>482</u>	<u>115</u>

Moray Council Capital Programme 2020/21 onwards

Category Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Core Programme										
Bridges	1,002	770	3,839	690	730	650	50	7,154	610	50
Car Parks	269	358	130							
Corporate	3,122	4,301	4,001	3,852	2,210	1,774	3,849	3,193	2,926	2,960
Economic Development	500	2,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	2,500
Flood Risk Management and Coastal Protection	184			1,188		1,000	1,050			
Harbours	747	300	300	300	300	300	300	300	300	400
ICT	916	456	553	611	579	542	502	632	502	562
Industrial Portfolio	259	3,106	62	1,630	1,105	2,286	1,190	60	755	645
Libraries & Leisure	60	420	1,320	1,140	183	140	140	140	140	140
Mortuary Services										
Parks & Open Spaces	305	305	2,105	755	935	305	305	305	305	305
Road Improvements	3,600	4,060	4,600	7,100	7,800	8,900	10,600	12,600	11,100	11,100
Road Safety	355	362	304	366	334	328	330	407	312	312
Street Lighting	1,100	800	800	800	800	800	800	800	800	800
Traffic	384	43	23	23	39	7	43	43	1,061	39
Waste Management	12,206	8,040	2,896	410	110	110	110	110	110	110
Schools BB and other minor works	3,433	6,620	6,890	6,915	10,190	10,190	10,890	10,890	10,190	10,890
Schools New Builds and Refurbishments	13,877	12,768	3,000		12,250	6,750	31,800	35,100	7,500	61,000
Core Programme Total	42,319	44,709	35,823	30,780	42,565	39,082	66,959	76,734	41,611	91,813
Funding										
Grants & Contributions	(9,808)	(7,751)	(8,183)	(7,751)	(8,937)	(7,751)	(7,751)	(9,379)	(8,151)	(7,751)
Loans	(32,411)	(36,958)	(27,240)	(22,629)	(33,228)	(30,931)	(58,808)	(66,955)	(33,060)	(83,662)
Receipts	0	0	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Funding Total	(42,319)	(44,709)	(35,823)	(30,780)	(42,565)	(39,082)	(66,959)	(76,734)	(41,611)	(91,813)

Assessment undertaken by *(please complete as appropriate)*

Director or Head of Service	Head of Service
Lead Officer for developing the policy/activity	Housing Needs Manager
Other people involved in the screening (this may be council staff, partners or others i.e contractor or community)	Supported Accommodation Manager Moray Woman's Aid board and staff members

SECTION 2: EQUALITY IMPACT ASSESSMENT**Brief description of the affected service****1. Describe what the service does:**

The Council has a contract with Moray Women's Aid (MWA) to provide housing support services for females at risk of domestic abuse. It also provides funding for a telephone helpline operated by Moray Women's Aid for the same purpose. The value of the contract is £171k per annum with £15k of this allocated to the telephone helpline. The funding is not intended for any other purpose.

The Contract is due to expire naturally on 30 June 2020.

Marleon House provides 7 units of accommodation (2 x 1 bedrooms, 3 x 2 bedrooms and 2 x 3 bedrooms). The property is owned by Langstane Housing Association and MWA lease the building to enable them to provide specialist accommodation for females at risk of domestic abuse.

2. Who are your main stakeholders?

- Single females and females with dependent children who are threatened with or become homeless as a consequence of domestic abuse;
- The children of females at risk of domestic abuse.

3. What changes as a result of the proposals? Is the service reduced or removed?

Following discussions with the Board of MWA, a number of proposals have been drawn up by them to reduce their current operating costs. They have submitted an alternative service model which aims to generate a saving of £42k effective from 1 July 2020. They have proposed to reduce the service by:

- No longer providing a localised Out of Hours telephone advice service;
- Removing night time cover at Marleon House; and
- Reducing Management staffing hours.

4. How will this affect your customers?

- Customers will no longer be able to access the local telephone line that provides advice to those at risk of domestic abuse; and
- Customers will no longer be able to access the same level of support from staff out of normal working hours.

5. Please indicate if these apply to any of the protected characteristics

Protected groups	Positive impact	Negative impact
Race		
Disability		
Carers (for elderly, disabled or minors)		
Sex		
Pregnancy and maternity (including breastfeeding)		
Sexual orientation		
Age (include children, young people, midlife and older people)		
Religion, and or belief		
Gender reassignment		
Inequalities arising from socio-economic differences		
Human Rights		

6. Evidence. What information have you used to make your assessment?

Performance data	
Internal consultation	The Supported Accommodation Management Team and Homelessness Staff have been consulted with regards to these proposals. The Council has a statutory duty to provide accommodation to homeless people and these changes will still allow this to continue at Marleon

	House.
Consultation with affected groups	MWA are currently reviewing their service model ahead of 1 July 2020 and consultation will take place with affected groups once their service reconfiguration options are complete.
Local statistics	<p>The Annual Return on the Charter (ARC) submitted to the Scottish Housing Regulator for 2018/2019 identifies that:</p> <ul style="list-style-type: none"> • for cases closed in the reporting year, the average length of time in a women's refuge was 2284 days (a reduction of 1001 days on the previous year); • the total number of different households who occupied a women's refuge was 15 (a reduction of 17 from the previous year); • the average length of time spent in the women's refuge was 152 days (an increase of 50 days from the previous year)
National statistics	-
Other	-

7. Evidence gaps

Do you need additional information in order to complete the information in the previous questions?

No

8. Mitigating action

Can the impact of the proposed policy/activity be mitigated? Yes

Removal of the Local Telephone Line

- Clients who telephone the service for advice and support will be signposted to the Scottish National Woman's Aid helpline which can be accessed 24 hours per day.

Removal of Out of Hours staffing at Marleon House

- MWA are currently looking at how they will deal with any issues out of hours. This will be detailed within their own reconfiguration model. Clients who are placed in Marleon House will continue to have access to the Council's services out of hours (social work, housing, etc.) and this can be included within the reconfiguration model (if required).

Reduction in Management hours

- The reduction in management hours can be contained within the service with minimal impact anticipated to service users and/or staff.

9. Justification

If nothing can be done to reduce the negative impact(s) but the proposed policy/activity must go ahead, what justification is there to continue with the change?

What is the aim of the proposal? – The Council's Policy towards Housing First will change the way that homeless people access housing services. The Scottish Government want to move away from a system providing temporary accommodation to one where homeless people access housing at the first point of contact.

Budget savings = A reduction in the Housing Support Contract to MWA will generate a saving of £42k from 1 July 2020. It is proposed that the funding of MWA is reviewed on an annual basis.

Have you considered alternatives?

Moray Woman's Aid are currently investigating funding options from other sources (Lottery funding, Grants, etc.) to establish whether it is possible to continue to fund their services by other means and not be reliant on Council funding.

SECTION 3 CONCLUDING THE EIA

Concluding the EIA

1. No negative impacts on any of the protected groups were found.	√
2. Some negative impacts have been identified but these can be mitigated as outlined in question 8.	
3. Negative impacts cannot be fully mitigated the proposals are thought to be justified as outlined in question 9.	
4. It is advised not to go ahead with the proposals.	

Decision

Set out the rationale for deciding whether or not to proceed with the proposed actions:

The EQIA demonstrates that there are no potentially negative impacts to equality groups resulting from this review.

Date of Decision: ...25../..02./20...

Sign off and authorisation:

Service	
Department	
Policy/activity subject to EIA	
We have completed the equality impact assessment for this policy/activity.	Name: Position: Date:
Authorisation by head of service or director.	Name: Position: Date:
Please return this form to the Equal Opportunities Officer, Chief Executive's Office.	

APPENDIX 6

FINANCIAL PLANNING 2020/23 – MILESTONES

1. 14 February 2018 – Corporate Plan for 2018 to 2023 was approved, including the aim of achieving a financially stable Council providing valued services to our communities and setting out a programme of actions to contribute towards this.
2. 28 June 2018 – Financial Planning report highlighting the need to prepare short and longer term financial plans.
3. 26 September 2018 – initial report on Improvement and Modernisation Programme.
4. 31 October 2018 – Council's Reserves Policy reviewed and target of £5 million or 2.5% net budget confirmed.
5. 12 December 2018 – Reports agreeing Improvement and Modernisation Programme, Capital Strategy and Property Asset Management Appraisal
6. 27 February 2019 – Budget 2019/20 approved. Indicative savings of £12 million for 2020/21.
7. 4 June 2019 - Improvement and Modernisation Programme update.
8. 27 June 2019 – Budget amendments following out-turn for 2018/19.
9. 2 October 2019 – Draft Corporate Plan for 2019 to 2024 and associated community engagement approved.
10. 29 October 2019 – Property Asset Management Appraisal update.
11. 27 November 2019 – Draft Medium to Long Term Financial Strategy approved.
12. 14 January 2020 - Improvement and Modernisation Programme update.
Participatory Budgeting Policy Statement and Framework approved.
13. 12 February 2020 – additional tranche of savings approved.
14. 3 March 2020 – Budget for 2020/21 for consideration.



REPORT TO: SPECIAL MORAY COUNCIL ON 3 MARCH 2020

SUBJECT: TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS

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

1. REASON FOR REPORT

- 1.1 The purpose of this report is to ask Members to approve the Treasury Management Strategy and the Investment Strategy for 2020/21 and to approve the indicators which will be used to measure the Council's performance in capital investment decisions.
- 1.2 This report is submitted to Council in terms of Section III B (3) of the Council's Administrative Scheme relating to the implementation and monitoring of the Treasury Policy Statement dealing with the management of all money and capital market transactions in connection with cash funding resources of the Council.

2. RECOMMENDATION

- 2.1 It is recommended that Council approves:
 - (i) the Treasury Management Strategy Statement for 2020/21;
 - (ii) the Investment Strategy for 2020/21 in APPENDIX 1; and
 - (iii) the Prudential Indicators and Limits for 2020/21 in APPENDIX 3.
- 2.2 It is recommended that Council notes the indicative Prudential Indicators and limits for 2021/22 and 2022/23.

3. BACKGROUND

- 3.1 The Local Government (Scotland) Act 2003 (the Act) and supporting regulations requires the Council to adhere to the CIPFA Treasury Management Code of Practice.
- 3.2 The Act and subsequent Local Government Investments (Scotland) Regulations 2010 require the Council to set out its Treasury Strategy for borrowing and to prepare an annual Investment Strategy which sets out the

Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

- 3.3 The Act also requires the Council to adhere to the CIPFA Prudential Code and to set prudential and treasury indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The prudential system, underpinned by legislation and regulation provides a self-regulatory framework.

4. TREASURY MANAGEMENT STRATEGY 2020/21

4.1 Current Treasury Position

- 4.1.1 The Council's borrowing and investments at 11 February 2020 are set out in the table below:

		Actual	Rate
		£000	%
Fixed Rate Debt	PWLB	148,033	4.76
	LOBO	10,100	3.95
	Market	23,300	5.00
Variable Rate Debt	PWLB	-	-
	LOBO	-	-
Temporary Borrowing – Local Authorities		34,500	0.89
Total External Borrowing		215,933	4.13
Other Liabilities		56,204	n/a
Total Gross External Debt		272,137	n/a
Investments			
Short Term Investments		15,328	0.70
Net Debt		256,809	n/a

PWLB is the Public Works Loan Board. LOBO is Lender's Option Borrower's Option where the lender has the option to propose an increase to interest rates at set dates and the borrower (the Council) has the option to either accept the new rate or to repay the loan. Temporary borrowing is borrowing for periods of less than twelve months. Other liabilities are those relating to the financing of capital expenditure, for example finance leases and Public Private Partnership (PPP) arrangements.

4.2 Interest Rates Forecast

- 4.2.1 The Council has appointed Arlingclose as treasury management advisers and receive advice on investment, debt and capital finance issues. The Council recognises that responsibility for treasury management decisions rests with the Council and cannot be delegated to the adviser.
- 4.2.2 The authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.75% for the foreseeable future. However, substantial risks to this

forecast remain, arising primarily from the Government's policy around Brexit and the transitional period.

The Arlingclose central case is for gilt yields to remain low due to the soft UK and Global economic outlooks. US monetary policy and UK Government spending will be key influences alongside UK monetary policy. Gilt yields are expected to remain at relatively low levels for the foreseeable future and the risks are judged to be broadly balanced.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **APPENDIX 4**.

4.3 Borrowing Strategy 2020/21

- 4.3.1 The Council's main objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 4.3.2 The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer term stability of the debt portfolio. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 4.3.3 By adopting the above approach, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of either using internal resources or borrowing short-term will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. The Council's advisers will assist with this breakeven analysis which may determine whether the Council borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.3.4 The Council will continue to borrow short term loans, normally one to six months, to cover cash flow shortages.
- 4.3.5 The approved sources of long-term and short-term borrowing are:-
- (PWLB) and any successor body
 - UK Local Authorities
 - Any Bank or Building Society authorised to operate in the UK.
 - UK public and private sector pension funds
 - Capital market bond investors
 - UK Municipal Bonds Agency PLC and other special purpose companies created to enable joint local authority bond issues

The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Associations as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to Local Authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a

guarantee to refund their investment in the event that – for whatever reason - the agency is unable to; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the UK Municipal Bonds Agency will therefore be subject of a separate report to Full Council.

- 4.3.6 At 1 April 2019, the Council held £10.1 million of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The Council will take the opportunity to repay the remaining LOBO loan at no cost if the opportunity arises.
- 4.3.7 The Council may, where required, borrow in advance of need, where this is expected to provide the best long term value for money. As sums borrowed will be invested until expenditure is incurred, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

4.4 Debt Rescheduling

- 4.4.1 The PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this facility and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.
- 4.4.2 Other lenders, other than the PWLB, may also be prepared to negotiate premature redemption rates. This will be closely monitored with regard to the LOBO loan (£10.1m) and Market Loan (£23.3m). The Council will take the option to repay these loans at no cost if such an opportunity arises.
- 4.4.3 The current low interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring in recent years and there is no indication that this will change during 2020/21.

4.5 Financial Derivatives

- 4.5.1 In the absence of any legal power to do so, the Council will not use standalone financial derivatives such as swaps, forwards, futures and options. Derivatives embedded into loans and investments may be used and the risks they present will be managed in accordance with the overall treasury risk management strategy.

5. INVESTMENT STRATEGY 2020/21

- 5.1 The Local Government Investment (Scotland) Regulations 2010 require the Council to approve an annual Investment Strategy. This has been included as **APPENDIX 1** to this report.
- 5.2 The primary principle governing the Council's investment criteria is the security of

capital and liquidity of its investments. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

- 5.3 The Council may invest its surplus funds with any of the Approved Counterparties listed in **APPENDIX 2**, subject to the cash and time limits shown.

6. PRUDENTIAL AND TREASURY INDICATORS

- 6.1 The key objectives of the Prudential Code are to ensure that capital investment plans of the Council are affordable, prudent and sustainable. To demonstrate these objectives the Code sets ten prudential and treasury indicators designed to support and record capital investment and treasury decision making. These are detailed in **APPENDIX 3**.

- 6.2 It is a statutory requirement under Section 93 of the Local Government Finance Act 1992 for the Council to produce a balanced budget. In particular, a local authority must calculate its budget requirement for each financial year to include the revenue costs incurred from capital financing decisions.

6.3 Affordability

The fundamental objective of affordability is to ensure that capital plans remain within sustainable limits.

Setting affordable limits for borrowing within a prudential framework is a specific requirement and helps ensure that the further objectives of sustainability and prudence are addressed. The Medium to Long Term Financial Strategy which is presented to this meeting of Council as another item on the agenda recommends reviewing the percentage of revenue budget planned to be spent on servicing debt as an additional method of ensuring affordability

6.4 Sustainability

The sustainability of the council's finances underpins the overall financial framework and is supported by the prudential code. Sustainability of finances relates to the ability of the council to sustain its current spending, tax and other policies in the long run without threatening council solvency or defaulting on its liabilities or promised expenditure.

6.5 Prudence

The prudent level of borrowing is linked to ensuring that debt will only be for a capital purpose. It is also prudent that treasury management activities are carried out in accordance with good professional practice. Within the CIPFA Prudential Code, local authorities are required to adopt the CIPFA Treasury Management Code of Practice.

- 6.6 The Local Government in Scotland Act 2003 also requires the Council to determine and continuously review how much it can afford to allocate to capital expenditure. This is known as the "Affordable Capital Expenditure Limit".

- 6.7 The Indicators and Limits for 2020/21 are based on the General Services Capital Plan presented in a separate report for consideration at this meeting and the Housing Revenue Account Investment Plan 2020/21 which was

approved by Council at its meeting on 12 February 2020 (paragraph x of the Minute refers.) .

- 6.8 Prudential Indicators are for 2020/21 only as the capital plan for General Services is proposed for one year only, namely 2020/21. However, indicative figures for 2021/22 and 2022/23 are included.
- 6.9 Actual outturn figures for 2018/19 have previously been reported to Policy and Resources Committee on 3 September 2019 (paragraph 11 of the minute refers) and these figures have also been included in the report for comparison purposes.
- 6.10 This report also updates the previously approved indicators for 2019/20 based on the latest estimated outturn for 2019/20.

7. SUMMARY OF IMPLICATIONS

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

None specifically arising from this report.

(b) Policy and Legal

The Local Government in Scotland Act 2003 provides the powers to borrow and invest as well as providing controls and limits on these activities.

The Council has adopted the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice and Guidance Notes ("the CIPFA Code") which was revised in 2017. The Council also complies with the Local Government Investments (Scotland) Regulations 2010 ("the Regulations").

All Treasury Management activities are carried out in accordance with the CIPFA Code and the Regulations.

(c) Financial implications

All financial considerations are contained within the body of the report and the attached **APPENDICES 1 - 4**.

The net cost of Capital Investment and Treasury Management activities has a significant effect on the Council's overall finances.

When considering the level of future capital investment programmes, the Council should be aware of the impacts of proposed capital spend on the Revenue Budget.

(d) Risk Implications

The Council is aware of the risks of passive management of the treasury portfolio and, with the support of the Council's treasury advisers, will proactively managed its investments and debt over the year.

Capital expenditure is closely monitored and Budget Managers are aware of their responsibilities to manage budget allocations.

(e) Staffing Implications

None specifically arising from this report.

(f) Property

None specifically arising from this report.

(g) Equalities/Socio Economic Impact

None specifically arising from this report.

(h) Consultations

This report has been produced in consultation with Arlingclose.

8. CONCLUSION

8.1 The adoption of the Treasury Management Strategy Statement will ensure that the Council adopts best practice in its treasury activities.

8.2 The Investment Strategy will ensure that the Council will achieve the optimum return on its investments whilst maintaining a high level of liquidity to allow flexibility and above all ensure that the Council's investments are secure.

8.3 Establishing and subsequent monitoring of Prudential and Treasury Indicators will ensure that the Council has capital investment plans which are affordable, prudent and sustainable.

8.4 Prudential Indicators and Limits are proposed for 2020/21 only, as the proposed Capital Plan is for this year only. Indicative figures for 2021/22 and 2022/23 are identified.

Authors of Report: Douglas McLaren and Paul Connor

Background Papers:

Ref:

The Annual Investment Strategy 2020/21

1. Background

- 1.1 The Council will adhere to the Local Government Investment (Scotland) Regulations 2010 (the Regulations), the CIPFA Prudential Code and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA Code”) which was revised in 2017.
- 1.2 Both the Regulations and the CIPFA Code require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving very low interest rates on investments.
- 1.3 The Annual Investment Strategy covers:
 - Creditworthiness Policy
 - Investment Strategy
 - Permitted Investments
 - Non Treasury Investments

2. Creditworthiness Policy

- 2.1 The Council’s creditworthiness policy has been formulated after consultation with Arlingclose, the Council’s treasury advisers.
- 2.2 In addition to credit ratings provided by the three main credit rating agencies; Fitch, Moodys and Standard & Poor, the following tools are used to assess credit risk:
 - Sovereign support mechanisms
 - Credit default swaps (where quoted)
 - Share prices (where available)
 - Corporate developments, news articles, market sentiment and momentum
- 2.3 The Chief Financial Officer maintains a counterparty list in compliance with the minimum criteria detailed in 2.4 which is submitted to the Council for approval as necessary. All credit ratings are monitored on an ongoing basis and the counterparty list is amended to reflect any changes. The current Counterparty List is shown as **APPENDIX 2**.
- 2.4 The current minimum criteria was approved by Full Council on 27 February 2019 (Para 5 refers).

The Council’s minimum criteria are:

- Banks – the Council will use banks which have at least the following Fitch or equivalent ratings.
 - Long Term: BBB+
- Building Societies – the Council will include Societies which meet the criteria for Banks outlined above.
- Money Market Funds – Long Term: AAmmf (Fitch) or equivalent.

2.5 The Council banks with Bank of Scotland and at the current time it meets the minimum credit criteria. However, if the credit rating falls below the Council's minimum criteria, Bank of Scotland will continue to be used for short-term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

3. Investment Strategy

- 3.1 The Local Government Investments (Scotland) Regulations 2010 states that Local Authorities are required to adopt a strategy that identifies the different types of treasury risk for the type of investments utilised. A local authority may invest money for any purpose relevant to its functions under any enactment, or for the purposes of prudent management of its financial affairs. Such investments or types of investments are defined as permitted investments. The risks that these investments are exposed to are credit or security risk (of default); liquidity risk (risk of committing funds to longer term investments); and market risk (effect of market prices on investment value).
- 3.2 The primary principle governing the Council's investment criteria is the security of capital and liquidity of its investments. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 3.3 The Council's in-house managed funds are mainly derived through cash-flow and the balance on the General Reserve. Investments will accordingly be made with reference to the Council's cash flow requirements and the outlook for short-term interest rates.
- 3.4 Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved. Therefore a maximum deposit of £5 million can be placed with any one institution at any one time, with the exception of the Council's Bankers when the limit is £10 million.

- 3.5 As the size of cash balances is forecast to remain small, which together with the requirement for sufficient liquidity for cash flow purposes, the investment strategy is likely to continue to focus on the utilisation of an unsecured call account with Council's Banker and money market funds as they offer the best return for instant access to investments.

4. Permitted Investments

- 4.1 The Council will undertake the most appropriate form of investments in keeping with investment objectives, income and risk management requirements and prudential indicators.
- 4.2 The permitted investments identified for the Council's use are as follows:
- **Debt Management Agency Deposit Facility (DMADF).** This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the UK Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts. As it is low risk it also earns low rates of interest. The longest term deposit that can be made with the DMADF is 6 months.
 - **Bank (Unsecured).** These are account deposits, certificates of deposit and senior unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should a bank is failing or likely to fail. Diversifying investments is crucial to managing bail-in risk in addition to determining proportionate counterparty maturity limits. Should the Council's current bank, Bank of Scotland, be rated less than BBB+, investments with them will be restricted to overnight deposits.
 - **Banks (Secured).** These are covered bonds, reverse purchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means they are exempt from bail-in.
 - **Money Market Funds (MMFs).** MMFs are pooled funds that invest in short-term debt instruments. They provide the benefits of a pooled investment, as investors can participate in a more widely diversified portfolio than they could do individually. Due to the high level of expertise of the fund managers and the very large amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification, very low or no volatility and competitive rates of return.

- **Securities Issued or Guaranteed by Governments**
 - a) **Treasury Bills.** These are short-term bills (up to 12 months) issued by the Government and therefore are backed by the sovereign rating of the UK. An advantage compared to a time deposit in the DMADF is that they can be sold if there is a need to access cash at any point in time. However there is a spread between purchase and sale prices so early sales may incur a net cost which would result in a fall in the nominal value of the instrument.
 - b) **Gilts.** These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK.
- **Lending to other Local Authorities.** Lending to other local authorities will normally be in the form of fixed term deposits for periods up to one year.

4.3 All investments in the table at 4.4 are subject to the following risks:-

1. **Credit and Counter-Party Risk:** this is the risk of failure by counterparty (bank or building society) to meet its contractual obligations to the Council particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have a very high level of creditworthiness.
2. **Liquidity Risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts or corporate bonds can usually be sold immediately if the need arises, there are two caveats: - (a) cash may not be available until a settlement date up to three days after the sale and (b) there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer. The column in the table above headed as 'market risk' will show each investment instrument as being instant access, sale T+1 = transaction date plus one business day before you get the cash, or term i.e. money is locked in until an agreed maturity date.
3. **Market Risk:** this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.
4. **Interest Rate Risk:** this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately. The Council has set limits for its fixed and variable rate exposure in its previously agreed Treasury Indicators.

5. **Legal and Regulatory Risk:** this is the risk that the Council or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.
6. **Bail-In Risk:** this is the risk, arising from the EU Bank Recovery and Resolution Directive which has been implemented in the UK, that a Bank's creditors and depositors are forced to bear some of the burden of rescuing a failing Bank.

4.4 The following table provides details of the proposed investment limits and maturity periods for Permitted Investments:

	Minimum Credit Criteria (Fitch or Equivalent)	Liquidity risk	Market risk	Bail-In Risk	Maximum Value of investments	Maximum maturity period
Debt Management Agency Deposit Facility or successor	n/a	term	no	n/a	No Limit	6 months
Term Deposits: Local Authorities	n/a	term	no	n/a	£5m	364 Days
Banks (Unsecured)	Long-Term: BBB+	Instant*	no	yes	£5m (£10m Council's own Bank)	n/a
Banks (Secured)	Long-Term: BBB+	term	no	no	£5m (£10m Council's own Bank)	3 months
Money Market Funds	AAAmmf	instant	no	n/a	0.5% of Money Market Fund size Government Money Market Funds – 2% of Fund size	n/a
Treasury Bills	UK Sovereign Rating	Sale T+1	No (If held to maturity)	n/a	No Limit	12 months
UK Government Gilts	UK Sovereign Rating	Sale T+1	No (If held to maturity)	n/a	No Limit	12 months

*The only investment of this type used is a Call Account with the Council's own Bank.

4.5 Controls on Treasury Risks

1. **Credit and Counter-Party Risk:** the Council has set minimum credit criteria to determine which counterparties are of high creditworthiness to enable investments to be made safely.
2. **Liquidity Risk:** the Council has cash flow forecasting models to enable it to determine how long investments can be made for and how much can be invested.

3. **Market Risk:** the Council does not directly purchase and/or account for investment instruments which are subject to market risk in terms of fluctuation in their value. If this position changes, instruments exposed to market risk will initially be purchased and held with the intention to hold them until maturity, thus mitigating market risk.
4. **Interest Rate Risk:** the Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with minimising risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.
5. **Legal and Regulatory Risk:** the Council will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations.
6. **Bail-In Risk:** The Council will diversify investments to manage this risk. Any investments subject to the risk of bail-in are restricted to overnight deposits with the Council's own Bank (Call Account).

4.6 Unlimited Investments

- 4.6.1 The Regulations state that the Council can deem an investment as being 'unlimited' in terms of the maximum amount of the total portfolio that can be put into that type of investment but an explanation must be given for using that category.
- 4.6.2 The Council has only given the UK Government (Debt Management Agency Deposit Facility, Treasury Bills and Gilts) an unlimited category. This is considered to be the lowest risk form of investment available to local authorities.

5. Non Treasury Investments

- 5.1 Investments defined in the regulations include the acquisition of properties, share or loan capital. These types of investments may have originally been made for service or policy reasons or for treasury management purposes. Should the Council make an investment which is not listed as a permitted investment, that investment will not be made in accordance with the Consent of Ministers and as such will be *ultra vires*. The exception to this is where the Council makes a financial transaction that relies on separate legislative powers such as loans to third parties.
- 5.2 General powers to borrow and lend money are conferred by S165 of the Local Government etc (Scotland) Act 1994 and ensuing regulations. Specific regulations for loans to third parties by local authorities are contained in the Housing (Scotland) Act 1987, the Housing (Scotland) Act 2006 and the general power to advance well-being contained in the Local Government in Scotland Act 2003 at section 20. The inclusion of loans to third parties as part of the investments of the Council is to identify the value of local authority monies utilised in this way, monies which would otherwise be available for general investment and give rise to investment income.

- 5.3 The following table provides a summary of the Councils Non-Treasury Investments at 31 March 2019 and the maximum value of investments that the Council will hold.

	Actual Value at 31 March 2019 £m	Max Value of Investments £m
Investment Property * - Council	£0.747m	£10m
Share Holdings Council	Note **	£0.1m
Loans to 3 rd Parties Market Rate - Council	£0.403m	£2.0m
Loans to 3 rd parties – Below Market Rate - Council	£0.020m	£0.5m
Investment Property * - Common Good Funds	£4.106m	£12m
Share Holdings - Common Good Funds	Nil	Nil
Loans to 3 rd Parties Market Rate – Common Good Funds	Nil	£0.5m
Loans to 3 rd parties – Below Market Rate – Common Good Funds	Nil	Nil
Investment Property * - Trust Funds	£0.074m	£1.0m
Share/ Unit Trust Holdings – Trust Funds	£2.661m	£3.5m

Notes

* Investment Properties have been categorised using IFRS guidelines and include both properties acquired for capital appreciation and income generation.

** Although the Council has the following share holdings no value has been attached to them in its current Balance Sheet

- 1) 20.44% of total share capital in The Grampian Venture Capital Fund Limited

6. End of Year Investment Report

- 6.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Management Report.

THE MORAY COUNCIL
APPROVED COUNTERPARTIES LIST

APPENDIX 4. Item 4.

<u>UK Banks</u>		<u>Limit (£m)</u>	<u>Time Limit</u>	<u>Long Term Rating</u>
				See Note
Bank of Scotland	(Lloyds)	10	6 Months	A+/Aa3/A+
Barclays Bank		5	3 Months	A+/A1/A
Close Brothers		5	6 Months	A/Aa3/No Rating
HSBC		5	6 Months	A+/Aa3/AA-
Lloyds Bank		5	6 Months	A+/Aa3/A+
National Westminster Bank	(RBS)	5	3 Months	A+/A1/A
Royal Bank of Scotland		5	3 Months	A+/A1/A
Santander (UK)		5	6 Months	A+/Aa3/A

UK Building Societies

Coventry		5	3 Months	A-/A2/No Rating
Leeds		5	3 Months	A-/A3/No Rating
Nationwide		5	6 Months	A+/Aa3/A

Other Institutions

Debt Management Office		Unlimited	6 Months	AA/Aa2/AAu
UK Local Authorities		5	12 Months	

Money Market Funds

Standard Life Sterling Liquidity Fund		5	Call	AAAmf/Aaa-mf/AAAm
Federated Sterling Prime Fund		5	Call	AAAmmf/-/AAAm
Blackrock Institutional Sterling Liquidity Fund		5	Call	AAAmmf/Aaa-mf/AAAm
Insight Sterling Liquidity Fund		5	Call	AAAmmf/-/AAAm
Deutsche Bank Managed Sterling Fund		5	Call	AAAmmf/Aaa-mf/AAAm

Notes

1. The long term ratings for each institution above are in the format Fitch/ Moodys/ Standard & Poor.

The minimum ratings are as follows: -

Fitch: BBB+

Moodys: Baa1

Standard & Poor: BBB+

APPENDIX 3**Prudential and Treasury Indicators****Capital Expenditure Indicators****1. Capital Expenditure**

The Council is required to establish and keep under review capital investment plans which are affordable. It should make reasonable estimates of total capital expenditure that it plans to incur during the forthcoming year and the following two years.

This indicator outlines capital spending plans for 2020/21 based on the proposed capital plan, with indicative figures for 2021/22 and 2022/23 based on the proposed 10 year capital plan.

For comparison purposes, the actual spend for 2018/19 is presented together with estimates for 2019/20 based on the latest figures at 31 December 2019.

	2018/19 Actual £000	2019/20 Estimate £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000
Capital Expenditure					
General Services	26,986	68,460	42,319	44,709	35,823
HRA	12,642	16,560	28,514	17,629	15,272
Total Capital Expenditure	39,628	85,020	70,833	62,338	51,095
Financed by:					
Capital Receipts	75	0	0	0	400
Capital Grants	30,119	36,868	19,237	7,751	11,133
Revenue	4,679	5,877	5,343	6,594	7,275
Total Funding	34,873	42,745	24,580	14,345	18,808
Net financing need for the year	4,755	42,275	46,253	47,993	32,287

In General Services, the 2019/20 estimated capital expenditure includes a number of major projects, the most significant items are £21.2m for the new Lossiemouth High School and £10.0m for the new Linkwood Primary School in Elgin. In 2020-21 these projects are budgeted to spend £10.3m and £1.2m respectively, a decrease of £19.7m which represents the main reduction in the overall General Services budget from 2019-20 to 2020/21. Other ongoing projects in 2020/21 include Early Learning and Childcare expansion and the NESS energy from Waste facility in Aberdeen. The increase on the HRA from 2019/20 to 2020/21 relates principally to the phasing of the new build housing programme, with an increase of £8.0m.

Capital grant and other contributions show a decrease of over £17m from 2019/20 estimated amounts to the 2020/21 budget. This is explained mainly by the one-off grant funding of over £11m received in 2019/20 for the new Lossiemouth High School

and a reduction in the Scottish Government 's general capital grant from 2019/20 to 2020/21 of over £4m.

2. Capital Financing Requirement

The capital financing requirement measures the Council's underlying need to borrow for capital investment. The capital financing requirement rises over the period as a large proportion of the Council's capital expenditure is financed by additional borrowing thus increasing the Council's total outstanding debt.

The Council pays off an element of the accumulated debt each year through a revenue charge (the scheduled debt amortisation).

	2018/19 Actual £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000
Capital Financing Requirement (CFR)					
General Services	223,644	253,509	275,730	302,427	318,509
HRA	72,750	74,582	87,251	97,022	100,754
Total CFR	296,394	328,091	362,981	399,449	419,263
Movement in CFR	(4,126)	31,697	34,890	36,468	19,814
Net financing Need (Indicator 1)	4,755	42,275	46,253	47,993	32,287
Scheduled debt amortisation	(9,804)	(10,578)	(11,363)	(11,525)	(12,473)
Assets acquired under Finance leases/PPP (Estimate)	923	0	0	0	0
Movement in CFR	(4,126)	31,697	34,890	36,468	19,814

The figure for assets acquired under finance leases/PPP in 2018/19 relates to the capitalisation of the new Elgin High School.

The following three indicators establish whether the Council's level of borrowing is affordable and financially prudent.

Affordability Indicators

3. Ratio of Financing Costs to Net Revenue Stream

This indicator provides a measure of the percentage of the budget that is being set aside to pay debt financing costs. For General Services this is the ratio of financing costs of borrowing against net expenditure financed by government grant and local taxpayers. For Housing the indicator is the ratio of financing costs to gross house rental income.

Service	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
General Services	9.95%	9.86%	10.06%	9.78%	10.44%
HRA	20.33%	20.38%	19.97%	20.73%	21.16%

The percentages in General Services from 2018/19 to 2022/23, although fluctuating, reflect the ongoing general requirement to increase borrowing to fund capital expenditure in the capital plan.

The increase in percentages in the HRA from 2018/19 to 2022/23 reflects the ongoing requirement to increase borrowing due, in part, to the ongoing programme of new build housing.

4. Estimates of Incremental Impact of New Capital Investment Decisions on Council Tax and House Rents

This indicator demonstrates the incremental impact of planned capital expenditure and associated borrowing on council tax and rent levels.

	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Council Tax - Band D	£35.03	£11.12	£22.14	£(12.40)	£43.38
Average Weekly Housing Rents	£0.92	£0.18	£0.49	£1.35	£0.85

The increases in calculated amount on Council Tax, except for the reduction in 2021/22 due to timing differences, demonstrate the requirement of the Council to borrow in order to fund the General Services Capital Plan which includes a number of high cost projects. These include Lossiemouth High School, Linkwood Primary School, a new primary school at Findrassie Elgin, NESS Energy from Waste Facility and Moray Growth Deal.

In the HRA, the increase in incremental impact on housing rents from 2018/19 onwards demonstrates that the capital investment plans, including for new affordable housing, require an incremental increase on average rents to fund costs of additional borrowing.

Prudence Indicators

5. Gross Debt and the Capital Financing Requirement

This indicator records the extent that gross debt is less than the capital financing requirement (see Indicator 2 above). This indicator shows prudence by demonstrating that over the medium term external borrowing is used only for a capital purpose. The values are measured at the end of each financial year. Debt is the sum of external borrowing and other liabilities relating to the financing of assets (e.g. PPP and other finance leases).

Reported debt must include all liabilities relating to the financing of assets.

	2018/19 Actual £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000
Borrowing	214,891	248,087	284,561	322,623	343,937
Other Liabilities	57,508	56,009	54,425	52,831	51,331
Gross Debt	272,399	304,096	338,986	375,454	395,268
CFR	296,394	328,091	362,981	399,449	419,263
Under Limit By	23,995	23,995	23,995	23,995	23,995

The above figures confirm that the Council's borrowing will be well under the Capital Financing Requirement due to the Council's policy in the economic climate of low interest rates of using internal balances and short term temporary loans. The Council does not envisage difficulties for the future after taking into account current commitments and existing plans.

External Debt Indicators

6. The Authorised Limit For External Debt

The authorised limit for external debt is required to separately identify external borrowing and other liabilities such as PPP and finance lease obligations. This limit provides a maximum figure to which the Council could borrow at any given point during each financial year. The authorised limit should contain sufficient headroom to provide for any anticipated payments as well as being based on the council's capital investment plan.

	2018/19 Actual Maximum £000	2019/20 Estimate Maximum £000	2020/21 Estimate Maximum £000	2021/22 Estimate Maximum £000	2022/23 Estimate Maximum £000
Borrowing	214,891	276,080	348,593	388,542	413,785
Other Liabilities	57,508	59,508	58,009	56,425	54,831
Total External Debt	272,399	335,588	406,602	444,967	468,616

The authorised limits shown above are based on the proposed capital investment plan for 2019/20 to 2022/23 and anticipated Other Liabilities and take account of Treasury Management policy and practice. The figures allow sufficient headroom for unanticipated cash movements. The limits will be reviewed on an on-going basis during the year. Total debt must include all liabilities relating to the financing of assets.

7. Operational Boundary for External Debt

This indicator is a management tool for in-year monitoring and is lower than the Authorised Limit as it is based on an estimate of the most likely level of external borrowing at any point during each year.

Operational Boundary	2018/19 Actual Maximum £000	2019/20 Estimate Maximum £000	2020/21 Estimate Maximum £000	2021/22 Estimate Maximum £000	2022/23 Estimate Maximum £000
Borrowing	214,891	271,080	333,593	373,542	398,785
Other Liabilities	57,508	58,508	57,009	55,425	53,831
Total External Debt	272,399	329,588	390,602	428,967	452,616

Actual External Debt

The Prudential indicator for actual external debt is considered at a single point in time, which is at the end of each financial year. Therefore it is only comparable to the authorised limit and operational boundary at that specific time. The actual external debt reported in the annual accounts for the previous year is required to be shown as an indicator for comparison purposes only.

Actual Debt	At 31 March 2019 £000
Borrowing	214,891
Other Long Term Liabilities	57,508
Total Debt	272,399

8. Compliance with CIPFA Code of Practice for Treasury management in the Public Services

This is an adoption statement aimed at ensuring that treasury management is led by a clear and integrated forward treasury management strategy and recognition of the council's existing borrowing and investments portfolio.

There are four treasury prudential indicators, the purpose of which is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be restrictive they will impair the opportunities the council may have to reduce financing costs.

8.1 Fixed and Variable Rate Limits

Upper limits on variable rate exposure – this indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.

Upper limits on fixed interest rate exposure – similar to the previous indicator, this sets a maximum limit on fixed interest rates.

	2018/19 Actual	2019/20 Estimate	2020/21	2021/22 & 2022/23
Interest Rate Exposures	Upper Limit	Upper Limit	Upper Limit	Upper Limit
Limits on Fixed Interest Rates based on Net Debt	100%	100%	100%	100%
Limits on Variable Interest Rates based on Net Debt	0%	35%	35%	35%

8.2 Maturity Structure of Fixed Interest Rate Borrowing

Maturity structure of borrowing – these gross limits, both lower and upper, are set to reduce the Council's exposure to large fixed rate sums falling due to be refinanced within the same financial year.

	2018/19 Actual	2019/20		2020/21		2021/22 & 2022/23	
		Lower	Upper	Lower	Upper	Lower	Upper
< 12 months	18.84%	0%	30%	0%	30%	0%	30%
12 – 24 months	3.88%	0%	20%	0%	20%	0%	20%
2 – 5 years	9.81%	0%	25%	0%	25%	0%	25%
5 – 10 years	9.86%	0%	50%	0%	50%	0%	50%
>10 years	57.61%	0%	85%	0%	85%	0%	85%

8.3 Maximum Principal Sums Invested Greater than 364 days

Following changes arising from the new Investment Regulations applicable from 1 April 2010, the Council can invest for periods longer than 364 days. The Council does not currently take advantage of this change and therefore has set a limit of Nil for investing over 364 days.

	2018/19 Actual	2019/20	2020/21	2021/22 & 2022/23
Principal Sums Invested > 364 days	£0M	£0M	£0M	£0M

INTEREST RATE FORECAST

	Mar 20 %	Jun 20 %	Sep 20 %	Dec 20 %	Mar 21 %	Jun 21 %	Sep 21 %	Dec 21 %	Mar 22 %	Jun 22 %	Sep 22 %	Dec 22 %	Mar 23 %
Bank Rate	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
3-mth Money Market	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
1-yr Money Market	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
5-yr Gilt Yield	0.50	0.50	0.55	0.55	0.55	0.60	0.60	0.65	0.65	0.70	0.75	0.75	0.75
10-yr Gilt Yield	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	1.10
20-yr Gilt Yield	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.40
50-yr Gilt Yield	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.40

The forecast is based on the following underlying assumptions:

- The global economy has entered a period of weaker growth in response to political issues. The UK economy continues to experience slower growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations are low. Some improvement in global economic data and a more positive outlook for US/China trade negotiations has prompted worst case economic scenarios to be pared back..
- UK economic growth has stalled in Q4 2019. Inflation is running below target at 1.5%. The inflationary consequences of the relatively tight labour market have yet to manifest, while slower global growth should reduce the prospect of externally driven pressure, although escalating geopolitical turmoil could continue to push up oil prices.
- The weak outlook for the UK economy and current low inflation has placed pressure on the MPC to loosen monetary policy. Two MPC members voted for an immediate cut in the last two MPC meetings of 2019. The evolution of the economic data and political moves over the next few months will inform policy, but upside risks to the Bank Rate are very limited.
- Although Arlingclose have maintained their Bank rate forecast at 0.75% for the foreseeable future. Substantial risks to this forecast remain, arising primarily from the Government's policy around Brexit and the transitional period

- Gilt yields remain low due to the soft UK and global economic outlooks. US monetary policy and UK Government spending will be key influences alongside UK monetary policy. Gilt yields are expected to remain at relatively low levels for the foreseeable futures and the risks are judged to be broadly balanced.



REPORT TO: SPECIAL MORAY COUNCIL ON 3 MARCH 2020

SUBJECT: MEDIUM TO LONG TERM FINANCIAL STRATEGY

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

1. REASON FOR REPORT

- 1.1 To ask Council to consider a financial strategy to facilitate medium to long term financial planning.
- 1.2 This report is submitted to Committee in terms of Section III (A) 2 of the Council's Scheme of Administration relating to long term financial plans.

2. RECOMMENDATION

- 2.1 **It is recommended that Council approves Medium to Long Term Financial Strategy at APPENDIX 1 to this report as a partner piece to the Corporate Plan.**

3. BACKGROUND

- 3.1 The Council's Corporate Plan 2019/2024 was approved in draft by Council on 2 October 2019 (paragraph 9 of the Minute refers). Previous Corporate Plans have incorporated a section on Financial Strategy but the report on 2 October indicated that a separate Financial Strategy was being prepared, to allow a more detailed consideration of the factors impacting on financial planning. The Corporate Plan provides direction and focus for financial planning through clarification of corporate priorities, and the Financial Strategy sets out how the Council will realign its finances to fit with those priorities. Community engagement on the draft Corporate Plan was launched on 26 November 2019 with two key outcomes: that Community priorities are understood and to gather thoughts on a new model for council services of the future.
- 3.2 The Financial Strategy looks at the context in which the Council is planning for the future; and identifies the principal cost drivers for the Council's services, and looks at the impact of these under a number of different scenarios - essentially taking a range of options for these cost drivers from a more optimistic to a more pessimistic point on a scale. This enables an assessment of the possible financial position of the Council over the next ten years

- 3.3 The Strategy also sets out the main vehicles which the Council will use to make strategic shifts in expenditure, in order to achieve financial sustainability, with development of the Improvement and Modernisation Programme which was approved by Council on 12 December 2018 (paragraph 12 of the Minute refers) being the current principal focus of activity, albeit the Strategy recognises that a wider approach to Transformation than the current Programme will be required..
- 3.4 The Strategy identifies how performance under the Strategy will be measured and proposed some indicators which will be used as indicative of the financial health of the Council and its progress to sustainability.
- 3.5 An earlier draft of the strategy was approved by Council on 27 November 2019, subject to it being finalised along with the Corporate Plan (paragraph 17 of the Minute refers) and amendments are shown in tracked changes in **APPENDIX 1**.
- 3.6 In particular, the future focus of the strategy now explicitly links to the priorities in the final version of the corporate Plan.

4. SUMMARY OF IMPLICATIONS

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

The Financial Strategy is a companion document to the Corporate Plan

(b) Policy and Legal

There are no direct policy and legal implications arising from this report.

(c) Financial implications

There are no financial implications arising directly from this report. The Financial Strategy sets out the financial parameters within which the Council's financial planning activity is expected to take place over the next ten years.

(d) Risk Implications

Although the Strategy looks at the long term, the farther off the financial projections are the greater risk of inaccuracy. Over the ten year period there will be many influences on the Council's services which are at present unknown.

(e) Staffing Implications

No staffing implications arise directly from this report.

(f) Property

No property implications arise directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues or impact on the socio-economic duty arising from this report.

(h) Consultations

This report has been prepared in consultation with CMT and SMT.

5. CONCLUSION

- 5.1 The Financial Strategy provides a detailed consideration of the factors which will impact on financial planning over the medium to long term and sets out the factors which the Council will have to consider in realigning its finances to achieve financial sustainability.**

Author of Report: Lorraine Paisey, Chief Financial Officer

Background Papers:

Ref:

APPENDIX 1

MORAY COUNCIL

MEDIUM TO LONG TERM FINANCIAL STRATEGY

2021/22 – 2029/30

DRAFT

CONTENTS

- 1 Introduction
- 2 Economic, social and environmental context
- 3 Cost drivers and planning assumptions
- 4 The budget gap
- 5 Thematic approach to planning and transformation
- 6 Performance monitoring and indicators
- 7 Conclusion

DRAFT

1 INTRODUCTION

- 1.1 A medium to long term financial strategy is essential to ensure that the challenges the Council faces in terms of managing its budgets are addressed in the most effective way. The intended outcome of the financial strategy is a sustainable financial plan, with planned revenue expenditure met by budgeted revenue income, with use of reserves to balance the budget kept to a minimum and targeted towards transformation of council services. The outcome of the strategy will be monitored through a range of measures including scrutiny of in year net expenditure through the council's established programme of budget monitoring; tracking progress of the Improvement and Modernisation Programme and reporting on Benefits Realisation of transformation projects, and by keeping the balance of expenditure across services under review, to ensure that the strategic direction of spend is maintained over the medium term. Health check Performance Indicators are detailed in Section 6 of this Strategy.
- 1.2 The Financial Strategy is a companion document to the Corporate Plan and sets out how the Council aims to fund achievement of the priorities expressed in the Corporate Plan and the Local Outcome Improvement Plan (LOIP).

National priority	Children	Education and Health	Communities	Economy, Fair Work and Business, Culture	Environment
	Poverty	Raising Aspirations			
LOIP priority	Building a better future for our children & young people in Moray	Empowering & connecting communities Locality Plans		Growing, diverse & sustainable economy	
Council priority	Our People		Our Place		Our Future
	Provide opportunities for people to be the best they can be throughout their lives with a strong and sustained focus on those individuals and groups in our society who experience the most disadvantage and discrimination		Empower and support communities to build capacity		Drive economic development to create a vibrant economy for the future
	Creating a sustainable council - that provides valued services to our		Financial Strategy: Developing our medium and long-term approach to financial stability		

	communities.	Improvement and Modernisation: programme of transformation projects that will contribute to a financially stable council for the future
		Developing the Workforce: Realigning the workforce to meet our future requirements and developing new skills
Our Approach	<ul style="list-style-type: none"> ➤ Equalities – providing opportunities for everyone to be their best ➤ Empowering – producing better results by collaborating and working to engage and involve people (partners, businesses and communities) ➤ Environment – look after world we live in to protect it for the future ➤ Enterprising – consider new approaches to the way we do our business to increase our income and make services more sustainable for the future 	

Sustainability and the Council's Financial Strategy are recognised as forming the platform from which the three key priorities of Our People, Our Place and Our Future must be delivered.

1.3 The financial strategy will:

- Highlight the key cost drivers and drivers of change for the Council's service delivery
- Outline the Council's high level financial position over the years 2020/21 to 2029/30, based on a range of assumptions across different scenarios
- Facilitate planning ahead to enable the impact of change to be managed more proactively and effectively
- Plan for a sustainable revenue budget and capital investment programme which will support the Council's priorities and address the key issues for Moray
- Assist in increasing the people of Moray's understanding of the Council's financial position and the challenges facing it over the next ten years.

1.4 The strategy covers the period 2020/21 to 2022/23 in detail and provides very high level estimates for 2023 to 2030. Following the UK Government Spending Review in 2018, which announced that a three year forecast would be produced in 2019, the Cabinet Secretary for Finance, Economy and Fair Work announced that he would follow suit. As the UK Government Spending Round on 4 September was for 2020/21 only it is unlikely that the Scottish Government will announce figures for the longer term. Consequently there is considerable uncertainty about the council's budget position even in the early years of the strategy.

1.5 The key challenge for the strategy is identifying the approach which the Council must take to achieve a sustainable financial position, with balanced budgets in future years. It is unclear what the future holds for local government finance in Scotland, but it is clear that the Council cannot continue to do all that it currently does in the same ways as it traditionally has with reducing funding. To that extent the financial strategy is dependent on a programme of business transformation; service prioritisation and redesign, and reduction in service delivery. Underpinning this is a

direction of travel which looks to target resources at areas of greatest need and to shift away from a universal provision of services where this is possible.

- 1.6 The Community Empowerment agenda is also central to the programme of transformation, with an expectation that local communities will take the lead in some areas in which traditionally the council has led. The Council has been committed to Community Asset Transfer (CAT) for many years and in 2018 successfully promoted CAT of town halls and some community centres as part of its budget setting process for 2018/19, a process in which the public were consulted through a variety of channels to establish community priorities for service delivery. The Council is currently developing its Participatory Budgeting (PB) Charter and process, in conjunction with community groups. The strategy recognises the need for the Council to invest further in this process if it is to achieve its aims.
- 1.7 The strategy must also allow for investment in the Council's asset base, appropriately directed towards meeting national and local priorities in a planned fashion, in accordance with the Local Development Plan, Asset Management Plans and associated infrastructure planning. Although the Council has a clear need to reduce its asset base, continued economic development in Moray requires appropriate infrastructure and facilities and so overall a reshaping and repositioning of the asset base is required and this must be accommodated within the capital plan.
- 1.8 The strategy will be reviewed annually as part of the Council's financial planning process, with regular updates of the medium term position reported to the Corporate Management Team on a monthly basis and to the Policy and Resources Committee on a quarterly basis.
- 1.9 Moray Council is not alone in facing significant financial challenges. The approach towards savings and service transformation which the Council is advocating is one which can be seen across Scottish local authorities. One of the tools used in developing the Strategy has been horizon scanning / peer review, to ensure that ideas for change developed in other local authority areas are considered for use in Moray, where appropriate.
- 1.10 The inclusion of information in the Strategy does not imply approval. All financial estimates are subject to approval by Council as part of the budget setting process.
- 1.11 The scope of this Financial Strategy is the Council's General Fund. The Council's Housing Revenue Account (HRA) is ring-fenced, according to statutory requirements, and consequently financial planning for the HRA is a separate exercise from financial planning for the Council's other services and is managed through a series of strategies developed solely for this service area such as the Strategic Housing Investment Plan.

2 ECONOMIC, SOCIAL AND ENVIRONMENTAL CONTEXT

2.1 The national context

Global Economy

- 2.1.1 The global economy has been slowing, with a downturn in the United States, Eurozone and UK economies. Forward-looking economic indicators strongly suggest a weaker outlook for economic growth. In the UK, uncertainty over Brexit is a key factor, but the Eurozone is also showing signs of economic downturn, particularly in German manufacturing, and the US and China trade position has wide ramifications. This is reflected in the fall in bond prices, with US treasuries and UK gilts generally on a downward trajectory and German bunds at a negative yield.
- 2.1.2 The value of bonds directly impacts on the Council's financial position, as Public Works Loans Board (PWLB) loan interest rates are linked to the yield on Treasury gilts.

Scottish Dimension

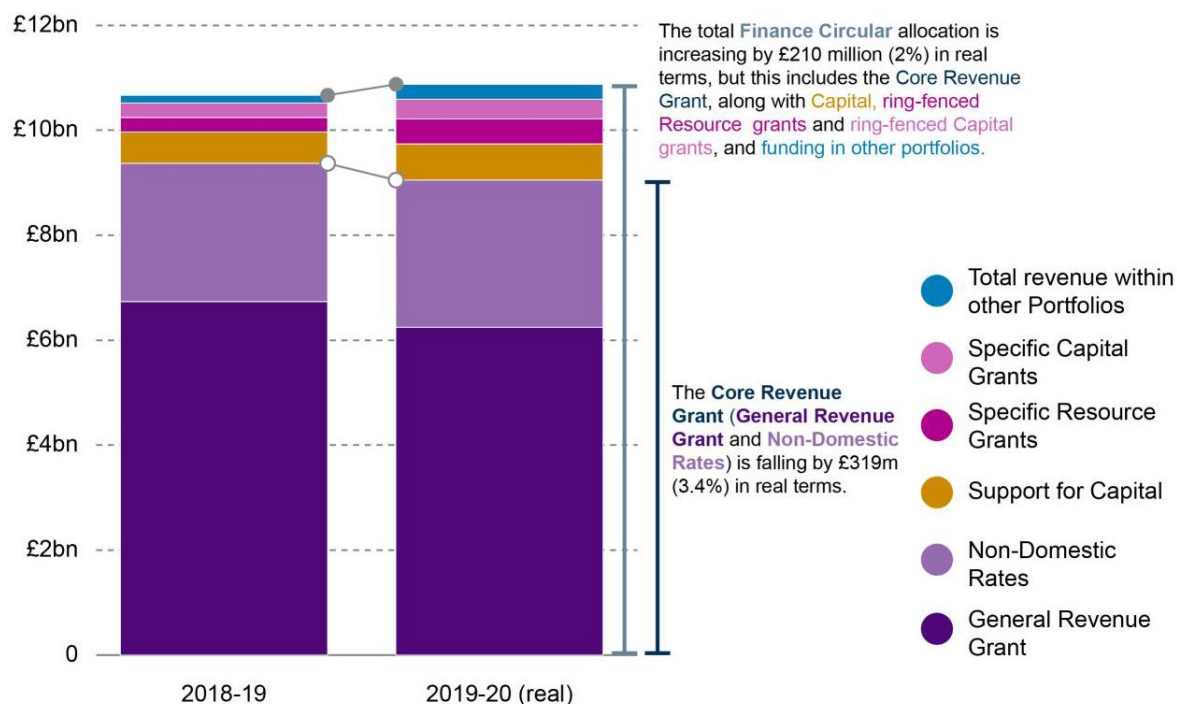
- 2.1.3 The economy also has an indirect impact on the Council, as a downturn in the Scottish economy will reduce the Scottish tax take and with this the level of funding which Scottish Government has available. The first estimate of Scottish tax take was higher than actually achieved. The assumptions used to estimate the Scottish tax take have been refined and future estimates are expected to be more accurate but clearly this is not an exact science.

Brexit

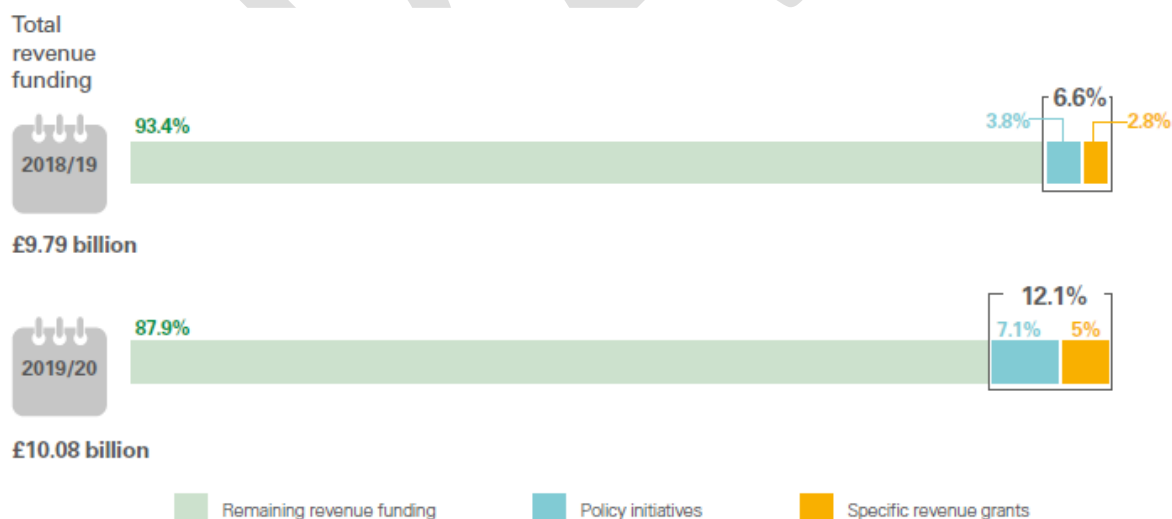
- 2.1.4 Further uncertainty for both UK and Scottish economies arises from Brexit, with conditions of Brexit still undecided, and the ramifications for business and for the amount and pattern of central government spend unclear.

Scottish Government Policy Control

- 2.1.5 Scottish Government's medium term financial strategy, published in autumn 2018, indicates a reduction in core local government funding as a result of protecting NHS and Police Scotland funding and increased ring-fencing for Scottish Government initiatives.
- 2.1.6 The impact of increased ring-fenced funding was presented by SPICe in their report Local Government Facts and Figures 2013/14 to 2019/20

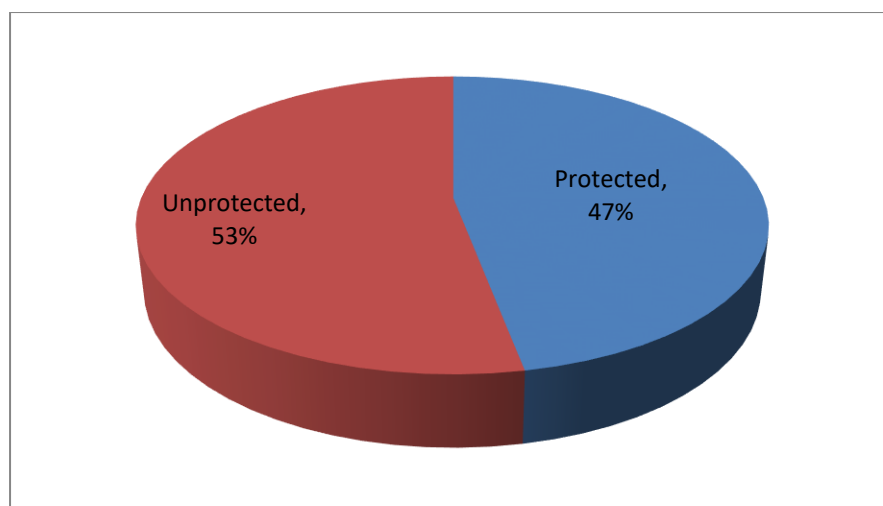


2.1.7 COSLA in their response to the Local Government and Communities Committee pre-budget scrutiny also drew attention to areas where Scottish Government priorities are not funded through ring-fenced funding but where there are still explicit constraints on local government and / or funding is tied to new duties. Audit Scotland captured the impact of new duties on local government in 2019/20 in the following diagram:



Source: Audit Scotland, Local Government finance circular 2/2019, Scottish Budget 2019/20

- 2.1.8 The diagram does not include other protected budget areas such as the Scottish Welfare Fund and teaching staff posts. COSLA estimate that 61% of local government expenditure is protected by Scottish Government or committed under PPP funded initiatives or as a result of borrowing to fund capital expenditure in prior years. The position estimated for Moray Council in 2019/20 is shown in the chart below



Other Impacts

- 2.1.9 There are other decisions made at a national level which directly or indirectly impact on the Council's costs. Pay awards are a key area where the Council has no control over the awards negotiated for Council staff. The Living Wage is also set centrally. The UK Government sets the discount rate used in calculating the liabilities of unfunded pension schemes – for the Council that means the cost of teachers' pensions.

New Fiscal Powers

- 2.1.10 Scottish Government is introducing measures which allow an element of local discretion in raising revenue (Workplace Parking Levy, Transient Visitor Levy). The extent of these new powers and how they will work has yet to be set out in detail. A further addition to local funding is the devolution of income from the Crown Estate. The first tranche of income has been announced. It has been ring-fenced by Scottish Government for use in coastal communities. The Workplace Parking Levy may be ring-fenced for transport projects, and there has been discussion of the Transient Visitor Levy being ring-fenced for expenditure related to tourists. The extent to which these additional measures will assist in meeting the shortfall in core funding is therefore unclear at present, although it is likely that some of this income could be used to offset some elements of core spending. Non Domestic Rates (NDR) empty property relief may also be devolved to local authorities.

Environmental Issues

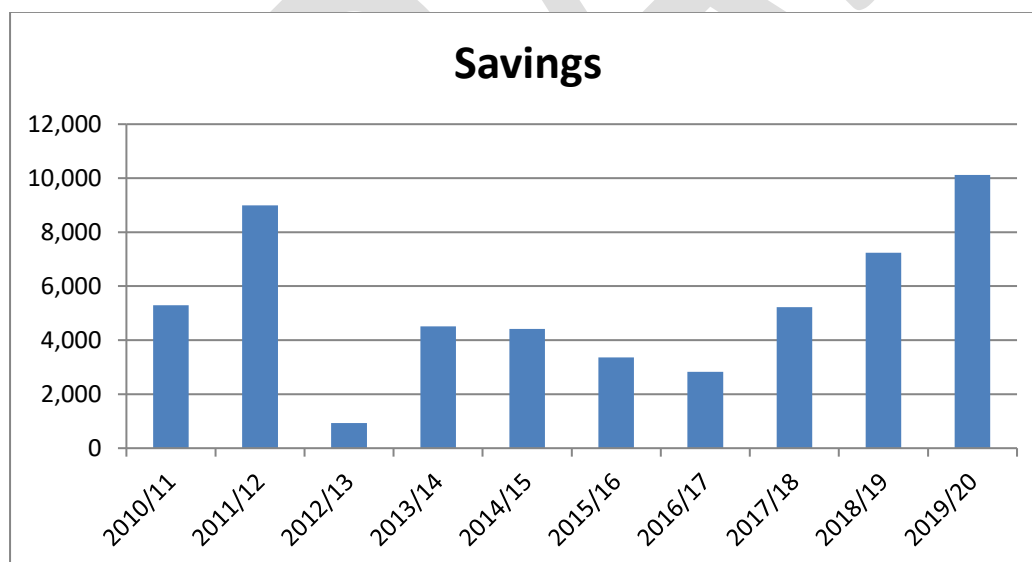
2.1.11 Matters of national concern such as climate change and carbon emissions are echoed at a local level. The response to such issues will vary in the local context and can be influenced by local decisions and priorities, although these are areas where central policy – such as the ban on biodegradable waste going to landfill and commitment for Scotland to become carbon neutral by 2040 - will also dictate action at a local level. Funding to support the Scottish Government's climate change objectives is not yet clear.

2.2 The local context

2.2.1 Background

The Council has been making savings year-on-year since 2010/11. To date these have largely been based on service efficiencies and service reductions with savings growing for the past 3 years and particularly significant savings taken in 2019/20. As the Improvement and Modernisation Programme continues to develop, the focus will shift to transformational change. Until those savings start to be generated at scale however, there are challenges in developing further savings from efficiencies. As a result, service reduction will inevitably require to form a major strand of the Council's approach to balancing its budget in the short term to medium term.

(savings are shown in £000s):



2.2.2 Demographics

Moray's population has grown over the past 10 years and is forecast to grow by 4.4% over the period 2016 to 2026. This contrasts with an average projected population growth for Scotland as a whole of 3.2%. Moray also has an above the Scottish average projected change in the number of households over the period 2016 to 2041. Moray's population is aging, with life expectancy and healthy life expectancy

for both men and women above the Scottish average. However, primary and secondary schools rolls are projected to increase, in numbers and also as a percentage of the projected total of all Scottish school rolls. This will impact on demand for services and also on grant support from Scottish Government under the present method of allocating general revenue grant.

2.2.3 Economy

Moray is a low wage economy. The features of the local economy have been well documented by the Moray Economic Partnership and are set out in detail in Moray Economic Strategy. A key strand in current planning for economic development is the Moray Growth Deal. Following agreement on Heads of Terms expected in 2020, detailed modelling will be required to reflect the Moray Growth Deal in the Council's budget processes and plans.

2.2.4 Infrastructure

Moray's population is concentrated in Elgin, with four major satellite towns and large areas of dispersed rural communities. This influences how services are delivered and underpins the need for investment in roads infrastructure for connectivity and also to facilitate the movement of goods for export, which forms a significant part of the Moray economy.

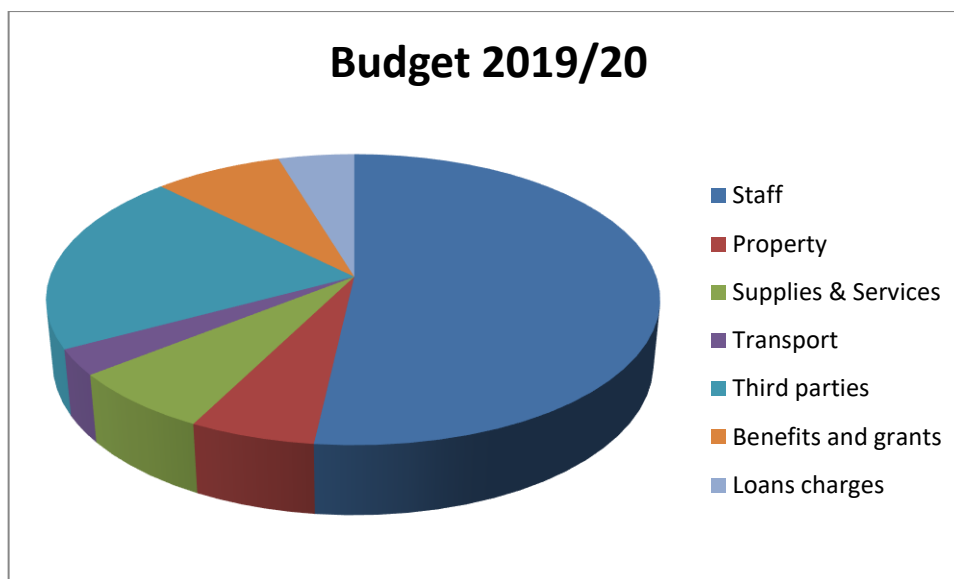
2.2.5 Learning Estate

The condition of the schools in Moray is the worst in Scotland. There has been recent investment in two new secondary schools in Elgin and a new primary school in Keith. A new secondary school in Lossiemouth is under construction. Four primary schools – in Elgin, Forres, Lossiemouth and Buckie – were significantly refurbished. Despite this the overall condition of the school estate is poor. The improvement of the school estate as part of the agenda to improve educational attainment is one of the Council's key priorities. A review of the Learning Estate forms part of the Council's Improvement and Modernisation Programme and the outcome of that review will help to shape future financial planning.

3 COST DRIVERS AND PLANNING ASSUMPTIONS

Cost Drivers

- 3.1 The Council's budget of £280 million gross revenue expenditure for 2019/20 includes £145 million for staff. Pay awards and pension costs are key cost drivers for the Council. Pay awards agreed in the course of 2018/19 were multi-annual, covering the period 2018 to 2021.



- 3.2 A significant proportion of the Council's services are out-sourced, with 20% of the Council's expenditure being on services delivered by third parties. The procurement process therefore has a strong influence on the costs borne by the Council. Significant savings have been made by procurement (on the purchase of supplies and services as well as on out-sourced services) and the Council has a target of 3% procurement savings on relevant i.e. local (influenced by the Council) contracts.

Over half of the Council's out-sourced services are social care services. The provision of health and social care is done by NHS Grampian and the Moray Council under the direction of the Moray Integration Joint Board. The Council therefore has no direct control over the strategic delivery of social care services. This continues to present a significant risk for the Council in terms of budget management.

Planning Assumptions

- 3.3 As recommended in CIPFA guidance on the development of medium to long term financial plans, the Council looks at the financial implications of various scenarios, allowing the Council to assess the financial impact of various key drivers of change on cost. The main cost drivers used in constructing outline scenarios for budget setting for the last two years have been staff pay awards, grant support from Scottish Government and level of capital expenditure.
- 3.4 This financial strategy incorporates consideration of these and other key variables which may impact on the Council's financial position going forward.
- 3.5 The rationale behind the Optimistic, Mid-range and Pessimistic assumptions for each cost driver are set out below:
- 3.5.1 Pay awards have been agreed for 2020/21. Thereafter the assumptions used are that pay awards will be linked to actual inflation or to the government's inflation

target, currently starting at 2%: optimistic is no real terms increase in pay, mid-range a 0.5% real increase, pessimistic a 1% increase. The optimistic assumption aligns with the low budget assumptions used by the Office of Budgetary Responsibility (OBR) and Scottish Government (as at April 2019). The mid-point aligns with the Scottish Fiscal Commissions prediction for wage inflation in 2020/21 (as a December 2018). The pessimistic case is lower than OBR's high assumption (3.5%) and Scottish Government's upper limit (4%) but has been chosen as it matches the three year pay award agreed for non-teaching staff for 2018-2021.

- 3.5.2 Capital expenditure is based on the current indicative 10 year plan presented to Council on 27 February 2019. This will be adjusted as a result of the work being carried out under the aegis of the Improvement and Modernisation Programme, specifically the review of stores, depots and offices ongoing in terms of the Property Asset Management Appraisal and the review of the Learning Estate. The Council currently has a budget for loan charges of £13.5 million. This is a long term commitment, but over time historic loans will be paid off. New borrowing increases the Council's liability to loans charges – at the current low rates of interest, by about £60,000 per million borrowed. There is a long-lead in time to many capital projects, and the range of assumptions for 2020/21 is consequently fairly narrow, allowing for slippage / savings of 10% (the capital plan for 2018/19 out-turned 9% under the final approved budget) at the optimistic end and, at the pessimistic end, an overspend of 2.2%.
- 3.5.3 Funding from Scottish Government, in the form of General Revenue Grant and Non Domestic Rates (NDR), is projected to be at best the same actual amount each year – generally referred to as “flat cash” - and at worst a cash reduction of 3%. The range of assumptions generated from a variety of sources – OBR, Scottish Government's Five Year Strategy scenarios for non-priority spend – earlier in the year have been overtaken by the UK spending plans for 2020/21 announced on 4 September 2019. This includes £1.1bn Barnett consequentials (of which around half relate to the NHS and which are likely to be passed on in full to NHS Scotland) which may give additional flexibility to Scottish Government.
- 3.5.4 Council Tax assumptions have been separated out into Council Tax percentage increase, growth in Council Tax base and Council Tax collection rate. The previous 3% capped percentage increase has been used as the mid-range. In 2019/20 Scottish Government allowed a real increase of 3% - ie a nominal 3% plus inflation, measured using the Consumer Price Index (CPI). The optimistic case is therefore shown as with 3% plus the UK government's target CPI of 2% A cap at inflation is shown as the pessimistic case. The level of growth currently projected is based on the projected growth of households in Moray from 2016 to 2026 per the Registrar General's Annual Review of Demographic Trends 2018. This tallies with the level of growth seen in recent years and is used as the mid-case with small percentage variations for the optimistic and pessimistic cases. Likewise the collection rate is set at the current level for the mid-case with small percentage variances for optimistic and pessimistic.

- 3.5.5 Inflation affects a small number of significant contracts – in particular the PPP schools contract – and also covers potential increases in utilities. The cost of utilities and fuel has been volatile over the past year, but the underlying trend is still forecast to increase above general inflation. Consequently the government target for inflation has been used as the optimistic scenario, with relatively modest increases for the mid-point and pessimistic scenarios, reflecting the current low inflation environment.
- 3.5.6 The employers' pension contribution is assessed every three years and is currently due for revision from 1 April 2021. A variety of issues are tending to increase the cost of pensions – in particular recent legal decisions – and the contributions for 2021/22 onwards will be dependent on the actuarial assumptions used when the fund is valued in December 2020. However, the North East Scotland Pension Fund is currently funded at 120% of estimated liabilities and informal suggestions are that a decrease in employers' contribution would not be unlikely. Given the informal suggestion of a decrease on contribution locally, the current contribution rate has been used as the pessimistic scenario, with reductions for mid-point and optimistic.
- 3.6 Ranges of budget assumptions used are set out in the tables below, with current planning assumptions noted:

Year 1 – 2020/21	Optimistic	Mid-range	Pessimistic
Pay award (Agreed for 2020/21)	3% £4.6m		
Capital Expenditure	£48.42m	£53.8m	£55m
Loans pool rate	3.72%	3.72%	3.72%
Increase in loans charges	£1.63m	£1.73m (as current)	£1.8m
General revenue grant / NDR (all scenarios assume increased funding for teacher's pensions)	Flat cash (as current) (£0.32m)	Decrease 1.5% £1.71m	Decrease 3% £4.08m
Council Tax increase	5% (£2.41m)	3% (£1.28m)	2% (£0.85m)
Growth in Council Tax base	0.7% (£0.05m)	0.6% (£0.29m) as current	0.4% (£0.19m)
Council Tax collection rate	98.7% (£0.1m)	98.5% As current	98% £0.24m
Inflationary pressures	2% £0.4m (as current)	2.5% £0.5m	3% £0.6m
Pension contributions (NESPF) (Agreed for 2020/21) Teachers (Agreed for 2020/21)	19.3%		
Additional budget pressures currently noted, less opening position adjustment	£2.52m	£2.52m	£2.52m
Total budget pressure, to be added to budget gap	£6.27m	£8.49m	£12.8m

Year 2 – 2021/22	Optimistic	Mid-range	Pessimistic
Pay award	2%	2.5%	3%

Year 2 – 2021/22	Optimistic	Mid-range	Pessimistic
	£3m (as current)	£3.8m	£4.6m
Capital Expenditure	£31.28m	£34.76m	£35.52m
Loans pool rate			
Increase in loans charges	£1.4m	£1.56m As current	£1.7m
General revenue grant / NDR	Flat Cash	Decrease 1.5%	Decrease 3%
	£0.29m	£2.08m	£4.75m
Council Tax increase	5% (£2.27m)	3% (£1.33m) as current	2% (£0.90m)
Growth in Council Tax base	0.7% (£0.23m)	0.6% (£0.3m) as current	0.4% (£0.19m)
Council Tax collection rate	98.7% (£0.1m)	98.5% as current	98% £0.25m
Inflationary pressures	2% £1m (as current)	2.5% £1.1m	3% £1.2m
Pension contribution (NESPF)	17% (£0.20m)	18.3% (£0.10m)	19.3% As current
Additional budget pressures currently noted	£2.09m	£2.09m	£2.09m
Total budget pressure to be added	£4.97m	£9m	£13.5m

Year 3 – 2022/23	Optimistic	Mid-range	Pessimistic
Pay award	2% £3m (as current)	2.5% £3.8m	3% £4.6m
Capital Expenditure	£32.86m	£36.51m	£37.31m
Loans pool rate			
Increase in loans charges	£0.9m	£1.1m (as current)	£1.2m
General revenue grant / NDR	Flat Cash £0.29m	1.5% Decrease £2.34m	3% Decrease £4.61m
Council Tax increase	5% (£2.389m)	3% (£1.376m) as current	2% (£0.92m)
Growth in Council Tax base	0.7% (£1.01m)	0.6% (£0.31m) as current	0.4% (£0.19m)
Council Tax collection rate	98.7% (£0.11m)	98.5% as current	98% (£0.25m)
Inflationary pressures	2% £0.8 m (as current)	2.5% £1.1m	3% £1.2m
Pension contribution (NESPF)	17%	18.3%	19.3% As current
Additional budget pressures currently noted	£0.27m	£0.27m	£0.27m
Total budget pressure to be added	£2.5m	£6.92m	£10.52m

Years 4 - 10	Optimistic	Mid-range	Pessimistic
Pay award	2%	2.5%	3%
Capital Expenditure	£34.161m	£37.957m	£38.79m
Loans pool rate			
Increase in loans charges	£0.9m	£1.1m (as current)	£1.2m
General revenue grant / NDR	Flat Cash £0.290m	1.5% Decrease	3% Decrease
Council Tax increase	5%	3% as current	2%
Growth in Council Tax base	0.7%	0.6% as current	0.4%
Council Tax collection rate	98.7%	98.5% as current	98%
Inflationary pressures	2% (as current)	2.5%	3%
Pension contribution (Nespf)	17%	18.3%	19.3% As current

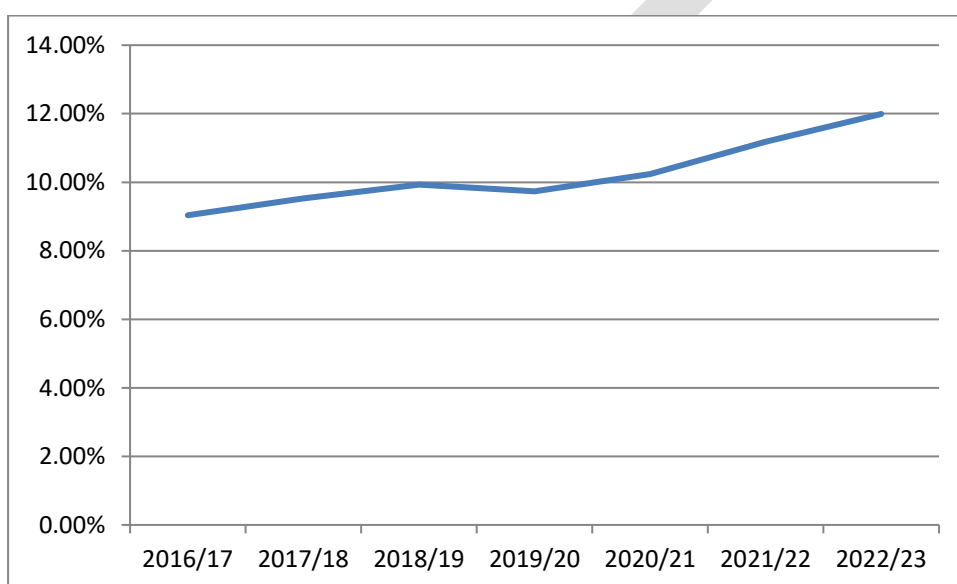
- 3.7 The above scenarios do not include consideration of growth in demand for services arising from demographic changes, except where included in budget pressures. Current medium term budget projections include some projections of growth in demand as budget pressures, but further work requires to be done in this area. The Learning Estate review incorporates projections of school rolls based on projected house building rates included in the Local Development Plan. This link between Planning and Council budgets was incorporated in the Council's latest Capital Strategy and will be an important feature of financial planning moving forward. It will never capture all considerations arising from projected demographic changes and further methodologies will be developed to attempt to capture these.

Capital

- 3.8 The impact of the Council's capital programme on revenue expenditure is included as a key variable in the assumptions above. The level of capital expenditure is a particularly tricky variable in terms of estimating the impact on revenue spend, as this is influenced by the level of capital grant or other external funding; the current cost of borrowing (which in turn depends on the interest charged on external borrowing and the extent to which the Council can fund capital by internal borrowing ie use of cash reserves); the expected life of the assets created, and the remaining cost of historic debt. The situation is further complicated by the need (Scottish Government requirement) to use a different method to calculate loans charges on new borrowing from 2021/22 onwards.
- 3.9 The Council's ten year Capital Plan is given a light touch review each year, with a thorough review at more infrequent intervals. Following Transformation work based on the Property Asset Management Appraisal and development of the Learning Estate Strategy a thorough review will be required. The Council's policy decision to move away from the Make Do and Mend policy, which has underpinned the capital

plan in recent years, also requires such a review to enable appropriate work to be forward planned and commissioned. Work on the review will continue in 2020 as the variables described become clearer, with a view to developing the 2021/22 to 2031/32 ten year plan.

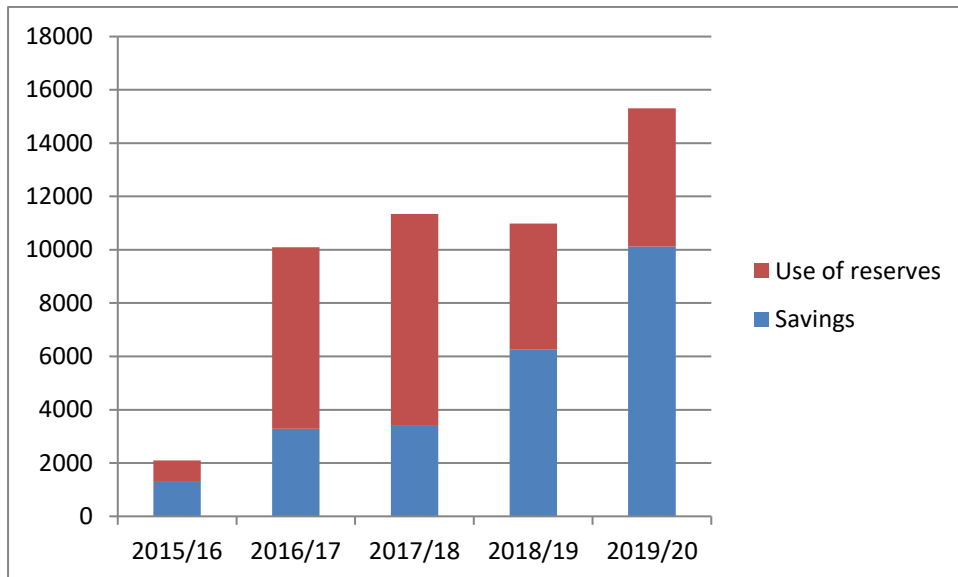
- 3.10 Expenditure on servicing debt to fund capital over the last three years is shown as a percentage of total net revenue spend in the graph below, with current projections for future years. Generally, as revenue budget savings are made and the council continues to invest in its asset base, the percentage of expenditure on servicing debt rises. The ratio of Moray's gross debt to net annual revenue as reported in Audit Scotland's Local Government in Scotland Financial Overview 2018/19 is at the mid-point for Scottish authorities.



- 3.11 The results of the Capital Plan review will be fed back into a revised Financial Strategy. The Council also prepares a Capital Strategy, updated annually, setting out an overview of the council's capital expenditure, capital financing and treasury management activity, its relationship to asset management and the governance arrangements for the Capital Programme.

4. THE BUDGET GAP

- 4.1 As noted in paragraph 2.2.1, the Council has been making year-on-year savings since 2010/11. However, a budget gap still remains, and historically the Council has not managed to fill that gap with savings. The budget gap for the past five years is set out below:



- 4.2 The Council currently (2019/20) has a planned budget shortfall of £2 million. That shortfall will roll forward to 2020/21. The variables from the assumptions set out in 3.7 above serve to increase / decrease the budget gap. The current planning assumption used is shown in the first column – it sits between optimistic and mid-point.

2020/21 current planning assumption	Budget Gap £million	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
9.541	Optimistic	8.27	4.97	2.50	2.23	2.92	1.85	1.37	1.14	0.88	0.63
	Mid point	10.49	9.00	6.92	7.68	9.58	9.76	10.58	11.68	12.84	14.04
	Pessimistic	14.80	13.5	10.52	12.59	15.51	16.73	18.62	20.82	23.08	23.63

- 4.3 The above figures assume that each year's shortfall is met in full by savings. The budget gap is therefore not cumulative, but represents an annual savings target. If savings are not achieved in full in one year, the balance requires to be carried forward into the next year as an additional target to be met.
- 4.4 The Council has limited flexibility to fail to meet savings targets in any one year, as the Council's reserves are close to the minimum which require the be held under the Council's Reserves Policy. The Council must always carry some free reserves – reserves not ear-marked for a particular purpose – in order to be able to cope with unplanned emergency expenditure such as expenditure arising from severe weather. The Council assesses how much free reserve it needs, based on an assessment of the risks to which the Council is exposed. It is clear from the analysis above that the risks the Council faces in coming years are significant, and will increase further to the extent that the budget gap is not met by savings as this simply compounds the financial challenge in later years. It should be recognised however that Moray Council is far from alone in this, with 23 of 32 councils having reduced their general fund reserves over the past three years¹.

¹ Local Government in Scotland Financial Overview 2018/19

- 4.5 One risk of particular note to which the Council is now exposed is the Council's liability to bear the cost of a set proportion of any overspend on the MIJB budget. The MIJB has no reserves and is reliant on NHS Grampian and Moray Council for funding. Any overspend is split between NHS Grampian and Moray Council, in proportion to the amount of funding which they pass to MIJB which is currently 61:39 NHS:TMC. Whilst MIJB has a Transformation Strategy and Recovery Plan for the period 2019 to 2024, this is not yet producing the budgetary change required. In proportionate terms, the impact on the Council's budget of MIJB overspends is both significant and hard to predict with a high degree of accuracy, even in the short term.
- 4.6 It should be noted that long-term financial planning is indicative and cannot be taken as an accurate prediction of the Council's budgetary requirements.
- 4.7 The steps the Council has taken to meet the budget gap are set out in the next section of this strategy.

5. THEMATIC APPROACH

- 5.1 The Council's need to reform services has been well known for some time, and a thematic approach to the issue has been taken, with the process now embedded in the Council's planning processes. This approach builds upon previous transformation programmes – Designing Better Services (DBS) and Digital Services – and started with a comprehensive categorisation of all Council services as to the scope and type of reform which was considered possible. This programme of review is also supported by Service Planning across the Council, and in particular by Workforce Planning, which is reported on annually to Policy and Resources Committee. The orderly reduction of staff numbers is facilitated by Workforce Planning and the Transform process through which staff are redeployed where possible.
- 5.2 Since 2017 the Council has applied a Reform Matrix to services, to identify potential reforms to service delivery to improve financial sustainability.

Reform Matrix

Transformation (Different service)	Centralise / amalgamate in-house; share services; outsource / commission; Arms length External Organisations (ALEOs) / Trusts
Redesign of service (efficiency – same service, leaner/ new approach)	Digital services; redesign jobs; streamline processes; rationalise asset base; simplify governance
Redefine services	Stop; reduce; community contribution / provision of services
Income generation and commercialisation	Charges, sponsorship, Council Tax, investment portfolio, new services to compete with private sector, sale of assets

From application of this matrix a range of measures or areas for development were identified and these form the basis of the Improvement and Modernisation Programme (IMP).

Improvement and Modernisation Programme

- 5.3 Development of the IMP took into account four key factors determining the importance to the Council of transforming service: statutory, reputational and political risk of failure to deliver a service at a particular level; Council priorities; the relative cost of the service / proportion of the Council's budget spent on that service and how well spend is controlled, and any other benchmarking information available and relevant.



- 5.4 The overall direction for the IMP was approved by Council on 12 December 2018. It currently consists of seven workstreams, which are being developed using the Council's approved project management governance procedures and documentation:

- Asset Management (Property Asset Management Appraisal)
- Customer Service (Digital, redesign)
- Alternative Service Delivery (Museums, Leisure)
- Internal Transformation (Flexible working, Management Structure, Governance)
- Income / commercial (Income maximisation, Sponsorship etc)
- Service Efficiency
- Transforming Education
- Transforming Children's Services

These are being refined and developed as projects develop. The update for 2019/20, to be reviewed annually, is as follows:

- 5.5 The Property Asset Management Appraisal estimated recurring revenue savings of £200,000 from this project. The first action was the closure of Auchernack in 2019.

Depots and general office provision are also under review for rationalisation. Backlog maintenance requirements will be reduced and capital receipts generated from the disposal of properties.

- 5.6 Work is ongoing to develop the customer service and digital projects with a view to continuing to generate savings. Digital working was estimated to deliver savings of £250,000. School administration is being reviewed and potential savings from this have been identified.
- 5.7 The museums projects is small as it relates to the Falconer Museum only. Savings are included in the target for 2020/21. The Leisure review is potentially a more financially significant project but the scope for savings is still under development at this stage.
- 5.8 The first and second tier management review has been reported, with savings of £0.2 million. There is a cross-over between this review and the review of property services being carried out under the aegis of Asset Management. The related governance review is underway.
- 5.9 A Commercial officer has been appointed to drive forward the income generation and commercialisation agenda and it is anticipated that additional income will be generated from 2020/21 onwards.
- 5.10 Service efficiencies for cleaning, waste collection and street sweeping have been budgeted for. Service efficiencies from the new HR/Payroll system are anticipated.
- 5.11 Transformation of education and children's services are anticipated to be the areas where significant savings are most likely to be found. Work has commenced on reviewing Additional Support Needs (ASN) and early indications are of savings commencing in 2021/22. Benchmarking of the cost of Looked After Children shows spend per capita in Moray to be above the Scottish average for both residential and community based placements, and a high proportion of Looked After Children in residential settings. As an indication of potential savings from reform in this area, a move towards comparator authority averages for proportion of Looked After Children in community settings could generate annual savings of £3 million.
- 5.12 In summary, the current projected savings from IMP are up to £0.73 million plus further savings to be confirmed, mainly anticipated to be from education and children's services. The high-level scoping indication of £3 million mentioned in paragraph 5.11 is ambitious and likely to take some time to be generated. From this it is evident that the amount of savings which can be reasonably expected to be generated by the IMP will not resolve the budget gap identified in paragraph 4.2, even on the most optimistic scenario. Consequently, the Council requires to increase the scope of potential transformation beyond the IMP, recognising that the Council has limited resources to devote to transformation and must concentrate its efforts in order to achieve transformation. Spreading resource too thin heightens the risk of failure. Work beyond the current IMP is ongoing with the Council's senior management team CMT/SMT. This began with horizon scanning across a range of potential long term visions for Council services supported by the Improvement

Service and is continuing looking in particular at the transformation and redesign aspects of the reform matrix.

- 5.13 Meantime, consideration of the redefine strand of the reform matrix will be informed by the Corporate Plan 2020-2023. This sets the Council's priorities and direction of travel, giving a focus to questioning whether or not the Council continues to deliver services at all or in a particular way. In setting the corporate priorities, the Corporate Plan recognises that if we are to achieve our ambition of enriched futures in Moray we will have to target money and resources towards the areas of greatest need. In the context of increasing fiscal constraint however, this means that there will be less resources for lower priority services. For this reason consideration has been given to what core service provision may look like in lower priority areas where services cannot be withdrawn. This approach to prioritisation will be key to rethinking future service provision.
- 5.14 Recognising that much of our work will be preventative in nature and so the spend avoided may take some time to emerge, the areas of focus in this transformation process as set out across this strategy may be broadly summarised by reference to the Council's three priorities of our people, our place and our future, each underpinned by sustainability.

Our People

Work to:

- improve attainment
- develop skills
- reduce poverty
- promote wellbeing

Our Place

- CAT
- Participatory Budgeting
- Locality Plan initiatives

Our Future:

- Partnership, shared services and colocation
- Moray Growth Deal
- Environmental initiatives such as increased energy efficiency, green travel, flood prevention and surface water management

Sustainability:

- IMP
- New initiatives based on the reform matrix
- Lobbying around General Revenue Grant levels for Moray
- New fiscal powers
- Capital Plan Review
- Spending restrictions for non-priority services
- Enforcement of efficiency targets across the Council
- Improved contract management
- Leveraging external funding
- Prudent use of reserves and balances

5.15 Funding for Change

The Council has budgeted for significant resource to be spent on IMP / transformation, in recognition of the timescales required for transformative change and the need to free up officer time to spend on this. Projected capital receipts of £2.5 million are budgeted to be utilised for service transformation over the four year period (2018/19 to 2021/22) for which Scottish Government granted flexibility for the application of capital receipts. In addition to this, the Council has ear-marked £2.7 million reserves for transformation / council priorities and budgets to spend a further £0.5 million in 2019/20 and £0.6 million in 2020/21 on investment in change. The total “war chest” for transformation is therefore £6.3 million. Investment on this scale will only be possible if the Council achieves budget reductions to balance the budget once free reserves are reduced to the Council’s policy minimum.

6. PERFORMANCE MONITORING AND INDICATORS

- 6.1 Budget monitoring is an embedded feature of the Council’s performance monitoring regime, and transformation projects are reported on to committee and to Transformation Boards. The detail of medium to long term financial planning – by virtue of the scale and amount of numbers - can obscure the impact of decisions and make it difficult to judge what progress is being made. Accordingly, it is proposed that a small suite of performance indicators (PIs) is used as a health check for progress on the financial strategy.
- 6.2 As can be seen from the chart at paragraph 4.1, in relative terms since 2018/19 the Council has been reducing its reliance on the use of reserves to fund core expenditure. It is proposed that this becomes a Financial Strategy PI. The PI proposed is £m reserves required to fund recurring expenditure and also that amount as a %age of recurring expenditure, to be reported on both as budgeted and actual.

Use of reserves (recurring spend)

	Budget		Actual	
	£m	%age	£m	%age
2018/19	4.726	2.4%	3.787	1.9%
2019/20	2.094	0.97%		

- 6.3 The Council's Corporate Asset Management plan for 2019/20 includes as an action the development of a PI to measure the proportion of general fund expenditure being used to service debt. It is proposed that loans repayment and interest as a percentage of total general fund expenditure will be reported and benchmarked against other Scottish local authorities.
- 6.4 Budget pressures for future years will be highlighted. The percentage of budget pressures against the total planned general fund for each year will be reported and the make-up of the total budget pressure by department analysed.
- 6.5 The percentage of IMP savings achieved against approved business case projection will also be used as a financial Strategy PI.
- 6.6 These PIs will be reported to CMT on a monthly basis and to Policy and Resources Committee or Moray Council when quarterly budget monitoring reports are made and as part of the year end variance report.

7. CONCLUSION

- 7.1 The financial environment for local Government continues to be extremely challenging with many unknown variables. Whilst this makes it very difficult to forecast ahead, the uncertainty strengthens the need to develop a medium to long term financial strategy to ensure that the Council is aware of potential scenarios and can take decisions with long-term consequences with an appreciation of issues which may lie ahead.
- 7.2 The strategy encompasses consideration of the key variables affecting the cost of the Council's services, including the cost of capital expenditure. Work will be ongoing to model the impact of changing demand for the Council's services.
- 7.3 This strategy is written in the context of work being carried out to transform the way in which the Council delivers its services. This work requires to continue and will be supplemented by ongoing review of service levels and opportunities to generate income in order to balance the Council's budget now and in the future, so creating a sustainable model of service delivery for the people of Moray.



REPORT TO: SPECIAL MORAY COUNCIL ON 3 MARCH 2020

SUBJECT: MORAY FOOD GROWING STRATEGY

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

1. REASON FOR REPORT

- 1.1 This report asks Council to note progress on preparation of a food growing strategy, to agree responses to the comments received during public consultation and to approve the strategy as supplementary guidance.
- 1.2 This report is submitted to Committee in terms of Section II (13) of the Council's Scheme of Administration relating to the approval of council reports and strategies of a corporate nature.

2. RECOMMENDATION

2.1 It is recommended that Council agree:-

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

3. BACKGROUND

- 3.1 Section 119 of the Community Empowerment (Scotland) Act 2015, which came into operation in April 2018, places a duty on every local authority to prepare a Food Growing Strategy which must be published by 1 April 2020.
- 3.2 In August 2019, Council agreed to issue the Draft Food Growing Strategy for consultation and to decide on the delegation of responsibility for Section 119

and 120 of the Community Empowerment (Scotland) Act 2015 following consideration of this report (para 6 of the minute refers).

- 3.3 The strategy was issued for public consultation for 8 weeks. Three consultation events were hosted and were well attended with over 145 people coming along. A free community lunch was hosted in partnership with the Buckie Monitoring Group and family friendly events hosted in partnership with REAP in Elgin and Forres.

4. CONSULTATION RESPONSES

- 4.1 36 consultation responses were received and a summary of key issues raised is set out below.
- Strong support for a food growing strategy, in particular teaching young people to grow their own food and cook with it.
 - Queries over funding to deliver the identified food growing sites. See section below relating to delivery of the strategy.
 - Lack of support for a food growing sites at Grant Park and Drumduan Road in Forres. The views of the community have been taken into account and these sites are no longer being promoted for food growing within the strategy.

Detailed responses to the comments received are set out in **Appendix 1**.

Feedback

- 4.2 Feedback was sought from people attending the consultation events and 14 responses were received. On the whole the responses were very positive, 93% of respondents strongly agreed they found the exhibition materials very useful in explaining the food growing strategy. 100% of respondents strongly agreed staff manning the exhibitions were very knowledgeable and helpful and 71% of respondents strongly agreed they were now more informed about community food growing.

5. DELIVERING THE FOOD GROWING STRATEGY

- 5.1 Within the strategy a network of food growing spaces are identified across towns and villages in Moray. Upon adoption the strategy will be used as a material consideration in the determination of planning applications supporting Policy EP5 Open Spaces in the Moray Local Development Plan 2020.
- 5.2 The strategy acknowledges financially the Council is not in a position to invest in the delivery of the identified allotment sites. Instead the Council will play an enabling role offering mainly non-financial support to help community groups take forward sites. For example there is an action within the strategy to prepare an online tool providing advice and signposting communities to resources.

- 5.3 The development of pilot food growing projects working with partner organisations linked to Locality Plans for New Elgin East and Buckie Central East is an identified action. A new community garden has recently been established at New Elgin Hall with support from a number of organisations including the Council's Criminal Justice team who cleared the site. There is interest in expanding food growing at the Phoenix Centre in Buckie linked to health and wellbeing. Beyond this the Council will look to support food growing projects through advice, youth engagement and other opportunities as they arise.

6. REVIEW AND MONITORING OF THE STRATEGY

- 6.1 The working group will continue to meet twice yearly to oversee the implementation of the identified actions within the strategy. There is a requirement to review and update the strategy every five years. Annual monitoring will be undertaken and reported to Planning and Regulatory Services Committee as part of wider Moray Local Development Plan Monitoring Report. This will provide an update on progress on the identified actions. A key measure of success will be the increase in the number of food growing spaces actively being used across Moray.

7. SUMMARY OF IMPLICATIONS

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

A Food Growing Strategy can help to address the 4 priorities set out in the LOIP.

(b) Policy and Legal

The Community Empowerment (Scotland) Act 2015 requires all local authorities in Scotland to prepare Food Growing Strategies by 1 April 2020.

(c) Financial implications

There may be financial implications arising from delivery of the strategy, which will be considered against existing budgets.

(d) Risk Implications

There is a reputational risk of not complying with legislation if the Council does not prepare a Food Growing Strategy by 1 April 2020.

(e) Staffing Implications

Preparation of the strategy has involved officers from Strategic Planning and Development, Estates, Lands and Parks, Contaminated Land, Transportation, Flood Risk Management and the Community Support Unit. There will be continued staff resources required to implement and review the strategy to comply with legislation involving primarily officers from Strategic Planning and Development.

(f) Property

The strategy identifies potential food growing areas on Council owned land. All sites have been subject to consultation with the Estates Manager.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment (EIA) has been undertaken and concluded there is no potential for discrimination as a result of the strategy.

The delivery of food growing spaces across Moray can assist the Council in tackling socio-economic inequalities by increasing access to affordable fresh food. There are also identified benefits in helping to improve the health and wellbeing of our communities, by promoting physical activity and a healthy diet. It is recognised that food growing can also have positive impacts on mental health, dementia and loneliness.

(h) Consultations

The Depute Chief Executive: Economy, Environment and Finance, the Head of Economic Growth and Development, the Head of Legal and Democratic Services, Tracey Sutherland (Committee Services Officer), the Head of Financial Services, the Estates Manager, the Lands and Parks Officer and the Equal Opportunities Officer have been consulted and the comments received have been incorporated into the report.

8. CONCLUSION

- 8.1 The Community Empowerment (Scotland) Act 2015 places a duty upon all local authorities in Scotland to prepare a Food Growing Strategy by 1 April 2020.**
- 8.2 The strategy aims to support an increase in the number of food growing spaces across Moray and will be used as a material consideration in determining planning applications for food growing sites.**

Author of Report: Emma Gordon, Planning Officer
Background Papers:
Ref:

Are the suggested sites in the right locations?	Are there other sites that should be considered?	Have the right priorities been identified?	Other comments	Council's Response
Land that is vacant should be used for food growing.	Old Tesco site in Forres has been vacant for years.	Involving schools and health centres is very positive.	Great to see a food growing strategy being developed.	<p>Not all vacant land is suitable for food growing. The sites identified within the strategy have been subject to technical consultation to ensure there are no issues in respect of flooding, contaminated land and transportation. The former Tesco's site is an identified opportunity site for development in the Moray Local Development Plan 2015 and therefore is not identified for food growing. Instead it has been identified as a potential location for temporary events such as farmers markets subject to the landowners consent while it remains vacant should there be a demand.</p> <p>In the future food growing could be</p>

				<p>incorporated within any development proposal i.e. fruit trees and bushes.</p> <p>The positive comments in respect of the strategy and priorities are noted.</p>
<p>The state of the ground at Castlehill Church is detrimental to the town. There are allotments near the football pitches that are not well maintained.</p>				<p>Small scale informal food growing at Castlehill is being taken forward by a community group.</p> <p>There is an existing allotment site in Forres however the purpose of the strategy is to offer a variety of food growing spaces (community orchards, community gardens, vegetable gardens and allotments) across the town that people can walk and cycle to.</p> <p>The Council is in the process of developing guidance for leasing land and progressing allotment/food growing sites and the maintenance and upkeep</p>

				of sites will be considered as part of this.
No allotments or food growing at Grant Park or Market Green				Grant Park is no longer being promoted for food growing and Market Green is not identified as a food growing site.
<p>No allotments on parks leave as open space.</p> <p>Castlehill Church is not an appropriate location for food growing</p>	<p>Neglected Council house gardens</p> <p>Encourage those with big gardens to grow or share their garden spaces.</p>		<p>What about future maintenance and grass cutting?</p>	<p>Identified food growing sites will not impact on the existing uses within open spaces. It is not proposed to replace existing uses i.e. playing fields or play parks with food growing. On the sites identified there is sufficient space to accommodate multiple uses. Food growing is no longer being promoted in Grant Park.</p> <p>The food growing sites identified are not exhaustive, if a community group wants to take forward alternatives or private garden ground there is nothing preventing this. The strategy has concentrated on</p>

				identifying community food growing sites in accessible locations that people can walk and cycle to.
No food growing at Grant Park			<p>Bee keeping should not be near cultivated land.</p> <p>Waste of money. Better to leave it to people who know that they are doing.</p>	<p>Food growing is no longer being promoted at Grant Park.</p> <p>The Council is in the process of developing guidance for leasing land and progressing allotment/food growing sites and the bee keeping etc. will be considered as part of this.</p> <p>The strategy is an enabling document and the Council is not in a position to finance the delivery of food growing sites. The Council will where feasible seek to provide non-financial support to community groups looking to develop food growing sites.</p>
Yes.	Leancoil Hospital and land around it, could also serve as a		Food growing without chemicals, preferably organic.	Leancoil is in a good location and offers opportunities for food

	therapeutic gardening GP prescribed.		Need to identify mentors, plenty of local organisations and individuals with expertise to help bring forward food growing sites.	<p>growing. The strategy will be amended to reflect that food growing opportunities should be considered as part of any redevelopment of Leancoil.</p> <p>The sustainability/biodiversity section of the strategy has been enhanced and makes reference to not using chemicals.</p> <p>There is an action within the strategy to work with third sector partners to promote equipment and knowledge sharing.</p>
No food growing on memorial sites or Grant Park				<p>Food growing is no longer being promoted at Grant Park.</p> <p>At the consultation event there was support for food growing at Castlehill/Thomson Memorial. Proposals would have to be sensitive to the location.</p>
No food growing in Grant Park.	Castlehill near the monument or the old		Maintenance concerns	Food growing is no longer being promoted at

<p>Some of the areas are not practical for food growing.</p>	<p>Tesco site.</p>			<p>Grant Park.</p> <p>Castlehill is already identified as a potential food growing site.</p> <p>The former Tesco's site is an identified opportunity site for development and therefore has not been identified for food growing. It has been identified as a potential location for temporary events such as farmers markets subject to the landowners consent while it remains vacant should there be a demand. In future food growing could be incorporated within development proposals i.e. fruit trees and bushes.</p> <p>The Council is in the process of developing guidance for leasing land and progressing allotment/food growing sites and the maintenance and upkeep</p>
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				of sites will be considered as part of this.
Mannachie Park has scope for raised beds and bee keeping alongside the existing community orchard.	Meadowlark Nursing Home grounds could be used as a community garden for residents.	Regular press articles in the local press and social media about the positive impact and ideas and proposals to engage people in a positive way about food growing.	Maintenance and processes, rules/regulations for food growing areas and allotments.	<p>Mannachie Park is an identified food growing area within the strategy.</p> <p>The strategy focuses on identifying sites for food growing on publicly accessible land and is not exhaustive. There is nothing to preclude other/further sites from coming forward at locations including land at Meadowlark.</p> <p>The steering group set up to deliver the strategy is going to continue to meet twice per year. Promoting food growing and progress on the identified actions within the strategy will be the focus for activities.</p> <p>The Council is in the process of developing guidance for leasing land and progressing allotment/food growing</p>

				<p>sites and the maintenance and upkeep of sites will be considered as part of this.</p> <p>Food growing is no longer being promoted at Grant Park.</p>
No food growing in Grant Park.	Old Tesco site and Castlehill site		<p>Is there demand and how will areas be properly maintained?</p> <p>Where is the money coming from?</p>	<p>The former Tesco's site is an identified opportunity site for development and therefore has not been identified for food growing. It has been identified as a potential location for temporary events such as farmers markets subject to the landowners consent while it remains vacant should there be a demand. In future food growing could be incorporated within development proposals i.e. fruit trees and bushes.</p> <p>Castlehill is already identified within the strategy.</p>

				<p>The Council is in the process of developing guidance for leasing land and progressing allotment/food growing sites and the maintenance and upkeep of sites will be considered as part of this.</p> <p>The Council is not in a position to financially contribute to the delivery of food growing spaces. The strategy is intended to enable community groups to develop sites and where feasible the Council will provide non-financial support and signposting to resources.</p>
<p>No food growing in Grant Park</p> <p>Not every available greenspace should be used for food growing.</p>	<p>Revitalise community garden at Transition Town Forres, as it is not used to its best and some plots are neglected.</p>		<p>People who are interested in growing are already involved and after initial enthusiasm new volunteers will drop off.</p>	<p>Food growing is no longer being promoted as Grant Park.</p> <p>It is acknowledged there is an existing community food growing space in Forres. The aim of the strategy is to provide a variety of sites across towns and villages that</p>

				<p>are accessible on foot and by bicycle.</p> <p>The Council is in the process of developing guidance for leasing land and progressing allotment/food growing sites and the maintenance and upkeep/appearance of sites will be considered as part of this.</p>
	<p>The more central the location within a town or village the better.</p> <p>Leancoil Hospital grounds</p>	<p>More awareness needed of why we need growing addressing issues like peak oil, food security adding and increasing our resilience to climate change.</p>		<p>The aim of the strategy is to provide a variety of sites across towns and villages that are accessible on foot and by bicycle.</p> <p>The actions set out within the strategy seek to raise awareness of the benefits of food growing and how it can increase resilience to climate change.</p> <p>Leancoil is in a good location and offers opportunities for food growing. The strategy will be amended to</p>

				reflect that food growing opportunities should be considered as part of any redevelopment of Leancoil.
No food growing in public green spaces including Grant Park. Royvale and St Catherine's Road.	Beside Castlehill		Proposals for protection against deer.	<p>Food growing is no longer being promoted at Grant Park and there are no proposals for St Catherine's Road. It is considered there is scope to introduce food growing around the edge of Roysvale Park without impacting on existing uses.</p> <p>Castlehill is already an identified potential food growing space in the strategy.</p> <p>The Council is in the process of developing guidance for leasing land and fencing etc. will be addressed through leasing agreements.</p>
	Between Grant Drive and Ferry Road Auchernach Garden Land behind Forbes Academy		More allotments provision to encourage interest before developing communal green spaces.	Land at Auchernach was assessed for suitability as a potential site (on the basis of no longer taking forward land at Grant

	Randolph Lane two large grassed areas			<p>Park and Drumduan). The site was ruled out as being unsuitable as it failed to meet the required threshold for accessibility and lack of natural surveillance.</p> <p>The strategy is not an exhaustive list of potential sites, but instead has sought to identify a variety of sites across Forres that people can walk and cycle to. An effort has been made to ensure there is adequate coverage across Forres. There is nothing preventing other sites from coming forward if there is an interested community group.</p> <p>It appears there are no specific plans for these areas and therefore they are not being supported for inclusion at this time.</p> <p>The strategy will be reviewed every five years and therefore there is</p>
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				scope to review sites in the future.
No food growing at Grant Park			Limited opportunities for areas for food growing in newer developments i.e. Ferrylea development.	Grant Park is no longer being promoted for food growing. Additional guidance to support the Moray Local Development Plan 2020 is currently being developed and includes a section on embedding food growing into new developments, including edible landscaping and creation of community orchards. It is a policy requirement that new developments of over 200 houses must provide allotment sites.
	Front of the Kimberley, Findhorn. Over the road from the ice house, Findhorn			The area of land is front of the Kimberly Inn has been assessed and will be identified in the strategy as an area suitable for herbs planters/beds.
No food growing at Grant Park	Land at Bogton has potential for allotments. More sites in the Pilmuir area.	Mentoring scheme to match those with skills to groups who need gardening expertise.		Grant Park is no longer being promoted for food growing. Bogton is already identified as a potential

				<p>allotment site.</p> <p>The strategy is not an exhaustive list of potential food growing spaces and if there is demand for multiple sites in Pilmuir there is nothing preventing additional sites from coming forward. The Food Growing Strategy will be reviewed every 5 years and there will be an opportunity to remove or add in potential sites.</p> <p>The strategy includes an action to work in partnership with third sector organisations to developed equipment and knowledge sharing which could be expanded to include mentoring.</p>
<p>No food growing at Drumduan Road. Residents own this land.</p> <p>No food growing at Grant Park or Mannachie Park</p>			<p>This appears to be a plan to abdicate responsibility from the Council on areas previously maintained but now scruffy.</p>	<p>Drumduan Road has been removed as a potential food growing site as a result of identified ownership issues.</p> <p>Grant Park is also no</p>

				<p>longer being promoted as a potential food growing site.</p> <p>It is considered that there is scope for food growing sites a Mannachie Park and this can be accommodated without impacting on existing uses within the park.</p> <p>Council's maintenance of greenspaces was not a consideration in identifying sites. The key considerations were creating an accessible network of spaces with an opportunity for a variety of types of food growing.</p>
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<p>No food growing at Grant Park or Drumduan Road</p>			<p>Priority should be to keep the town beautiful and attractive. If people want to grow food they can do so on their own property.</p>	<p>Drumduan Road has been removed as a potential food growing site as a result of identified ownership issues.</p> <p>Grant Park is also no longer being promoted as a potential food growing site.</p> <p>Not everyone has their own garden, tools or the expertise to grow their own. Community food growing spaces offer the opportunity for people to come together and has many benefits including health and wellbeing, biodiversity enhancement and skills development.</p> <p>In terms of the appearance of food growing spaces. Where proposals require planning permission the Council will have control over the layout design and any buildings</p>
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				proposed as part of the planning application process.
Forres greenspaces are being built over. Need to maintain open green spaces for wellbeing and recreation such as Grant Park, Roysvale, St Catherines Road, Market and Mosset Greens.	<p>Within established housing areas.</p> <p>Castlehill at the Thomson Memorial in town centre but out of sight.</p>	Developers should be required to provide in new housing areas.	<p>Allotments need to be properly managed and maintained.</p> <p>Allotments are hard work and demand commitment, what happens when initial enthusiasm reduces. Is there money to fund establishment of growing areas for</p>	<p>Grant Park is no longer being promoted for food growing. There is scope to accommodate limited growing around the edges of Roysvale without negatively impacting on existing uses.</p> <p>There are no sites identified at St</p>

			<p>fencing infrastructure etc.?</p>	<p>Catherines Road, Market or Mosset Greens.</p> <p>Food growing spaces are considered complimentary to helping create multi-use greenspaces. Potential sites identified must not conflict with existing uses.</p> <p>The Council is in the process of developing guidance for leasing land. upkeep and maintenance will be addressed through leasing agreements.</p> <p>The Council does not have the financial resources to deliver food growing sites. Interested community groups will have to seek funding themselves and where feasible the Council will provide non-financial support including signposting to resources.</p> <p>The Moray Local</p>
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				Development Plan requires developments of over 200 houses to provide allotment sites and further guidance is being prepared setting out how food growing can be incorporated into landscaping proposals for smaller developments.
No food growing on Roysvale or Grant Park.	Castlehill	Should have prepared a list of green spaces within towns not to be developed for allotments or food growing.	Where is the money coming from?	<p>Food growing is no longer being promoted at Grant Park. There is considered scope to incorporate food growing around the edges of Roysvale without negatively impacting on existing uses. Castlehill is already identified as a food growing site.</p> <p>The guidance issued by the Scottish Government to support the Community Empowerment Act requires Council's to identify suitable sites as opposed to unsuitable sites.</p> <p>The Council is not seeking</p>

				to develop allotment sites and instead is looking to support and enable communities to take sites forward.
No food growing at Grant Park		Involvement with most disadvantaged areas.	If communities have ownership of projects they will be more successful.	<p>Grant Park is no longer being promoted as a food growing site.</p> <p>Data including identified areas of disadvantage were used to identify food growing sites.</p> <p>The Council is not in a position to deliver food growing sites. Interested community groups will have to progress establishment of food growing spaces.</p>
Merson Park would need some type of shelter to support growing.	All schools across Moray growing.	Educating young people how to grow their own.		<p>Detailed arrangements and layout for specific sites will be considered when sites are being developed.</p> <p>The strategy seeks to promote food growing in all schools and the food growing toolkit being development will be targeted to schools that</p>

				are not currently growing.
	Seafield Hospital, Buckie, raised beds or planters		Creation of mini markets to sell local produce,	<p>Despite not being identified there is nothing precluding raised beds or planters being provided at Seafield Hospital.</p> <p>The first step is to get a food growing site/s established in Buckie and then consider further supporting actions like setting up markets to sell produce if there is demand.</p>
	<p>Raised beds in Buckie Square around the memorial.</p> <p>Target areas of disadvantage in towns and villages.</p>	I	Monthly market or premises to distribute food.	<p>There are already raised beds in the Buckie Square that could be utilised for food growing alongside flowerbeds.</p> <p>GIS data has been used to identify areas of disadvantage and food growing sites have been identified in these locations.</p> <p>The strategy seeks to develop pilot food growing projects in the</p>

				<p>Locality Plan areas of Buckie Central East and New Elgin East.</p> <p>The first step is to get a food growing site/s established in Buckie and then consider further supporting actions like setting up markets to sell produce if there is demand.</p>
	Anywhere where there is unused land in the community.			<p>A network of food growing spaces is identified across towns and villages in Moray, where they do not impact on existing uses. Not all unused land will be suitable for food growing. All of the sites identified have been subject to technical consultation to ensure there are no issues in terms of transportation, flooding or contaminated land.</p>
		Needs to be a combined strategy with food preparation and consumption.	What is the point of growing food if younger generations do not know how to cook with it?	<p>Moray College UHI is open to delivering grow your own and cooking classes if there is demand.</p>

		Needs to be a series of classes held in local communities on what to do with the food once it is grown, covering all age groups and some can be inter-generational.		<p>Organisations such as REAP and Moray Food Plus work in the community promoting food growing and cooking from scratch but are constrained by funding.</p> <p>There are actions within the strategy that seek to support food growing in schools.</p> <p>The Anderson's Nursing Home Case Study within the strategy sets out an existing intergenerational project that could be replicated elsewhere.</p>
Neither of the two areas in Cullen are suitable- the area of ground north of the viaduct or an area round Logie Park.	<p>In Cullen there is an area of grass within the boundaries of Cullen's Community Centre</p> <p>The Lawtie Lands (managed on behalf of Cullen Community by Moray Council) part of which is already used by Cullen Community</p>	The section on Social Prescribing seems to concentrate on the use of existing NHS estate instead of developing a more joined up approach where the health care providers interact with existing resources (edible gardens elsewhere for	There needs to some interaction (maybe there is) with the Moray Wellbeing Hub who, along with others, may be involved in a wellbeing initiative based at Cullen's Community Centre.	The sites identified at the community centre and adjacent to the school have been assessed. The site close to the school lacks natural surveillance, however as there is community interest in taking it forward; it is now identified as a potential site within the strategy.

	<p>Allotment Association</p> <p>An uncultivated strip of land owned by Seafield Estates, between Findlater Drive - to the east, the primary school playing field - to the north and the millennium woods - to the west.) It is being actively considered for the purpose by the community centre because the Allotment Association could be involved and it is convenient for the primary school</p>	<p>example) so as to achieve a much more cost effective and sustainable outcome.</p>		<p>The site within the grounds of the community centre is a good central location within Cullen and will be added as a potential site within the strategy.</p> <p>Social prescribing does not need to be confined to NHS sites and could be delivered on any of the identified growing spaces if there are partner organisations interested.</p> <p>Officers would be happy to have discussions about an initiative at Cullen Community Centre. It should be noted the Council is not in a position to financially support the project.</p>
Grant Park should not be included. This is an area that is well used for events, Highland Games, Theme Day, cricket, cross country, orienteering, football, school sports				Grant Park is no longer being promoted as a food growing site.

	Phoenix Centre Queen Street, Buckie			The Phoenix Centre is already being utilised for food growing and will be identified as an existing food growing space.
		<p>Providing support for gardening "beginners" (e.g. compost, access to gardening tools or funding of equipment) seems crucial as well. Avid gardeners already work on soil; if Moray Food Growing Strategy is meant to become a success, it needs to specifically address and support those without access and knowledge about growing food. These are very often the most vulnerable residents, so they and their children could benefit most; the allotments could provide them and neighbours and friends with access to healthy food - which in the long run would save money for health</p>	<p>Organic agriculture is by now widely acknowledged as the most sustainable way to produce food. Hence a Food Growing Strategy needs to include raising public awareness for soil quality, protection of pollinators,</p>	<p>The strategy is supported by a number of actions including equipment and knowledge sharing.</p> <p>Moray College UHI has expressed an interest in delivering grow your own classes if there is demand. There are other organisations that are promoting food growing and cooking lessons including Moray Food Plus, REAP but are reliant upon funding.</p> <p>Delivery of actions highlighted in the Locality Plans produced for Buckie Central East and New Elgin East have seen a community garden being established at New Elgin Hall and a monthly community lunch event being hosted in Buckie.</p>

		services etc.		
			Offering food growing classes in schools is very important in implementing a food resilience program at a community level. Creating opportunities for the students to both learn about growing food as well as preparation and preservation of food is a fundamental element in community food production. Children usually are very interested in food, and giving them opportunities to grow and eat their own food can be very successful.	The strategy is supported by a number of actions including working with schools to promote food growing. A food growing toolkit for schools is being developed with Moray College UHI. The toolkit includes instructions for growing your own and a simple recipe.
The sites suggested all look good for some sort of community growing. Where allotments aren't appropriate due to the small size of the sites or a very high level of resident dislike for the idea, that fruit	The grassland at the far eastern end of Mannachie Rise could support one or two fruit trees such as a plum tree or two. Site of the old Tesco's could be used for raised beds on the concrete or planting of	Education to change the mindsets of many residents who like to cover their gardens with gravel, paving, plastic grass, decking, manicured lawns devoid of life , flowers that have no value to pollinators etc. thinking it makes their	Hazel trees or the cultivars of them and plum and apple trees can provide a lot for biodiversity and also human food with quite low levels of effort. With weather becoming more extreme with droughts	Supportive comments are noted. Various sites for community orchards have been identified. Mannachie Park is already identified as a food growing space and there is scope to expand the existing orchard subject to there being no impact on existing uses.

and nut trees and soft fruit bushes would be good for helping biodiversity and providing healthy human food to reduce packaging, transportation and providing a little extra food security.	some fruit trees or shrubs. Maybe Tesco's could be persuaded to use this to demonstrate their interest in the community?	gardens look "respectable". This fashion is bad for biodiversity, climate change, climate resilience and food security.	and wild unseasonal temperature fluctuations these perennial plants will be more resilient.	<p>The former Tesco's site is an identified opportunity site in the Moray Local Development Plan 2015. On that basis it has not been identified as a potential location instead it is identified as a potential location for temporary events such as farmers markets etc. subject to the landowners consent while it remains vacant should there be interest.</p> <p>The sustainability section of the strategy has been enhanced to incorporate biodiversity covering aspects like planting for pollinators and creating habitats for wildlife. There is also reference as to how food growing can increase resilience to climate change.</p>
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MORAY FOOD GROWING STRATEGY

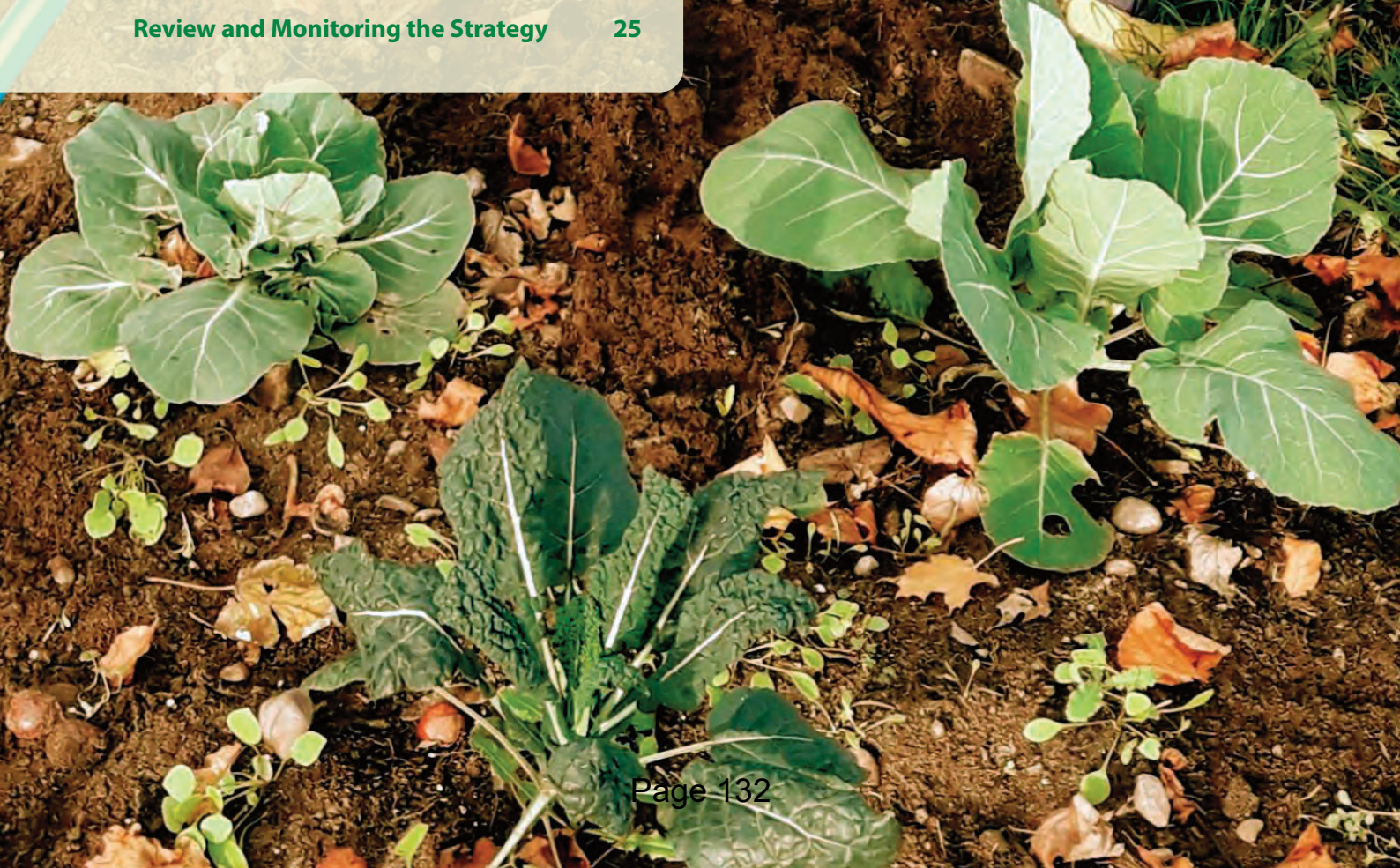
APRIL 2020



moray
council

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Policy Context

The Scottish Government has set out a vision that by 2025 Scotland will be “a Good Food Nation, where people from every walk of life take pride and pleasure in, and benefit from, the food they produce, buy, cook, serve, and eat each day.”

The Council has a statutory duty, set out in the Community Empowerment (Scotland) Act 2015, to prepare a Food Growing Strategy that identifies potentially suitable land for allotments and other food growing areas. There is also a specific requirement to note how the Council intends to increase food growing provision in communities experiencing socio-economic disadvantage.

In developing a food growing strategy for Moray the Council is committed to delivering the wider benefits associated with food growing including:

- Improving health and wellbeing outcomes
- Promoting opportunities for social interaction
- Environmental improvement and sustainability
- Skills development and education
- Economic development

In delivering these benefits the food growing strategy will also assist in meeting the key objectives in the Moray Local Outcome Improvement Plan (LOIP).

The following statistics provide an evidence base highlighting some of the challenges.

1 in 8 children in Moray are overweight



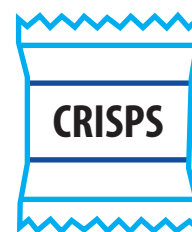
20% adults & 35% of children

drink non-diet soft drinks at least once a day. About 22% of the Scottish populations sugar intake is from sugary drinks



1 in 5

children in Moray have tooth decay in Primary 1



17% of adults & 33% of children

eat crisps once a day or more

Last financial year

Moray Food Plus +

had 1950 referrals

supporting 4440 people



1 in 9



children in Moray are obese



17 tonnes

of surplus food from supermarket and suppliers was distributed which included fresh fruit and vegetables.



In certain areas in Moray

1 in 7 children

are living in poverty

The economic cost of mental health problems in Scotland is estimated at £10.7 billion.



For Moray this equates to around £172 million.



28% of adults & 51% of children

have chocolate or sweets at least once a day



Most adults and children in the North East **only** eat three portions of fruit and veg a day



Purpose of the Strategy

It is clear that there is rising interest in local food production. The strategy aims to increase the number of food growing areas across Moray by identifying land potentially suitable for allotments, and other food growing spaces including, community orchards, community gardens, vegetable patches, raised beds, planters and edible hedges.

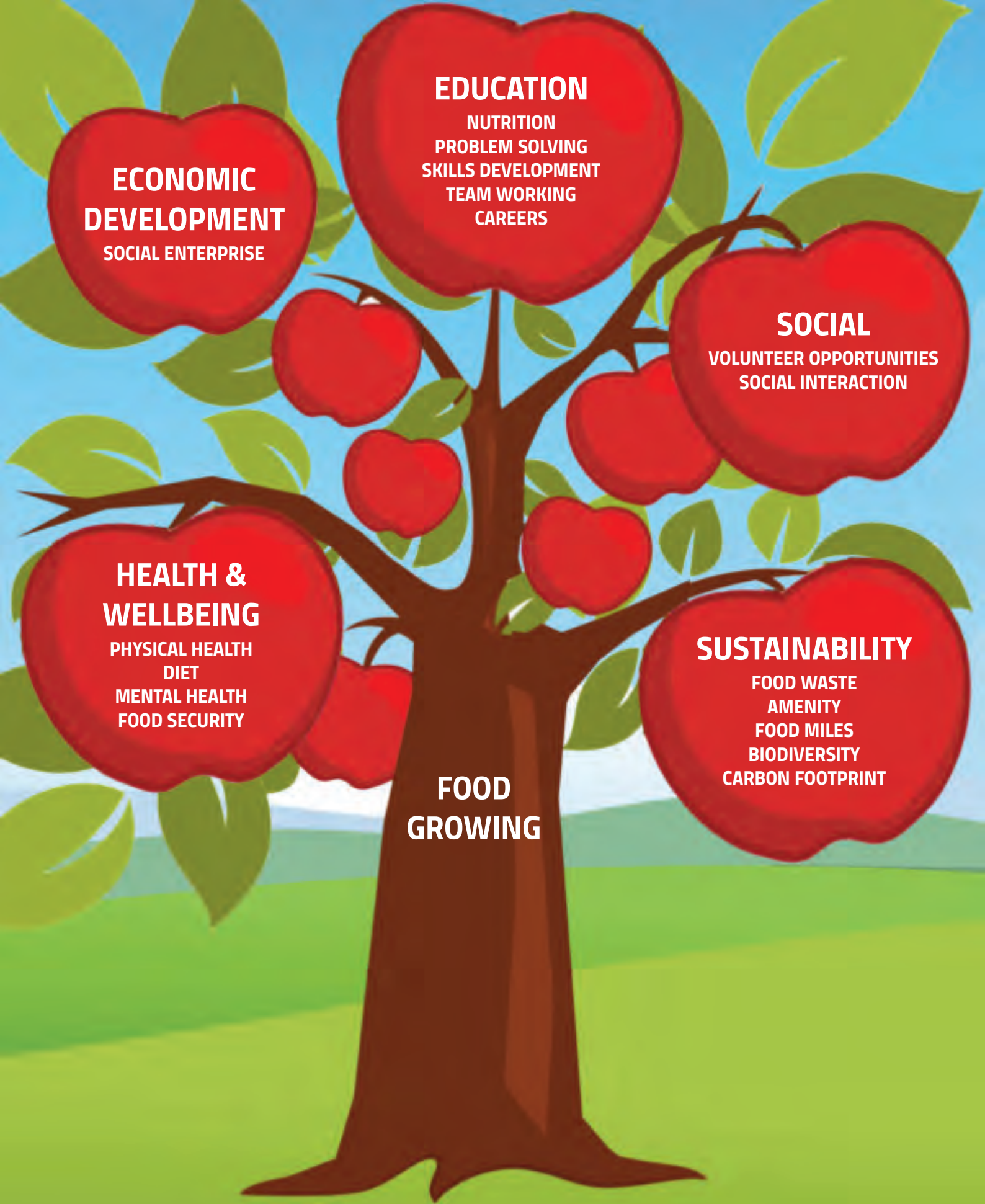
Supporting our communities to develop the skills to grow their own food and make healthy lifestyle choices is also a key strand of the strategy that will be achieved by working together with our community planning partners and third sector organisations.

The strategy is supplementary guidance supporting the Moray Local Development Plan 2020 and will become a material consideration in the determination of planning applications for growing spaces.

Benefits of Food Growing

Community food growing can provide a number of wide ranging and long lasting, benefits to communities and individuals. There are a number of cross cutting impacts related to health, environment, economy, society and education.





EDUCATION

NUTRITION
PROBLEM SOLVING
SKILLS DEVELOPMENT
TEAM WORKING
CAREERS

ECONOMIC DEVELOPMENT

SOCIAL ENTERPRISE

SOCIAL

VOLUNTEER OPPORTUNITIES
SOCIAL INTERACTION

HEALTH & WELLBEING

PHYSICAL HEALTH
DIET
MENTAL HEALTH
FOOD SECURITY

SUSTAINABILITY

FOOD WASTE
AMENITY
FOOD MILES
BIODIVERSITY
CARBON FOOTPRINT

FOOD GROWING

Benefits of Food Growing



Engagement and Evidence Gathering

A steering group with representation from Moray Council, NHS Grampian, Moray College UHI, REAP, Elgin Allotment Association, Greenfingers and Moray Food Plus worked in partnership to prepare the strategy.

The Food Growing Strategy offers the opportunity to link together the different organisations and stakeholders with an interest in food growing and provide a framework for a joined up approach to encourage an increase in food growing spaces across Moray.



Extensive engagement was undertaken to develop the strategy. A facilitated workshop was held with key stakeholders. The workshop considered where we are now with food growing in Moray and where we want to be in the future.

Present

- 🍏 Experience/expertise in place
- 🍏 Good things happening on a small scale
- 🍏 Lots of ideas but these are all separate and a bit ungrounded. Action is disconnected. Lack of strategy
- 🍏 Lack of funding and support
- 🍏 Frustration at the lack of action

Future

- 🍏 Partnership with everyone working together going in the same direction
- 🍏 Food growing sites are being delivered and something tangible has been achieved
- 🍏 Engaging and involving more people in food growing
- 🍏 Resources are being targeted to deliver community food growing areas

A questionnaire was created and widely circulated to help identify barriers to food growing and the support needed to help food growing areas come forward. Over 320 responses were received with 50% of respondents stating they lacked the gardening knowledge to grow their own and 40% identified a need for training and skills. In addition to this over 50 comments relating to food growing were gathered.

Meetings were held with Community Council's in Lossiemouth and Speyside, locations where there are no food growing spaces currently, to allow them the opportunity to suggest potential sites based on their local knowledge.



A call for ideas for food growing spaces was launched and over 150 potential sites across Moray were identified by the community. In addition to this as part of the Moray Local Development Plan 2020 Proposed Plan exhibitions held in Buckie, Elgin and Forres, attendees were given the opportunity to identify potential food growing sites.

A Moray Food Growing Event was held in May 2019 where community representatives used Ketso an engagement tool to support discussions around food growing. All the ideas, constraints, goals and solutions were written on leaves to build branches of a tree and map all comments. The ideas gathered during all the engagement have where possible been embedded within the strategy and have helped shaped the vision, key objectives and themes.



The strategy was issued for public consultation for 8 weeks. Three consultation events were hosted and were well attended with over 145 people coming along. A free community lunch was hosted in partnership with the Buckie Monitoring Group and family friendly events hosted in partnership with REAP in Elgin and Forres with apple pressing and interactive activities.



Vision

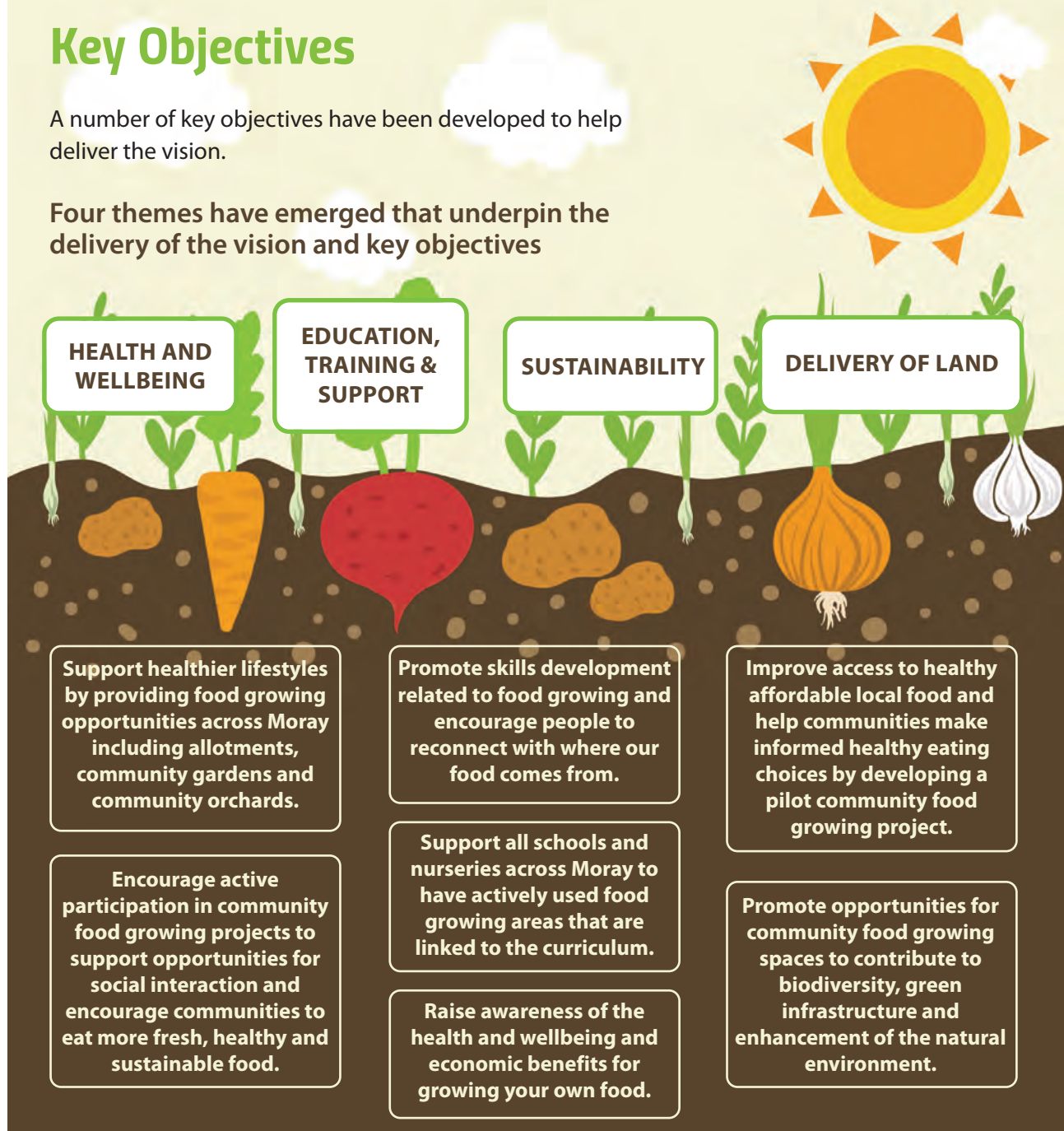
The main purpose of the strategy is to ensure there are more opportunities for people who would like to grow their own food to do so. A vision and key objectives for the strategy have been developed around local priorities and stakeholder engagement.

“Promote the benefits of a healthy lifestyle by increasing access to nutritious healthy food by creating opportunities for people to grow their own fruit and vegetables in towns and villages across Moray, reducing food insecurity and food waste.”

Key Objectives

A number of key objectives have been developed to help deliver the vision.

Four themes have emerged that underpin the delivery of the vision and key objectives



Health and Wellbeing

The Scottish Government's national strategy A Healthier Future and subsequently the More Active Scotland Strategy and the Type 2 Diabetes Framework make recommendations to improve the nation's diet, increase levels of physical activity and facilitate the maintenance of healthy weight.

A healthier and more active future for the North East of Scotland (2019) affirms that local community food initiatives have an important role in the availability of local sustainable and affordable healthy food.

Community gardens and allotments provide opportunities for improved access to fresh food, nutrition and physical activity and in doing so provide the opportunity to shape health behaviours and reduce inequalities. Furthermore they may promote health and wellbeing in other ways through increased social capital, improved mental health and educational and skills attainment.

These spaces also provide a central point for people to come together in a supportive environment, to interact and participate which helps promote feelings of community identity irrespective of age, ability or socioeconomic position. All of which are positively associated with health and wellbeing by promoting and supporting a healthy diet and regular exercise which have a wide range of benefits for both physical and mental health.

Evidence suggests that participating in community gardening is associated with the higher consumption of fruit and vegetables, this may be due to a number of factors including increased knowledge and a greater connection and ownership to the food produced. Children in particular can gain lifelong practical skills and health knowledge; with evidence suggesting that consumption and taste preferences for fruit and vegetables increased following participation in school based gardening programmes.



Gardening activities can provide low-impact, moderate and aerobic exercise and is considered a sustainable form of exercise. Gardening can be an effective means of increasing physical activity, including those facing barriers to other forms of exercise. It focuses on skills and achievements, not limitations or diagnoses. Furthermore there is evidence to suggest that good physical health, establishing and maintaining social relations and living in stimulating environments helps reduce the risk of developing dementia. The Moray Council Dementia Strategy predicts a 50% increase in the incidence in dementia as the population ages and has identified dementia as a key priority in Moray, contributing to 11.2% of all years lived with disability, more than stroke, cardiovascular disorders or cancer.



Food growing spaces can provide recreational opportunities that encourage socialising, decrease isolation and lead to improved confidence and self-esteem. Similarly, loneliness is recognised as having a significant impact on health and wellbeing. The Scottish Government's strategy for tackling social isolation and loneliness states that "the extent to which people interact is heavily determined by their lived environment"

Community gardens and allotments provide the opportunity to promote positive mental health benefits through a supportive social environment, where growers view the growing space as a place where they can relax and unwind from the stresses of other parts of their lives. The economic cost of mental health problems in Scotland is estimated at £10.7 billion. For Moray this equates to around £172 million. (Good Mental Health for All in Moray). It is clear the NHS estate has a role to play in providing food growing spaces in Moray and there is already a therapeutic garden at Maryhill Health Centre in Elgin.

Social prescribing by General Practitioners (GP's) and healthcare professionals can connect people to non-medical sources of support and resources in the community. For example it might be appropriate to prescribe gardening-related activities to improve the health and wellbeing of an individual.

Gardening can be a cost effective health intervention to help address some of the key issues facing Moray, e.g. increasing mental ill health, increasing dementia, obesity, lack of physical activity, social isolation and self-management of chronic conditions. For some, the skills and self-confidence learned have the potential to lead to employment or self-employment.

A Greenspace and Health Strategic Framework for Edinburgh & Lothians has recently been published.

The strategy aims to fully realise the potential of the NHS Outdoor Estate and community greenspaces as a community health asset benefiting patients, visitors, staff and communities. It covers a range of Green Health activities, including community and therapeutic gardening, health walks, green prescriptions, Branching Out and Green Gyms, as well as greening the NHS outdoor estate and encouraging access to greenspace close to where people live.

CASE STUDY

Maryhill Health Centre - Therapeutic Garden (REAP Grow Elgin Climate Challenge funded project)

Setting up a community garden with a therapeutic focus was seen as a great way of engaging with the GP Practice's community, patients and staff. The area chosen was also once the kitchen garden for Maryhill House creating a nice link for the new garden.

Work began to set up beds and a donated shed in 2017, the garden is now thriving, growing a variety of vegetables and fruit. To date referrals have been made by health workers, GP's various organisations like the Scottish Association for Mental Health (SAMH), CLAN Moray that supports people affected by cancer, Move More Moray and others.

The garden at Maryhill has worked with 17 individuals who have reported a variety of benefits to mental and physical health since participating. 4 volunteers have joined REAP, some of whom were originally participants.



The garden comprises a total of 120m² of growing space which grew 160kgs of produce last year. This was distributed to participants and used at communal events such as a harvest day and cooking courses. The GP practice also collects food waste in the staff room (over 70 staff) which is composted on site and used in the garden.

The quest for a partner with skills and training in mental health support continues as this would help secure the future of the garden which has funding to March 2020.



In addition to growing spaces in health centres, community growing spaces in hospital grounds can prove useful spaces for occupational therapists and other medical specialists when working with their patients.

The following actions have been identified to support health and wellbeing through food growing.

- **Secure a partner organisation to take forward Maryhill Health Centre therapeutic garden.**
- **Investigate the possibility of replicating the therapeutic gardening project at Elgin Health Centre across other health care facilities in Moray, especially when planning new build health centres (e.g. Keith)**



Education, Training and Support

Food growing spaces can also provide opportunities for people to enhance their skills, self-confidence and improve their employment opportunities. People involved in community growing can benefit from a therapeutic learning environment through which they gain insights into themselves as well as transferable life skills.

Greenfingers Training Project based in Elgin supports people that have various barriers to further education, training and employment. This can include people with learning disabilities, on the autistic spectrum and/or in the recovery of a mental health challenge. The therapeutic benefits of horticulture, local woodlands and greenspaces are used to promote general wellbeing whilst recognising individual skills, talents and supporting people to identify and plan their own areas of development and future progression. Food growing is being embedded into the Greenfingers training plan with proposals to develop two small sites for food growing training purposes at Cooper Park and Moray Resource Centre. This will be in the style of raised beds and allotment style gardening and involve working jointly with Moray Resource Centre and users of the garden. This will ensure that people moving on from Greenfingers have the knowledge and skills to grow their own produce within different growing environments and can continue to build upon the established social and community links as trainees progress.

Moray College UHI is actively exploring options for the creation of grow your own and community grower's courses to support skills development.

Educational Food Growing

Food growing programmes in schools can have positive impacts on pupil nutrition and attitudes towards healthy eating. Supporting our young people to develop the skills to grow their own food and make healthy lifestyle choices is a key strand of the strategy.

During preparation of the strategy an audit of food growing spaces in all primary and secondary schools was undertaken. The purpose of the audit was to establish if schools were growing food, if the growing was related to the curriculum and if there was any external support to deliver projects.

85% of schools participated in the audit and findings showed that 75% of the schools that responded have some kind of food growing space. It was also established that growing is not always formally linked to the curriculum and a number of the schools are being supported by parent helpers, former pupils, grants and support from external bodies like REAP. A separate educational food growing map has been prepared and is set out in Appendix 1

The key constraints identified by the schools to progressing or expanding food growing were identified as a lack of expertise and pupil teacher ratios. It is clear that schools require ongoing support for food growing and linking it to the curriculum.

The following case study gives an overview of a secondary school food growing project.



CASE STUDY

Elgin Academy School Garden

(REAP Grow Elgin Project. Climate Challenge funded project)

The school had set aside a large area in their new build site and REAP were able to help them set up this area for growing food. Currently there is 150m² of growing space in 8 large raised beds. Starting from interest from one or two keen teachers, the project has grown as more saw the potential for working with their pupils. REAP helped the school set up their own composting bin which takes food waste collected from caddies in classrooms and the staff room. All this has helped the school achieve their Eco Green Flag

Further funding from Food For Thought /Education Scotland provided an outdoor kitchen, plus teacher training from REAP to develop staff skills, confidence and educational

tools for use with the pupils across the curriculum. The school also help REAP with carbon saving targets, recording produce grown and food waste diverted from landfill.

The gardens currently produce a range of vegetables and fruit in the orchard area which is used in Home Economics lessons. It is used with the S2 classes each year to introduce pupils to the Farm to Fork topic and regularly with pupils in the support department. S1, S3 and senior pupils also use the gardens if time allows and pupils from the nearby Bishopmill Primary School also use it. Pupils have made mint ice cream, pea and mint soup and potato wedges and berries, carrots and onions are also harvested.





The following actions have been identified to support education, training and development of further food growing projects.

- **Investigate opportunities for funding to develop a food growing toolkit to support Moray Schools to embed food growing into the curriculum.**
- **P6 and above classes are given the opportunity to interact with and learn about career opportunities and skills associated with horticulture.**
- **Further develop the relationship between Moray Schools and Moray UHI Horticulture department to support and sustain food growing and link to STEM week.**
- **Explore opportunities for community growers/grow your own evening courses at Moray College UHI.**
- **Investigate opportunities and funding to support schools food growing as part of Active Schools.**
- **Greenfingers to develop a training program and two food growing training sites for trainees at Cooper Park and Moray Resource Centre.**

Sustainability and Biodiversity

Community growing spaces can improve biodiversity and, when linked with other greenspaces, create important green corridors for wildlife.

Especially in urban areas, community growing spaces, have the capacity to act as important habitats for a variety of wildlife by providing food, shelter and breeding sites for many different animals. Insects, including pollinating species, as well as small mammals, amphibians and birds can be part of these sites. The types of plants grown, as well as how the grounds are managed can have huge effects on local biodiversity.

By attracting a variety of different species to a food-growing area, there are often benefits to be had for the growers. These can include:

Natural forms of pest control - amphibians such as frogs and toads, as well as hedgehogs, birds and a variety of insects help to control 'pest' species such as slugs, snails and aphids which can often ruin food crops.

Pollination of our food – pollinators such as bumblebees, hoverflies and wasps help our flowering plants produce fruit and new seeds. Fruit trees, berries, peas, beans, tomatoes and herbs are all examples of plants which pollinators visit and help produce food we eat.

Enjoyment – watching wildlife is something that brings a great deal of people joy, especially in the heart of a town. Making a space for wildlife on a growing site allows opportunities for people to interact and feel a part of nature, which has been shown to have many positive mental and physical effects.



These spaces can also contribute to mitigating and adapting to the effects of climate change by reducing food miles and carbon emissions. Locally grown food helps reduce food waste through composting and reduced food packaging and contributes to achieving the Scottish Government's zero waste ambitions. Community food growing spaces can also make positive contributions to sustainable drainage through permeable surfaces and the harvesting of rainwater.

Top Tips for a biodiverse growing area

- **Add some water and a home or two**

By adding shallow dishes or tubs of water containing small stones (to allow small animals to climb out and not get stuck) this provides lots of different animals an area to drink from. Also, a bug hotel or bird nest boxes are simple and cheap additions to your growing areas – remember to put them somewhere quiet and out of the way.

- **Don't be too tidy**

Or rather, find an area to put 'untidy' things. As you work in your growing area, whether it is new or established, stones and other debris such as twigs, branches and fallen leaves can be gathered and moved to out-of-the-way places such as along a fence. Here they provide homes for small mammals and especially insects.

- **Ditch the chemicals**

Most chemicals used to control garden pests are non-specific, meaning that they are just as likely to harm beneficial animals as they are to harm the insect species you are trying to get rid of, and they can actually make pest problems worse. Instead encourage more wildlife into your site and try companion planting as well as physical removal of pests.

- **Make the most of your fences**

Most areas for growing have outside borders such as stone, wooden or wire fencing of some sort. These often-overlooked areas could be improved to allow homes for things like minibeasts, amphibians and birds.

For example, an old dry-stane dyke with its small gaps allows multiple homes for different insects. Climbing plants such as ivy or honeysuckle can also be grown along fences and walls in order to make nesting sites for birds and small animals.

Fences and walls can also be improved by making small gaps at ground level to allow the movement of animals like hedgehogs (often called a hedgehog highway!)



(images from <https://www.hedgehogstreet.org/help-hedgehogs/link-your-garden/>)

- **Add a hedge**

Adding a mixed native hedge including a range of species such as Hawthorn, Blackthorn, Elder, Hazel, Holly, Crab Apple, Guelder Rose and Dog-Rose will provide shelter for the growing area and also a variety of animals, as well as providing food for animals and colour in the form of flowers and berries.

The following actions are identified to promote food growing spaces that contribute to placemaking, sustainability and biodiversity enhancement.

- **Prepare greenspaces guidance as part of wider design guidance that demonstrates how food growing can be integrated into green and blue networks and support biodiversity enhancement.**
- **Promote edible species in all new developments of over 10 houses.**

Social

Community growing and the development of green spaces is beneficial to tackling social exclusion. A garden share can foster a sense of community among the residents of a neighbourhood, and the presence of shared activity in well-maintained green spaces can offer opportunities for inclusion and connectedness, in turn increasing perceptions of safety and reducing anti-social behaviour.

CASE STUDY

Moray College UHI/Anderson Care Home and VIP Childcare

There is a long standing partnership between Andersons Care Home and Moray College. Over the years horticultural students have been involved in developing their ornamental and allotment gardens. VIP Childcare wanted somewhere to grow vegetables with their nursery children and Moray College UHI introduced them to Andersons and their intergenerational relationship began.

Andersons funded the materials and Moray College horticultural students built new raised

beds including a bed for the nursery children, a higher raised bed suitable for the residents to use and a further 9 raised beds for horticulture students to learn how to grow fruit and vegetables in a home and allotment setting.

The fruit and vegetables that are grown from this partnership are harvested and used in the care home's kitchen and also sold to staff and residents families from Anderson's 'Wee Shoppe'. The funds raised go to providing seeds and equipment to the residents gardening club.



A sense of community is encouraged when people participate in food growing activities. Access to community growing spaces can help to encourage more vulnerable people to get involved in local food-growing, and many growing spaces can evidence a reduction in isolation and loneliness for those taking part. Community growing spaces can also offer volunteering opportunities and become the venue for social events.

CASE STUDY

Burghead Station Community Garden



Burghead Station Community Garden was set up to give people a social space in nice surroundings, and is open to everyone from all walks of life. The garden has a newly constructed polytunnel, community orchard and vegetable plots and is run by a small group of dedicated people with a lot of support from volunteers in the community.

The garden is well used by the local primary school as well as church groups, brownies and a pre-school group. There are various events held throughout the year to help with the upkeep of the garden including gig in the garden, bonfire night with fireworks and coffee mornings.

Tesco has supported the garden through its community sponsorship scheme and local businesses have also given generously. The community garden is always looking for new enthusiastic people to get involved.



Economic Development

Community gardens and allotments can make a contribution to a range of social issues. Opportunities also exist to promote and support the establishment of community-run businesses based on growing activities, which generate funds to provide an income.

As well as the possibility of generating income, there is great potential for community gardens to address social needs. Community gardens are able to address a wide range of issues from social inclusion to employability, and offer ideal opportunities for social entrepreneurship.

There are a number of ways that community food growing projects can be supported by working in partnership. There are gardeners across Moray with plant growing knowledge and experience to share.

The following actions have been identified to support existing and future food growing projects by bringing together interested groups, support and resources.

- **Promote intergenerational food growing and community garden projects to inspire other communities.**
- **Work in partnership with third sector partners to promote volunteering, community harvesting and sharing, community composting, equipment sharing and skills sharing.**
- **Investigate the opportunity to work in partnership with the Criminal Justice team to help deliver food growing projects across Moray.**

Delivery of Land

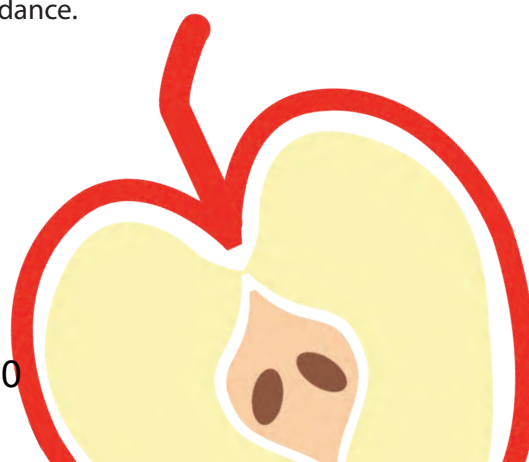
In order to meet increased demand for locally grown food there needs to be access to land. It is clear however that communities need support in identifying spaces to grow and how to take these forward. A lack of understanding of the planning system and Council processes has been identified as a key barrier preventing communities from taking sites forward. The following action seeks to address this.

- **Create a web resource providing advice and signposting support for communities seeking to take forward food growing spaces**

Moray Council Allotment Provision and Demand

Moray Council currently does not own or manage any allotments. The Council does however lease land at Bogton in Forres for a Community Garden and land in Cullen for allotments on behalf of a Trust.

At the time of writing there are 10 people on the Council's waiting list for an allotment and 8 of them live in Elgin. The Council has been working closely with Elgin Allotment Association and has secured planning permission for a 22 plot allotment on Council land at Pinefield Playing Fields. Work is now ongoing to agree terms for leasing the land to the allotment association, taking account of the recently published statutory guidance.



Moray Local Development Plan

The Moray Local Development Plan 2015 requires the provision of allotments on all large scale housing developments over 200 houses. To support the delivery of food growing on smaller sites Council will produce a guidance setting out ways to incorporate food growing spaces and edible landscaping into new developments.

“Herbs in the High Street” is a great example of how food growing can be embedded into the public realm in High Streets and town squares across Moray.

CASE STUDY

Herbs in Elgin High Street

(REAP Climate Challenge Funded Grow Elgin project)

In a joint initiative with Elgin BID and Moray Council Lands and Parks, REAP have agreed to look after, water and tend 10 of the planters in the High street. All these planters contain edible herbs, flowers and vegetables, free for everyone to take/ eat/ use. This is inspired by the Incredible Edible Todmorden project.

The planters have a QR code and some info on them, which links to the REAP website to explain what the herbs are and how to use them for teas etc. REAP check for any poisonous weeds and separate edibles from other ornamentals as some of these are poisonous (e.g. daffodils, lupins)

The parklets (cycle parking/ seating by the Dandy Lion sculpture) planters were added to the area tended by REAP, again in partnership with Moray Council. This year ‘traffic lights’ lollipop stick indicators – red for ‘not ready to take yet’, amber for ‘ready soon’ and green for ‘go – pick some now’ were added.

There are volunteers who help maintain the planters, but a more regular group would need to be set up for tending this that also had knowledge of what is safe to grow in edible beds.



REAP get lots of good feedback:

*‘I often come and take some chives and herbs for my lunchtime sandwich’
‘I’ve let all my friends know about this’
‘What a great idea – and it looks lovely, too’*

Existing Food Growing Areas

There are a number of established food growing areas across Moray and these are set out in mapping in Appendix 2

Everyone has the right to good quality and nutritious food. REAP has previously undertaken projects in areas of socio-economic disadvantage in Moray to support communities to grow their own and increase access to healthy fresh local food.

As part of the strategy it is proposed to develop a pilot project to create a community food growing area working in partnership with stakeholders and organisations involved in the New Elgin East and Buckie Central East. Locality Plans. These areas are identified as being the most deprived in Moray. This work will also help inform the content of the web resources being prepared, setting out advice and support for communities looking to take forward food growing spaces.

CASE STUDY

Den Crescent, Keith

(Diggin' in Den Crescent' funded through the People's Health Trust)

REAP has worked with local communities to set up some raised beds in local spaces for people to grow and harvest their own food.

Three 1m² raised beds were set up alongside a series of community events and projects with families in the area, including picnics, local walks, painting a mural, litter picks etc.

Building on links developed through the project, REAP asked local parents if they would like to have a small raised bed in a communal space to grow their own. Two families took up the offer and REAP put up the beds with the help of local children and parents. The families now grow strawberries, herbs and vegetables in the beds.



CASE STUDY

South Lesmurdie, Elgin

(REAP Grow Elgin Climate Challenge funded project)

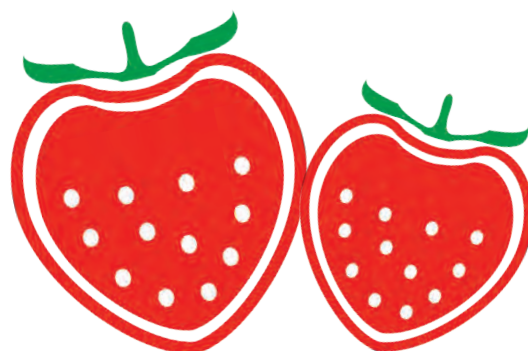
In South Lesmurdie, REAP has carried out leaflet campaigns and worked with the Moray Council Lands and Parks and Housing department to identify areas for community growing. Three 2mx1m raised beds were set up with a small number of residents in 2018.

There has been a slight reluctance/reticence on the part of the community to take the produce grown as people don't think it's theirs to take! However, the beds are there and REAP will continue to provide help while funding lasts.



The following actions have been identified to support delivery of food growing spaces on designated sites in the Moray Local Development Plan and develop a pilot food growing project.

- **Deliver allotment sites and food growing areas in large land releases through masterplans, development briefs and planning applications.**
- **Develop a pilot food growing project with partners linked to the Locality Plans for New Elgin East and Buckie Central East.**



New Food Growing Areas

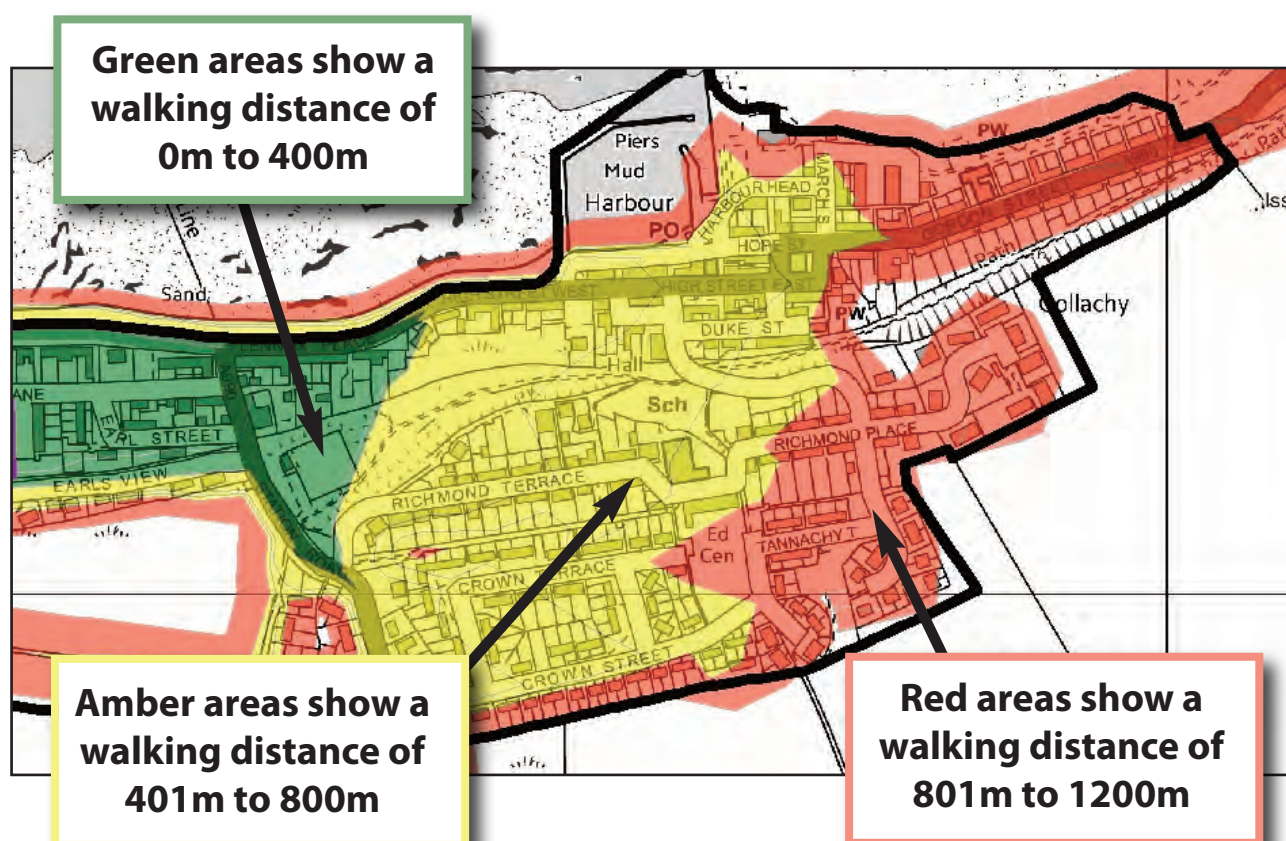
As part of the early engagement to inform the preparation of the strategy over 150 sites were identified across Moray. These sites were subject to technical consultation, audit and scored to assess suitability for food growing.

It is important that the strategy identifies a variety of food growing spaces across Moray's towns and villages. The strategy has sought to identify sites that are accessible to all people. Accessibility and socio-economic disadvantage mapping have been used to identify sites in an effort to establish a network of varied food growing spaces across Moray.

It is important to highlight that the current financial situation means the Council is unable to invest in the delivery of allotments or other food growing spaces. Instead the Council will seek to facilitate and support community groups in other ways such obtaining planning permission for identified allotment sites, signposting resources and sharing best practise.

The mapping for towns and villages across Moray is set out in Appendix 3 which identifies potential allotment and food growing spaces. Maps have been produced for all towns and villages where there are existing and potential food growing areas.

The maps are colour coded to show the walkability of sites as it is essential that these areas can be easily accessed on foot.



Action Plan

Key actions have been developed to support the delivery of the key objectives and actions identified within the strategy.

Action	Partners	Progress	Timescale
Secure a partner organisation to take forward Maryhill Health Centre therapeutic garden	NHS Grampian/REAP	Ongoing	2020
Investigate the possibility of replicating the therapeutic gardening project at Elgin Health Centre across other health care facilities in Moray	NHS Grampian/ Moray Council	Potential site at Aberlour Medical Practice and opportunities arising from new build health centres (e.g. Keith).	2020 - 2025
Investigate opportunities for funding to develop a food growing toolkit to support Moray Schools to embed food growing into the curriculum.	Moray Council/ Moray College UHI	Ongoing. Draft proposals developed. Identifying potential funding partners	2020
Further develop the relationship between Moray Schools and Moray UHI Horticulture department to support and sustain food growing. Link to STEM week, learn about career opportunities and skills associated with horticulture.	Moray College UHI/ Moray Council	Initial discussions held. Draft proposals to be developed.	2020 - 2025
Explore opportunities for community growers/grow your own evening courses at Moray College UHI	Moray College UHI/ Moray Council	Initial discussion held. Proposal to be developed	2020/2021
Investigate opportunities and funding to support schools food growing as part of Active Schools	Moray Council	tbc	tbc
Greenfingers to develop a training program and two food growing training sites for trainees at Cooper Park and linking with Moray Resource Centre	Greenfingers	In the planning stages Clear sites this year	2020/2021

Action	Partners	Progress	Timescale
Prepare greenspaces guidance as part of wider design guidance that demonstrates how food growing can be integrated into green and blue networks and support biodiversity enhancement	Moray Council	Guidance will be prepared to support the Moray Local Development Plan 2020, anticipated for adoption in summer 2020.	June 2020
Promote edible species in all new developments of over 10 houses	Moray Council	Guidance being prepared	June 2020
Develop a pilot food growing project with partners linked to the Locality Plans for New Elgin East and Buckie Central East	Moray Council/NHS Grampian/TSI/REAP and partner organisations.	Initial meeting held, site identified in New Elgin and working group set up to explore delivery.	2020/2021
Work in partnership with third sector partners to promote, volunteering, community harvesting and sharing, community composting, equipment sharing and skills sharing	Moray Council, REAP/TSI	Ongoing actively being explored as part of proposed New Elgin East LOIP pilot.	2020/2021
Investigate the opportunity to work in partnership with the Criminal Justice team to help deliver food growing projects across Moray	Moray Council	Assisted in preparatory works for New Elgin community garden.	2020
Prepare online tool providing advice and signposting support for communities seeking to take forward food growing spaces	Moray Council	To be prepared to support strategy which must be in place by 1 April 2020.	October 2020
Deliver allotment sites and food growing areas in large land releases through masterplans, development briefs and planning applications	Moray Council	Delivery of food growing sites through Findrassie and Elgin South developments and forthcoming masterplans for the south west expansion of Buckie and Lochyhill in Forres	2020-2025



Review and Monitoring the Strategy

The strategy will be reviewed and updated every five years. Annual monitoring will be undertaken as part of the Moray Local Development Plan and will provide an update on progress in implementing identified actions. The key measure of success will be an increase in the number of community food growing spaces across Moray. The food growing steering group will continue and meet twice per year to oversee delivery of the identified actions and outcomes.





Legend



Educational Sites

MAP 1

EDUCATIONAL FOOD GROWING IN MORAY 2019

School

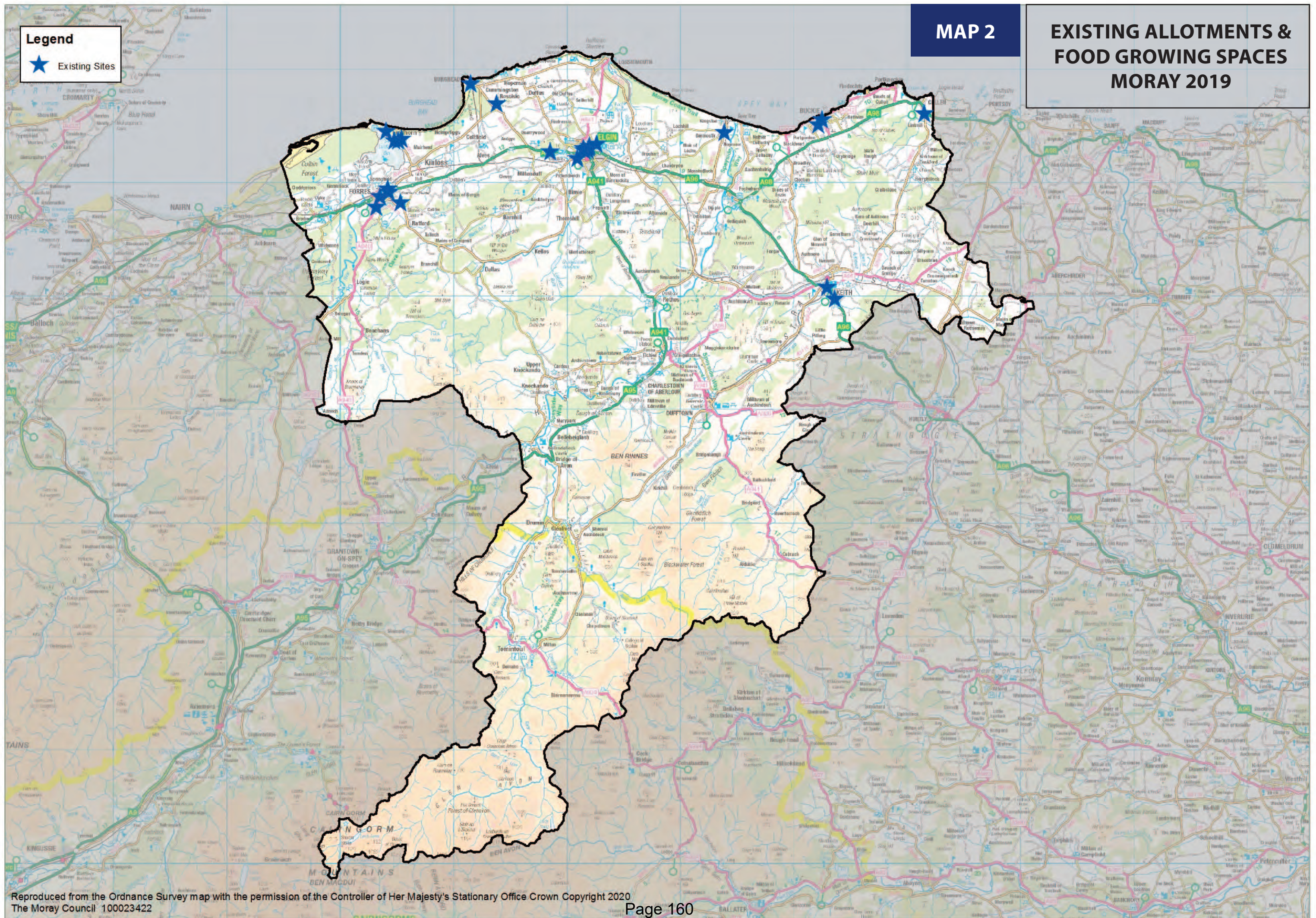
Aberlour Primary School
 Speyside High School
 Alves Primary School
 Burghead Primary School
 Cluny Primary School
 St Peter's RC Primary School
 Buckie High School
 Craigellachie Primary School
 Dallas Primary School
 Mortlach Primary School
 Botriphnie Primary School
 Bishopmill Primary School
 East End Primary School
 Greenwards Primary School
 New Elgin Primary School
 Seafield Primary School
 St Sylvester's RC Primary School
 West End Primary School
 Elgin Academy
 Elgin High School
 Milne's Primary School
 Milne's High School
 Andersons Primary School
 Forres Academy
 Glenlivet Primary School
 Hopeman Primary School
 Keith Primary School
 Knockando Primary School
 Logie Primary School
 St Gerardine Primary School
 Mosstodloch Primary School
 Mosstowie Primary School
 Rothes Primary School
 Tomintoul Primary School

Legend

★ Existing Sites

MAP 2

EXISTING ALLOTMENTS & FOOD GROWING SPACES MORAY 2019

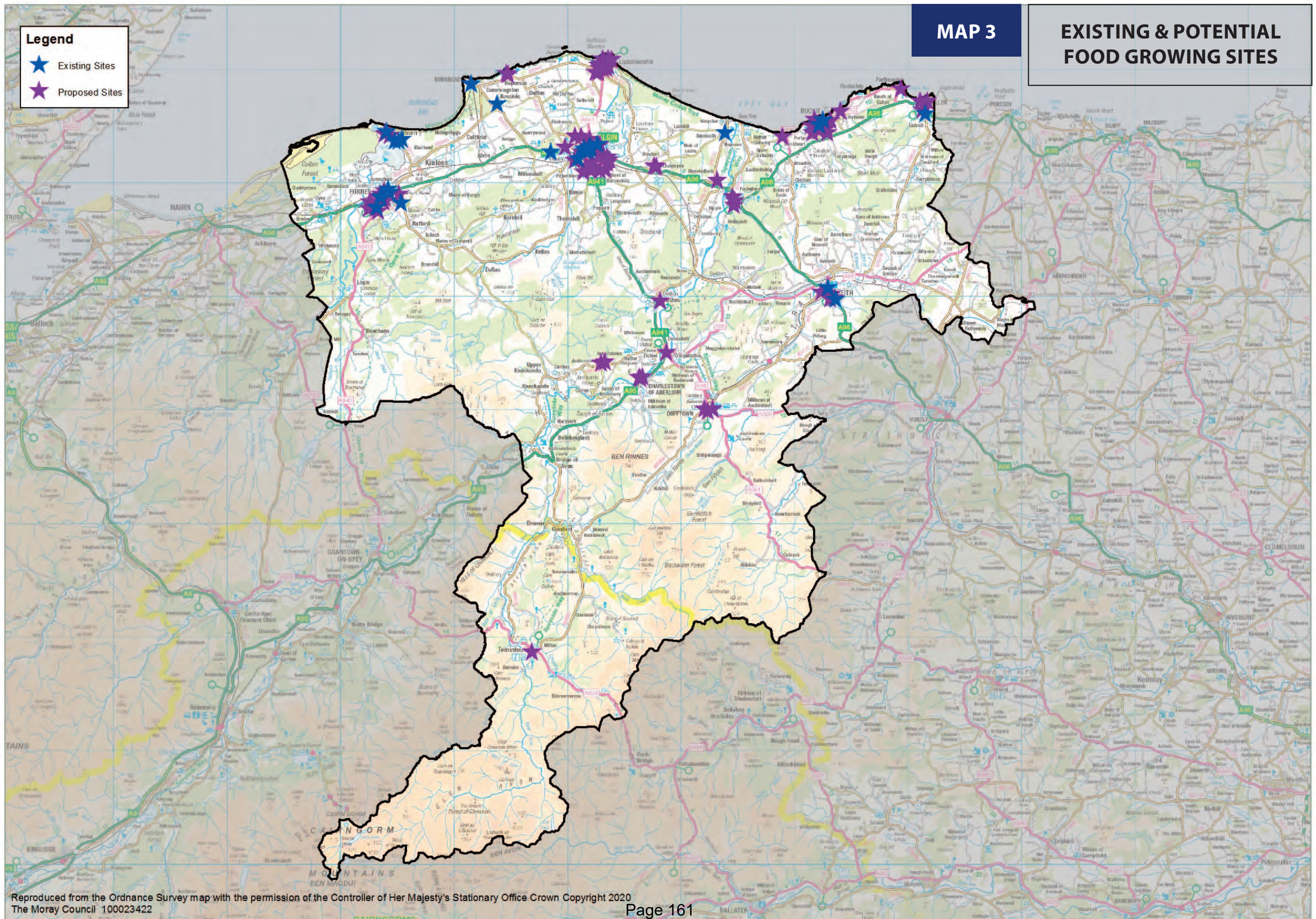


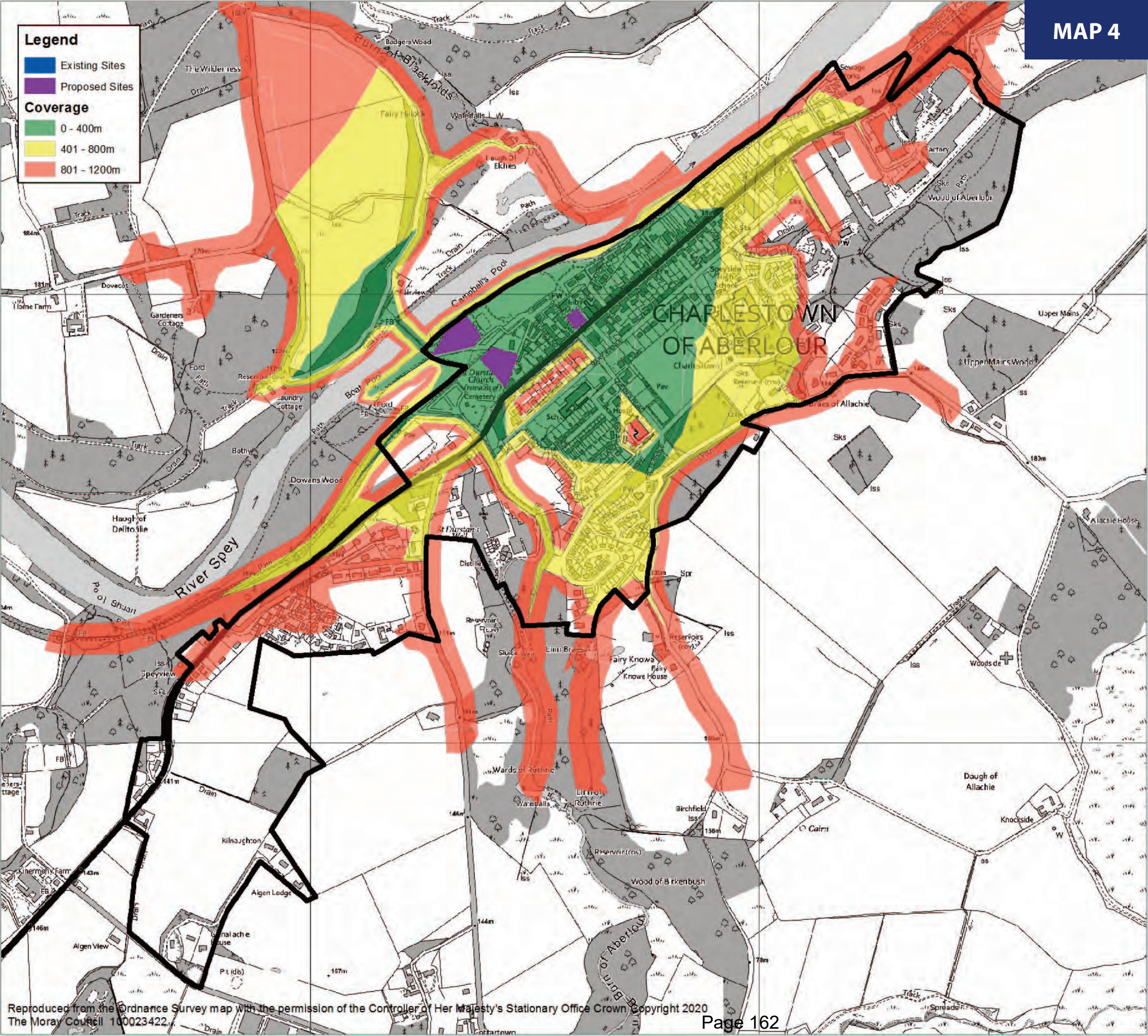
Legend

- Existing Sites
- Proposed Sites

MAP 3

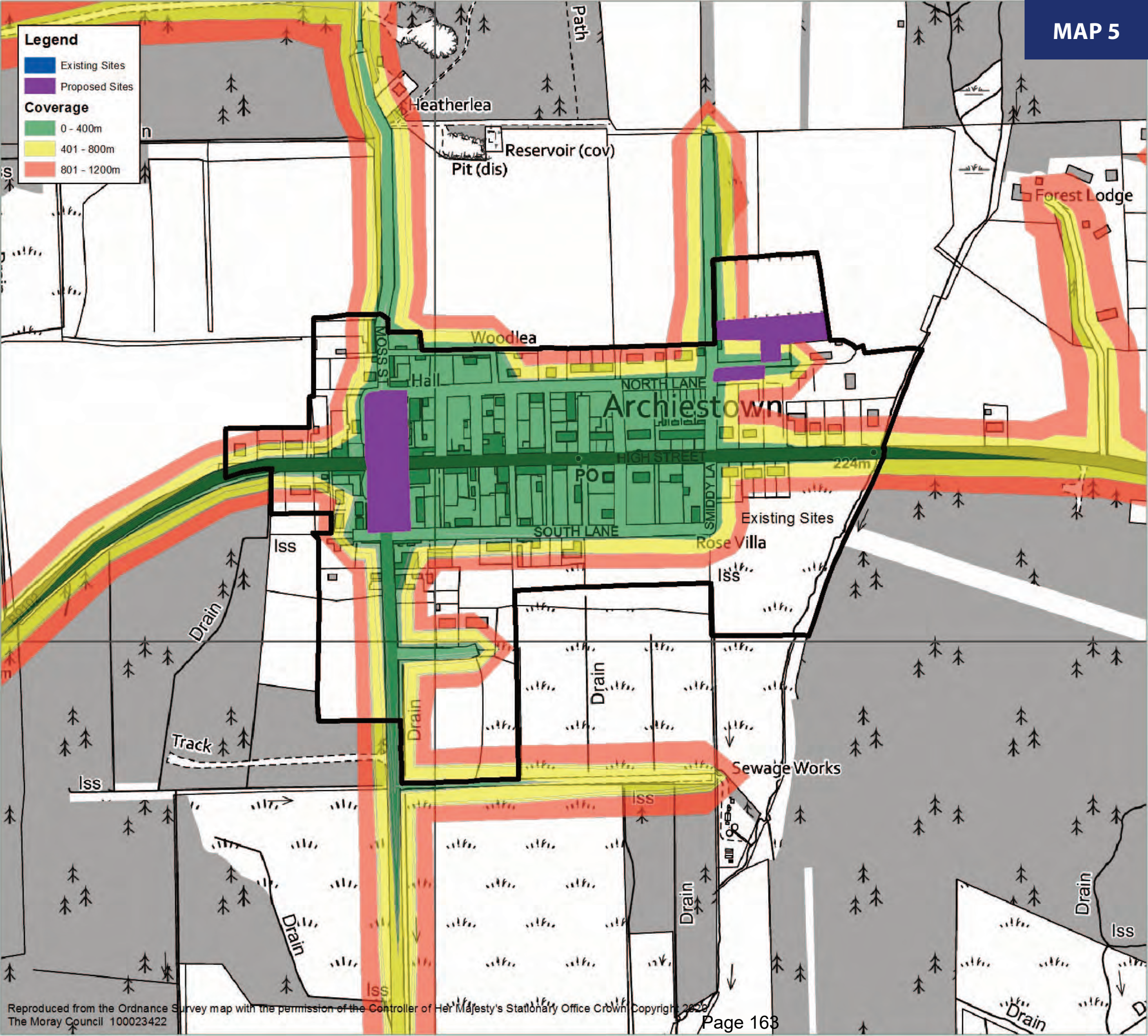
EXISTING & POTENTIAL FOOD GROWING SITES





ABERLOUR POTENTIAL FOOD GROWING SITES

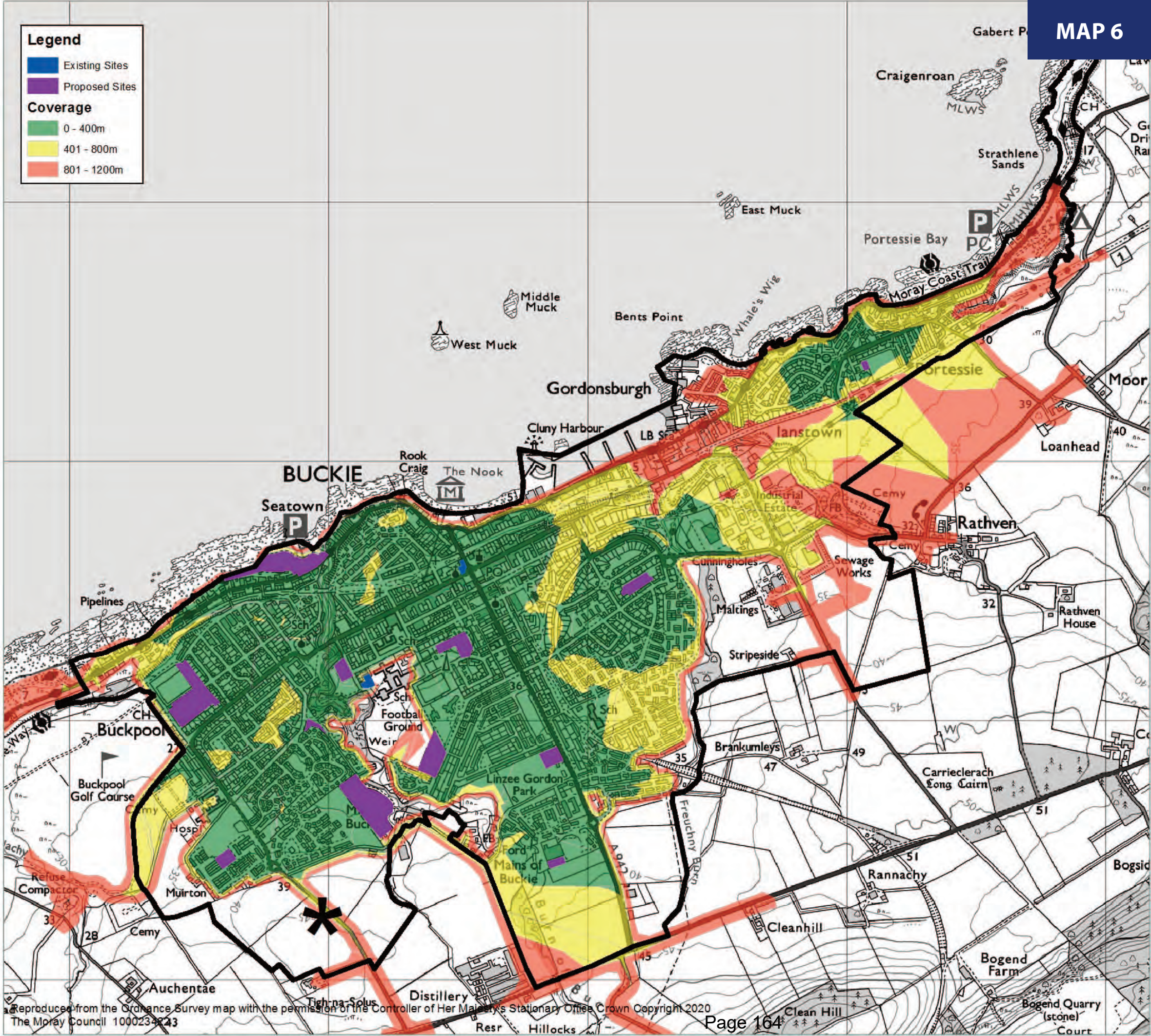
LOCATION	DESCRIPTION
Aberlour Cemetery Extension Site	Allotment
Aberlour The Square	Edible verges / hedgerows; raised beds
Aberlour Alice Littler Park (West)	Multi use – community orchard; community garden; veg patch; raised beds



MAP 5

ARCHIESTOWN POTENTIAL FOOD GROWING SITES

LOCATION	DESCRIPTION
Archiestown Playing Fields	Multi use – community orchard; community garden; veg patch; raised beds
Archiestown The Square	Raised beds; edible verges / hedgerows



BUCKIE POTENTIAL AND EXISTING FOOD GROWING SITES

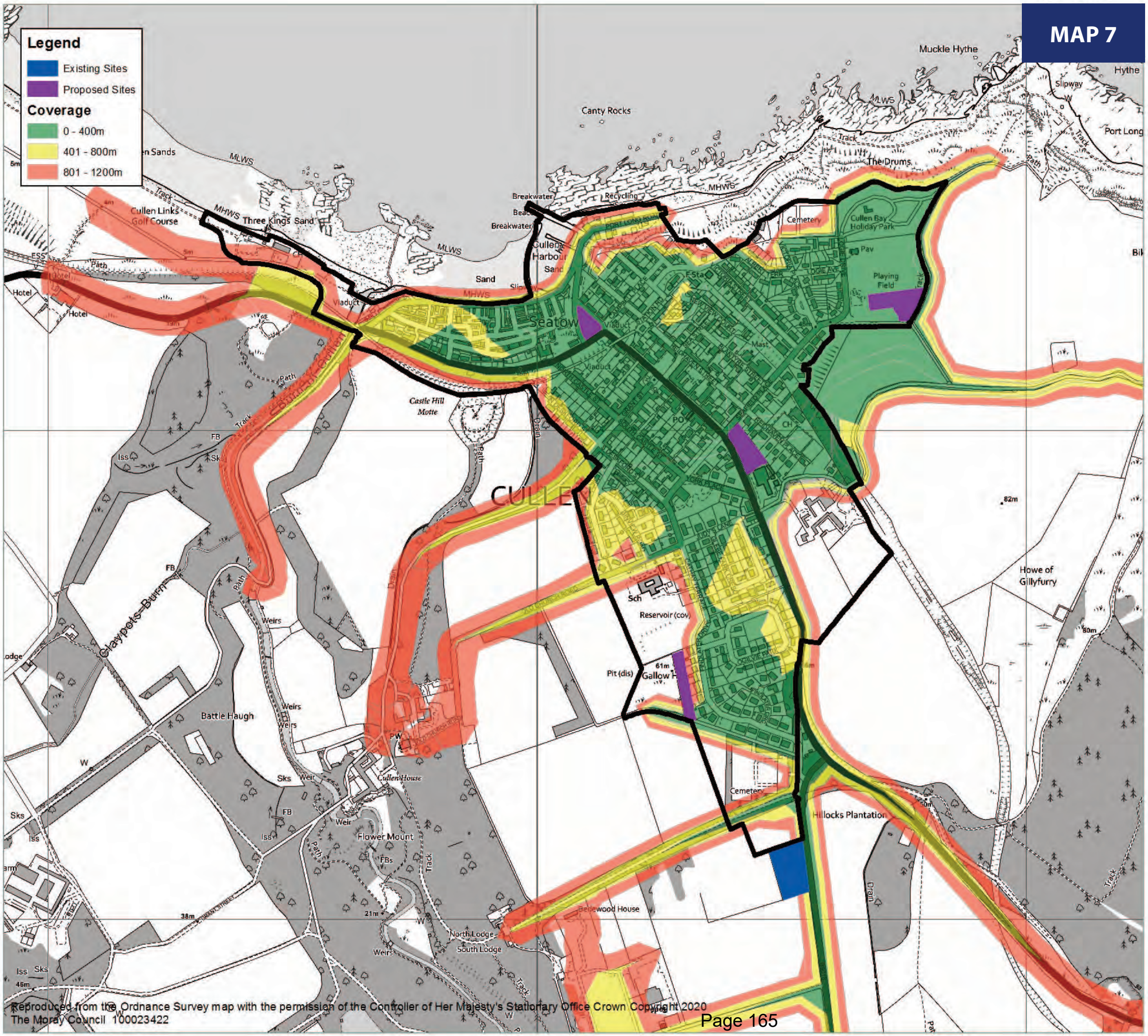
POTENTIAL

LOCATION	DESCRIPTION
Buckie Buckpool Harbour Park	Raised beds/herbs only
Buckie Burn Of Buckie	Community Garden/orchard/raised beds
Buckie Burnside Court	Raised beds/herbs
Buckie Gollachy Street	Raised beds/herbs
Buckie Highfield Road	Allotments/multi use. If unsuitable smaller food growing types would also be appropriate
Buckie Ian Johnstone Park	Orchard/raised beds/veg patch
Buckie Linzee Gordon Park	Raised beds/herb garden/veg patch
Buckie Merson Park	Allotments/multi use. If unsuitable smaller food growing types would also be appropriate
Buckie Rose Garden	Community garden/orchard/raised beds
Buckie Tesco	Community orchard
Buckie Well Road	Raised beds/herbs
Buckie Portessie Primary School	Raised beds/community orchard

EXISTING

LOCATION	DESCRIPTION
Phoenix Centre, Queen Street	Polytunnel/community garden/veg patch
Buckie Square	Existing raised beds/flower beds could be adapted for food growing

***** Delivery of food growing spaces as part of South West expansion of Buckie



Legend

Existing Sites

Proposed Sites

Coverage

0 - 400m

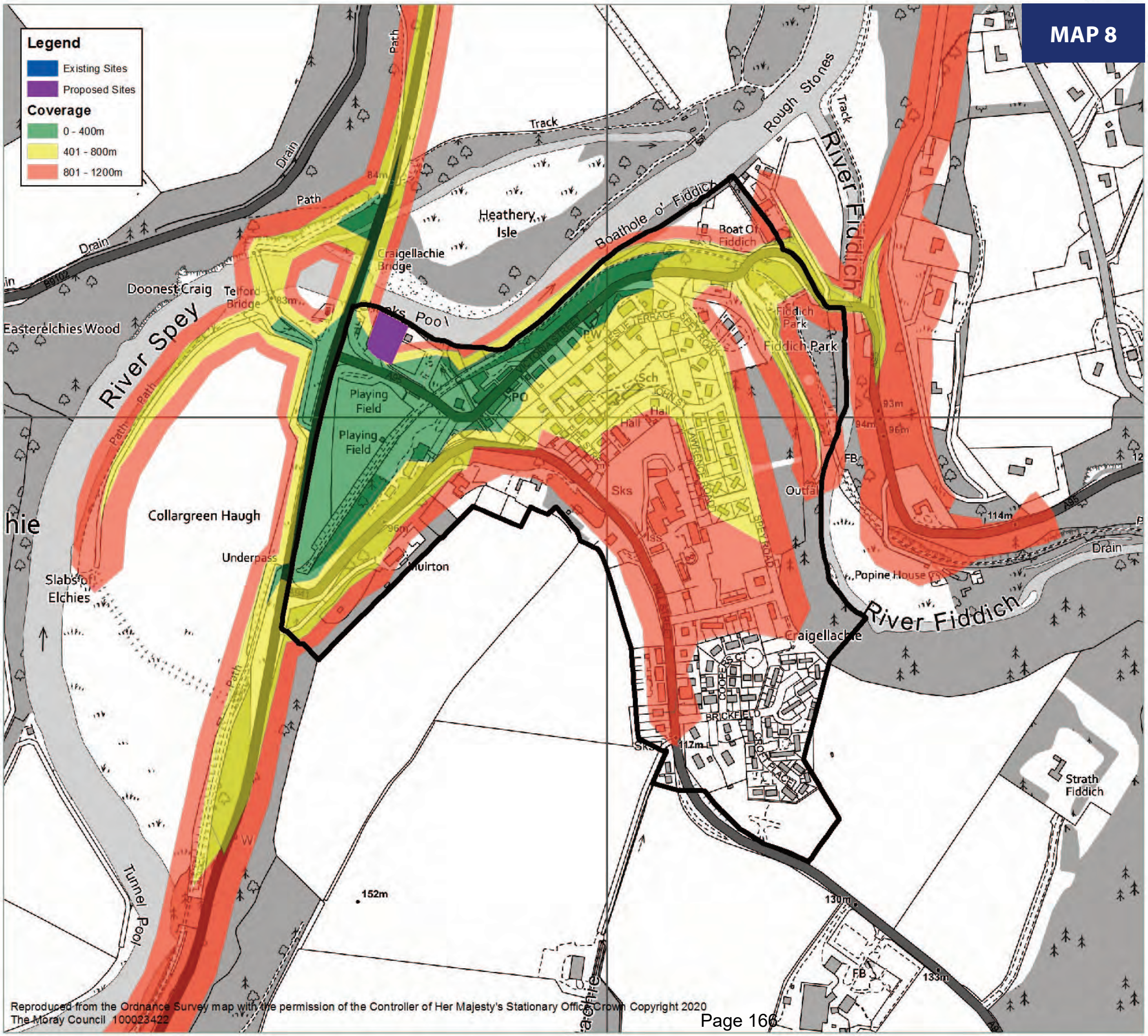
401 - 800m

801 - 1200m

MAP 7

**CULLEN
POTENTIAL FOOD
GROWING SITES**

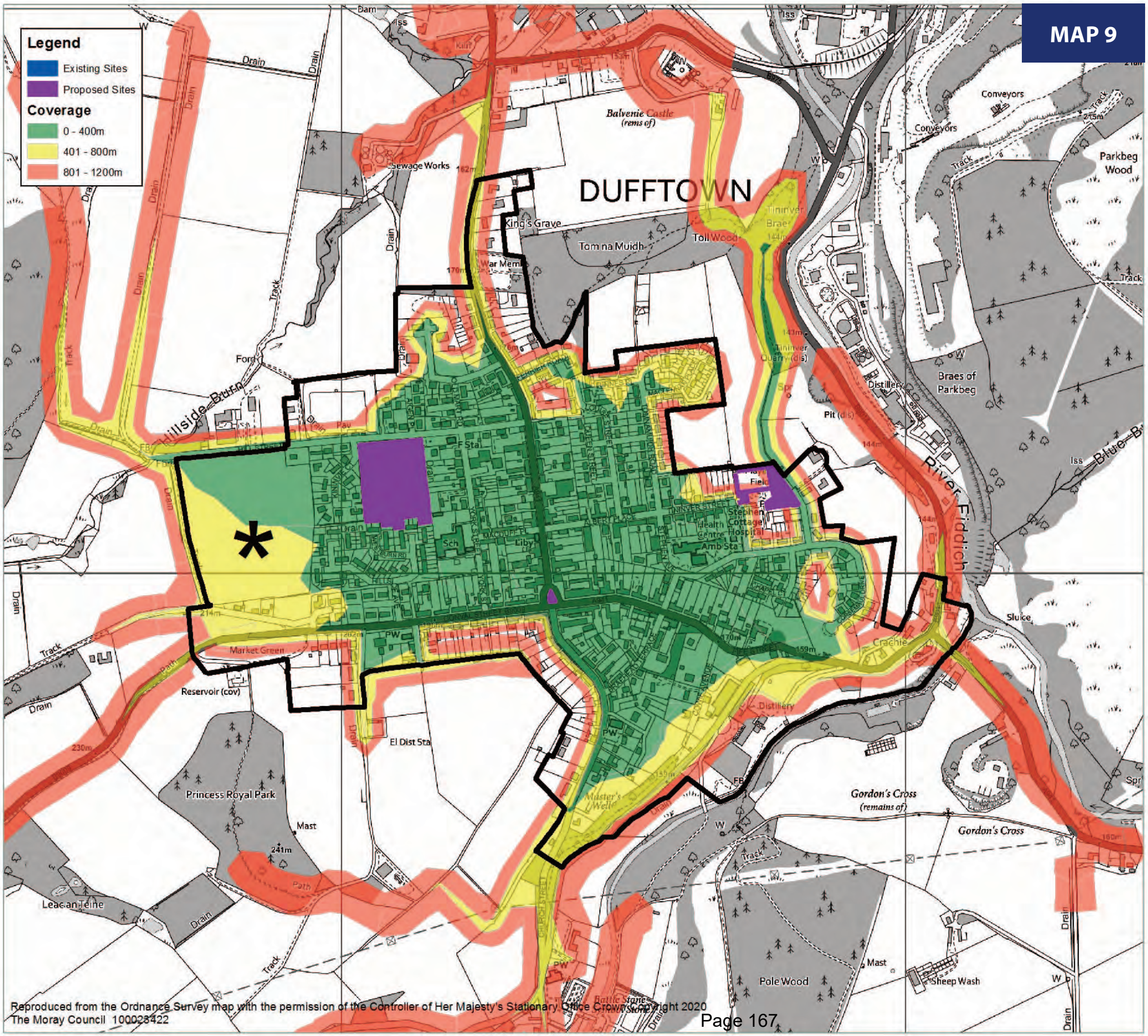
LOCATION	DESCRIPTION
Cullen Bayview Road	Raised beds or smaller food growing types
Cullen Playing Fields	Raised beds or smaller food growing types
Findlater Drive	Community garden/raised beds/veg patch
Cullen Community Centre	Community garden/raised beds/veg patch



MAP 8

CRAIGELLACHIE POTENTIAL FOOD GROWING SITES

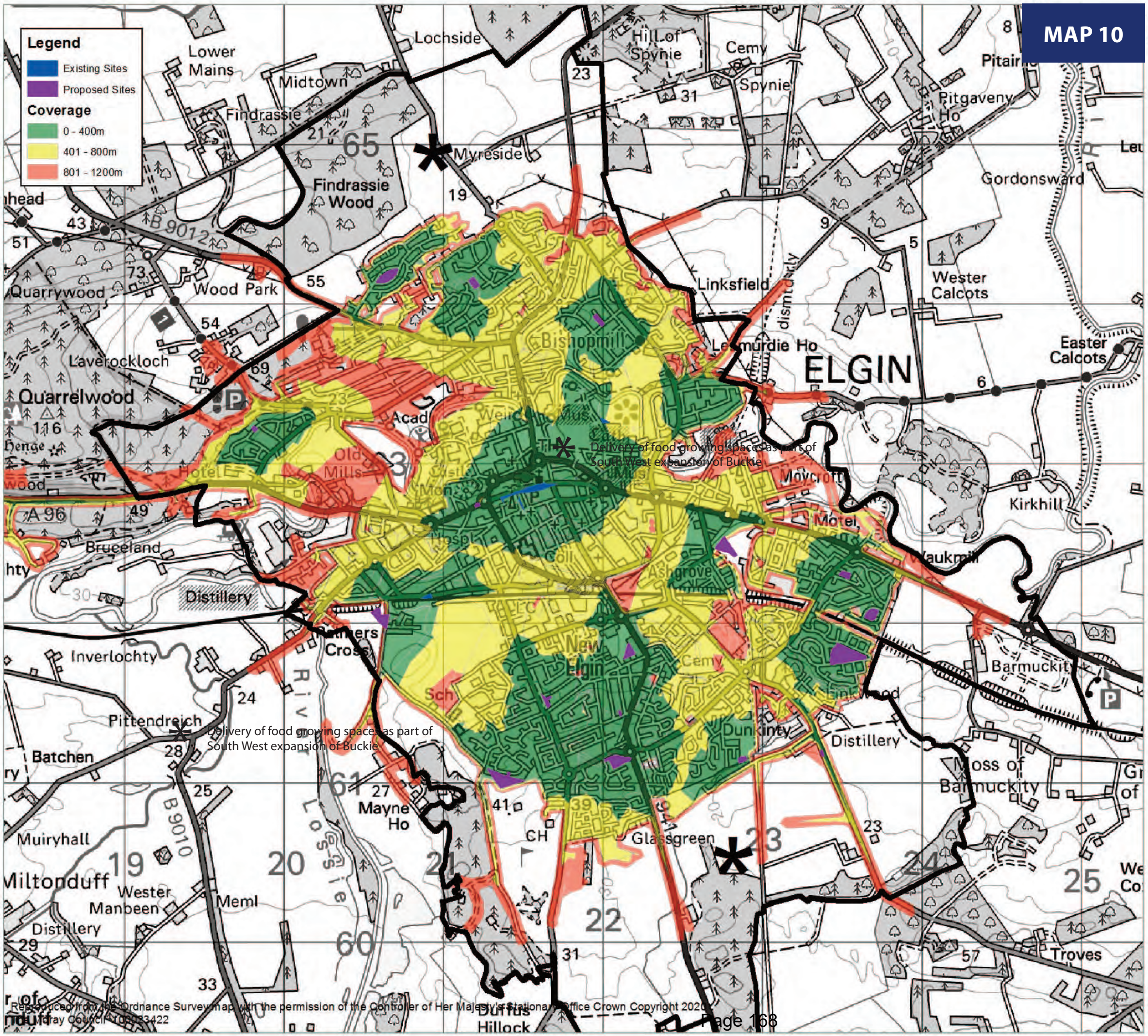
LOCATION	DESCRIPTION
Craigellachie Highlander Park	Multi use - community orchard; community garden; veg patch; raised beds. No buildings



**DUFFTOWN
POTENTIAL FOOD
GROWING SITES**

LOCATION	DESCRIPTION
Dufftown Hill Street Park	Multi use - community orchard; community garden; veg patch; raised beds
Dufftown The Square	Raised beds
Dufftown Tininver Park	Raised beds; veg patch

* Food growing spaces to be delivered as part of development of Hillside Farm



MAP 10

ELGIN
EXISTING & POTENTIAL
FOOD GROWING SITES

EXISTING

LOCATION	DESCRIPTION
• Elgin Cooper Park Crops (REAP)	Raised beds
• Elgin Cooper Park Orchard (REAP)	Community Orchard
• Elgin Kilmolymock Close Gardenshare	Raised beds
• Elgin Wards Road Gardenshare	Community Garden
• Elgin Holy Trinity Church Gardenshare	Community Garden
• Elgin Herbs On The High Street	Planters
• Elgin Calcots Court	Raised Beds
• Elgin Oakwood	Raised Beds

POTENTIAL

• Elgin Pinefield Playing Fields	Allotment
• Elgin Bain Avenue	Community garden/orchard/raised beds
• Elgin Doocot Park	Raised beds/orchard/veg patch
• Elgin Fairway Avenue	Allotments/multi use. If unsuitable smaller food growing types would also be appropriate
• Elgin Glen Moray Drive	Raised beds
• Elgin Ladyhill Front	Raised beds
• Elgin MacKenzie Place	Raised beds
• Elgin McBeath Avenue	Raised beds/orchard
• Elgin New Elgin Hall	Multi-use areas - community garden/orchard/veg patch/raised beds
• Elgin Billbohall Playpark	Raised beds/orchard
• Elgin Birnie Road Playpark	Raised beds only
• Elgin Teindland Court	Raised beds/orchard
• Elgin Waulkmill Grove	Raised beds/orchard
• Elgin West Covesea Road	Raised beds/orchard/veg patch
• Elgin Beech Brae	Multi use areas community garden/orchard/veg patch
• Elgin Moray Sports Centre	Community garden
• Elgin South Lesmurdie	Edible landscaping

* Allotments & food growing spaces to be delivered through Elgin South & Findrassie Masterplan

FINDHORN
POTENTIAL FOOD
GROWING SITES

Legend

Existing Sites

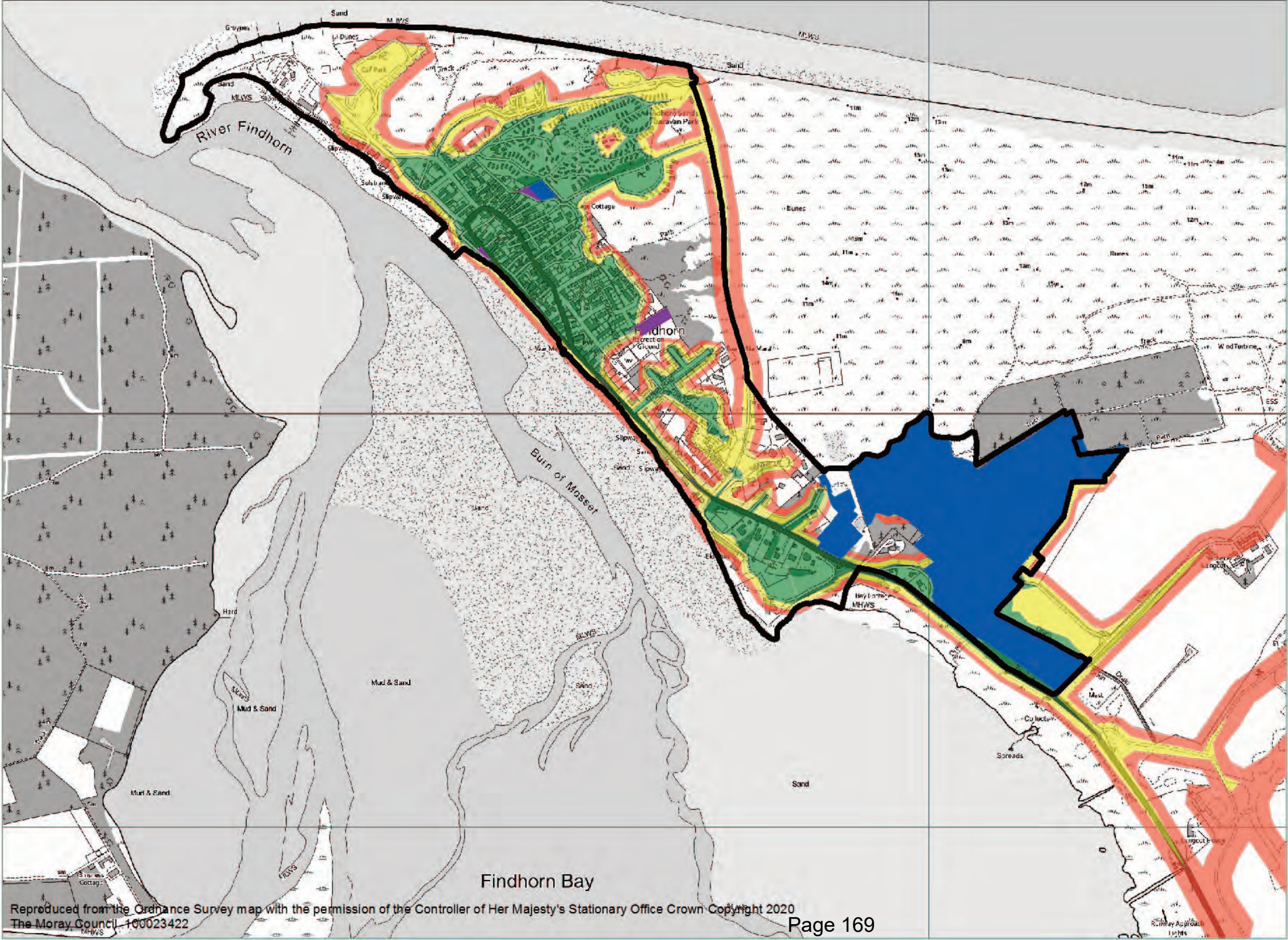
Proposed Sites

Coverage

0 - 400m

401 - 800m

801 - 1200m

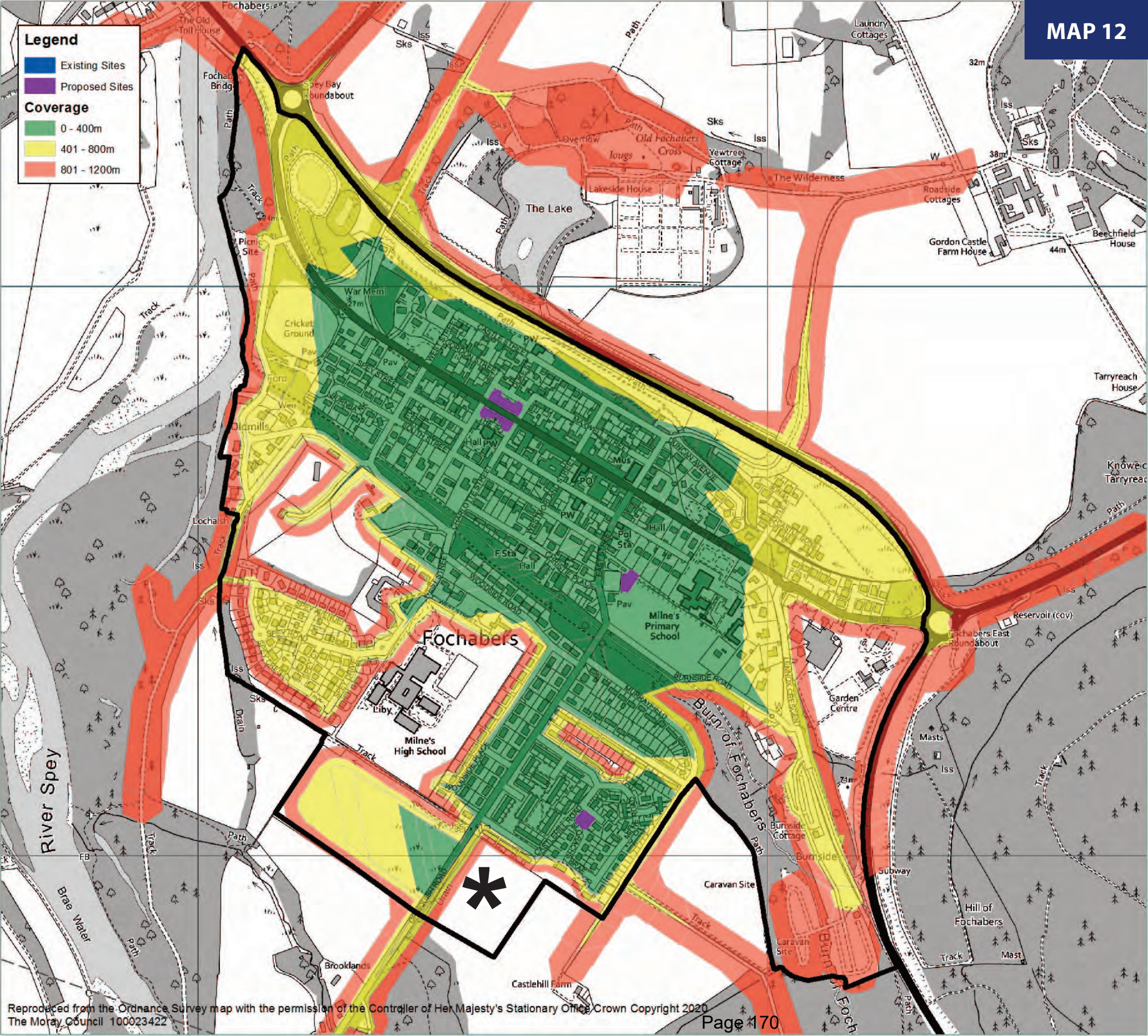


EXISTING

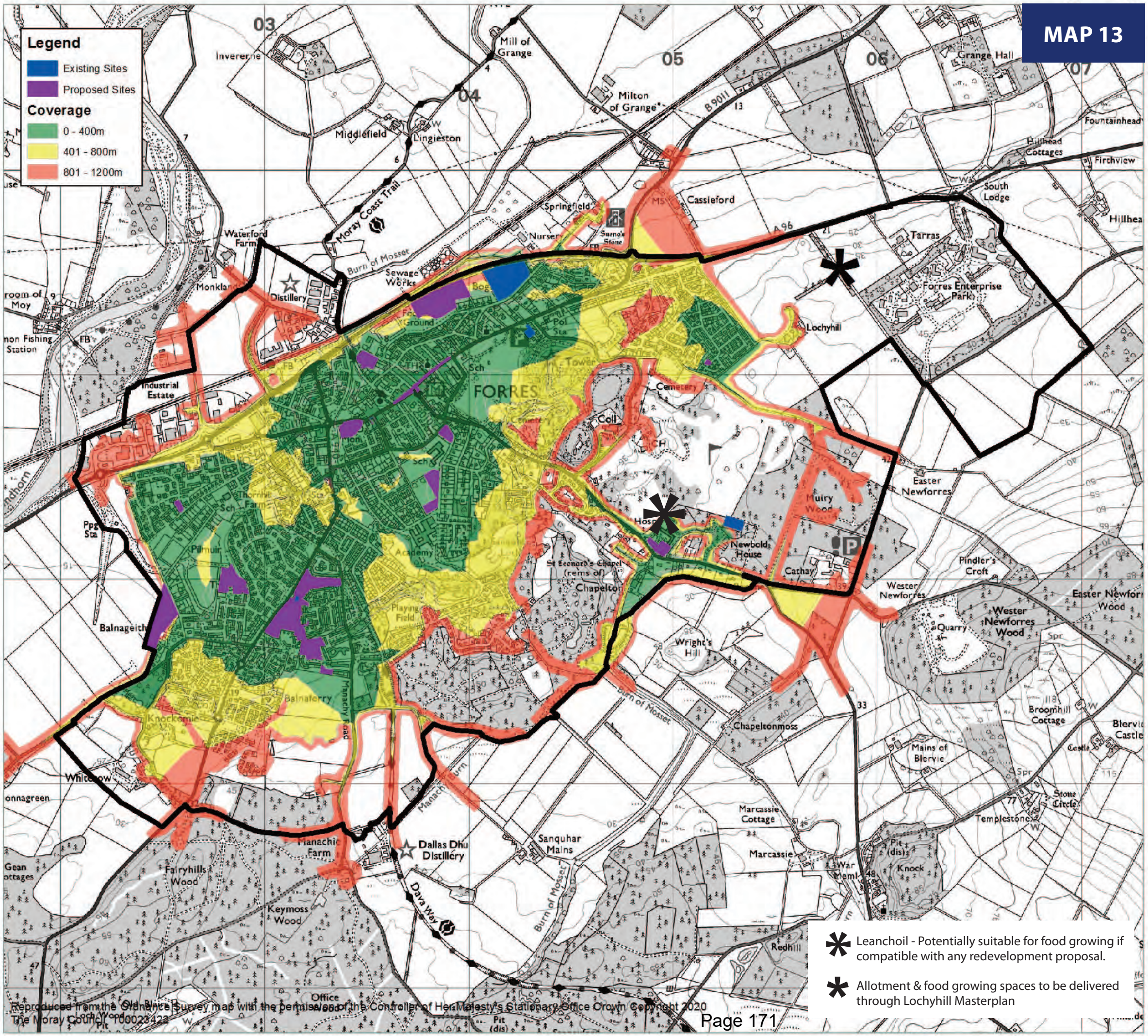
LOCATION	DESCRIPTION
Findhorn Cullerne Gardens	Community Garden
Findhorn Eco-Village	Edible Landscape
Findhorn Soillse Gardenshare	Community Garden
Findhorn Allotment	Allotment

POTENTIAL

Findhorn Playing Fields	Multi use - community garden; veg patch; raised beds. No structures on site.
Opposite Kimberley Inn	Herb/veg planters



* Food growing spaces to be delivered as part of the development of the LONG site.



FORRES EXISTING & POTENTIAL FOOD GROWING SITES

EXISTING	
LOCATION	DESCRIPTION
• Forres Community Garden (Transition Town)	Community Garden
• Forres Newbold House Community Garden	Community Garden
• Forres Community Orchard	Community Orchard
• Forres Castlehill Church Garden	Raised Beds and planters
• Forres Wee FIBbees	Community Garden
POTENTIAL	
• Forres Adjacent to 134 Forbeshill	Multi-use - community garden; raised beds; veg patch
• Forres Applegrove Gardens	Multi-use - community garden; raised beds; veg patch
• Forres Bogton Park	Allotments
• Forres Caroline Street	Farmer's Market
• Forres Drumduan Road	Edible verges / hedgerows
• Forres Grant Park	Multi-use - allotment; community bee keeping; community garden; community orchard; raised beds; veg patch
• Forres High Street	Farmer's Market; raised beds
• Forres Mannachie Brae	Community garden; raised beds; veg patch
• Forres Mannachie Park	Multi-use - community bee keeping; community garden; community orchard; raised beds; veg patch
• Forres Pilmuir (Twinning Link)	Multi-use - allotment; community garden; community orchard; veg patch; raised beds
• Forres Pilmuir Road West	Multi-use - community garden; community orchard; raised beds; veg patch
• Forres Roysvale Park	Multi-use - community bee keeping; community garden; raised beds; vegetable patch
• Forres South of 8 Califer Road	Community garden; raised beds; veg patch
• Forres Thomson Memorial (Castlehill)	Community orchard; community garden; raised beds

HOPEMAN POTENTIAL FOOD GROWING SITES

Legend

Existing Sites

Proposed Sites

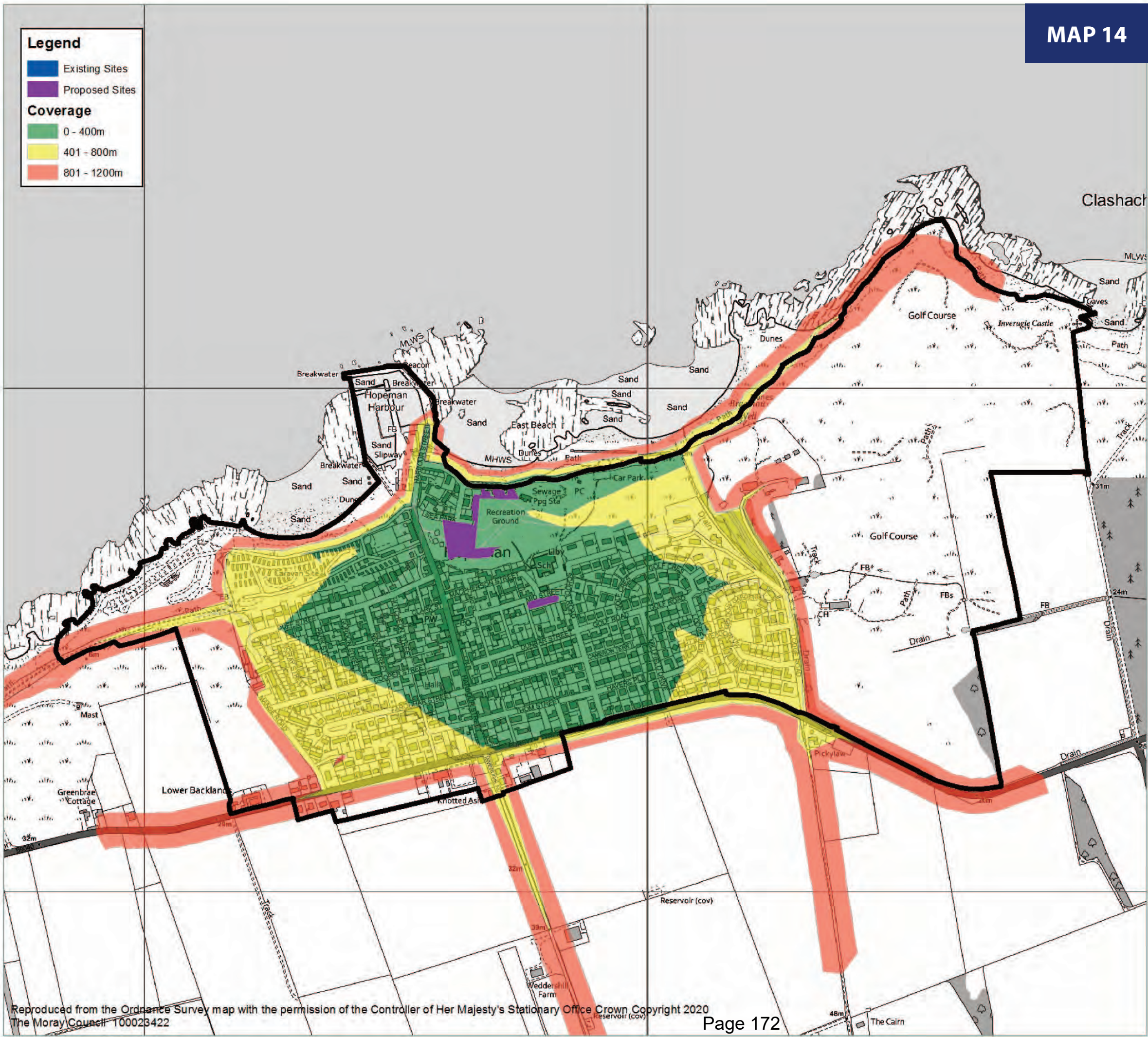
Coverage

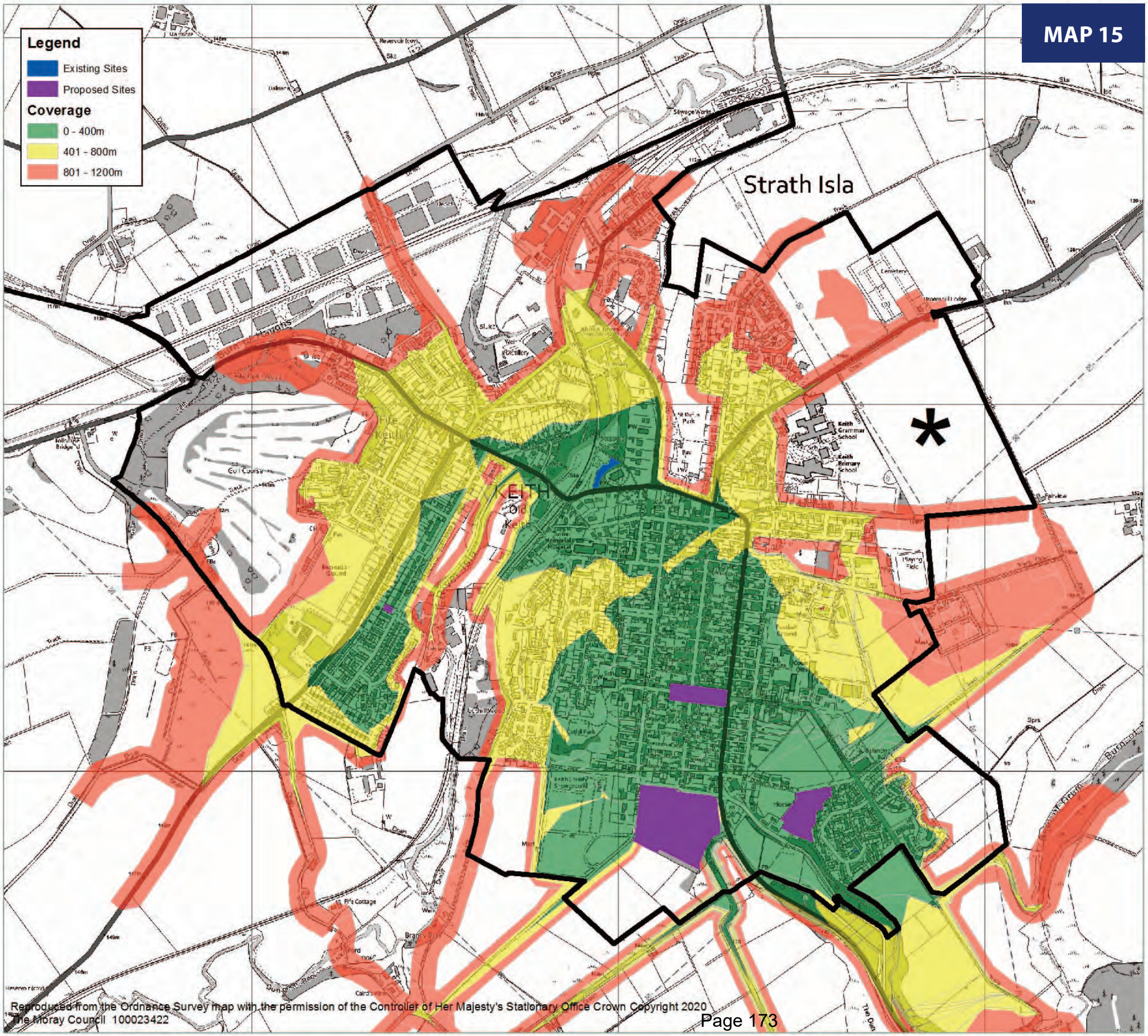
0 - 400m

401 - 800m

801 - 1200m

LOCATION	DESCRIPTION
Hopeman Cameron Park	Raised beds
Hopeman Mid Street	Raised beds; veg patch





MAP 15

KEITH POTENTIAL & EXISTING FOOD GROWING SITES

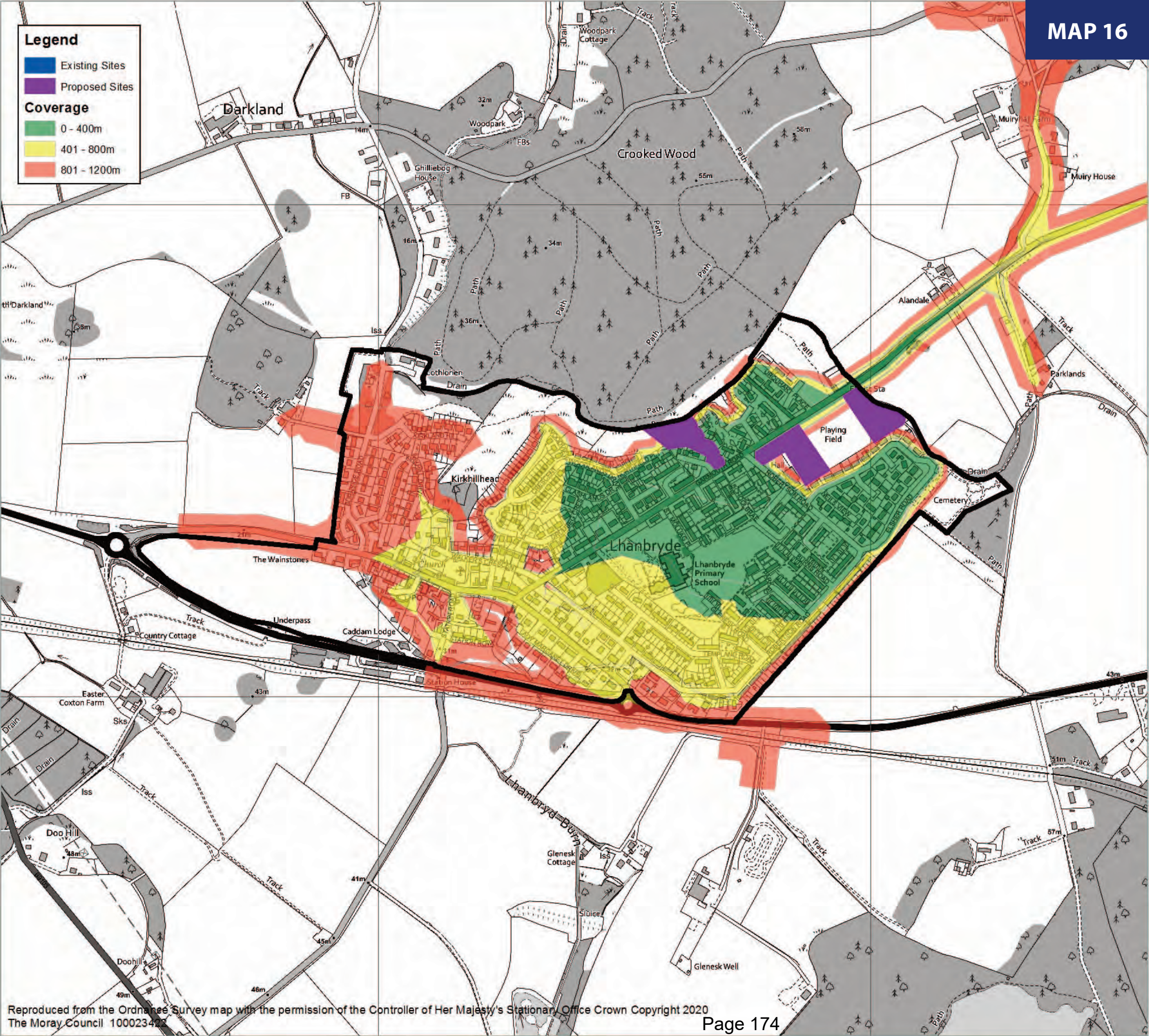
EXISTING

LOCATION	DESCRIPTION
Keith Allotments	Allotment
Keith Den Crescent	Raised beds

POTENTIAL

Keith Reidhaven Square	Raised beds/herbs
Keith Seafield Park	Allotments/multiuse. If unsuitable smaller food types would be appropriate eg orchard/raised beds
Keith Dunnyduff Road	Allotments/multiuse. If not appropriate smaller food types would be appropriate eg orchard/raised beds
Keith Nelson Terrace	Raised beds

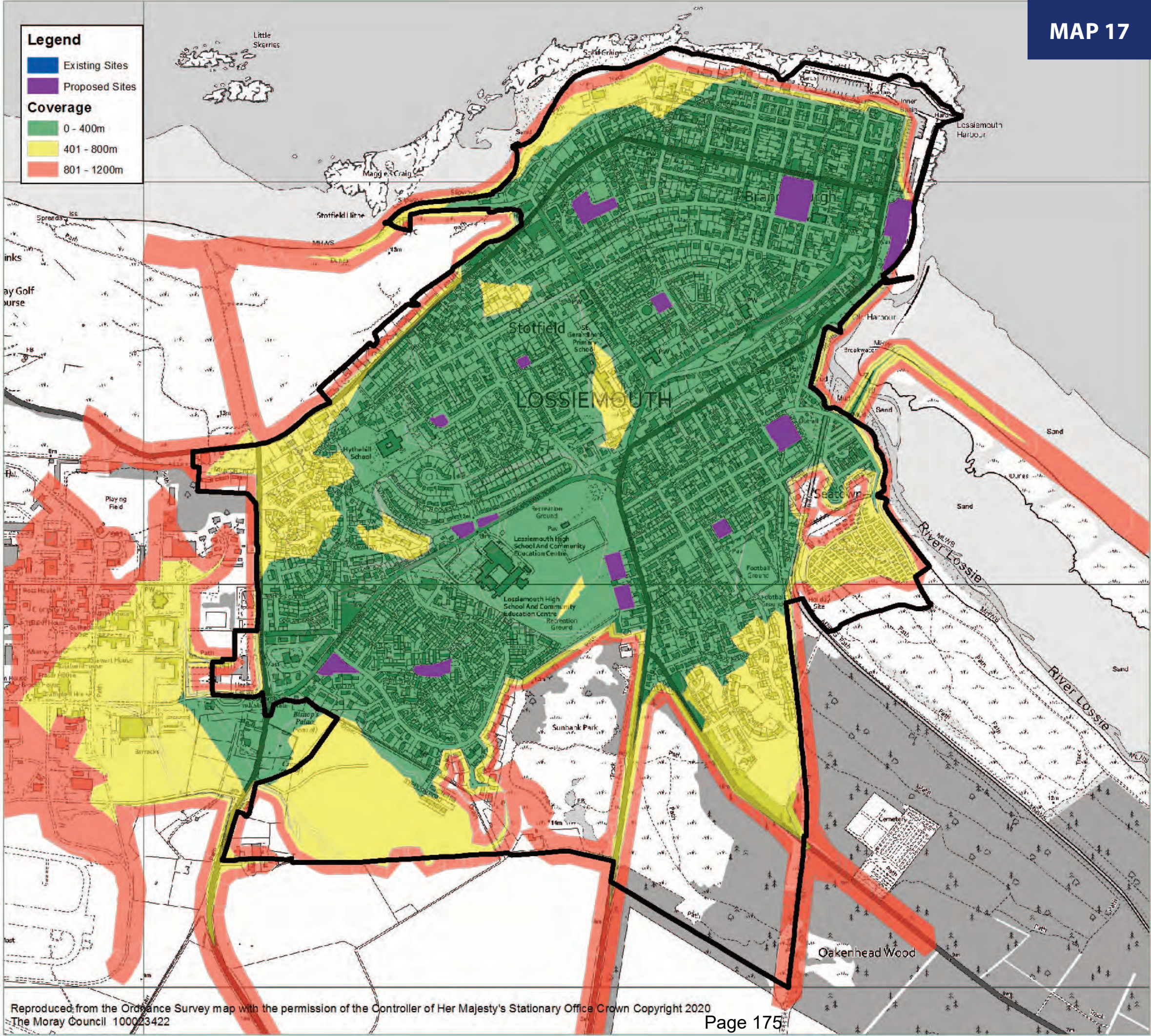
* Food growing sites to be delivered as part of development of Banff Road South in relation to the new health centre

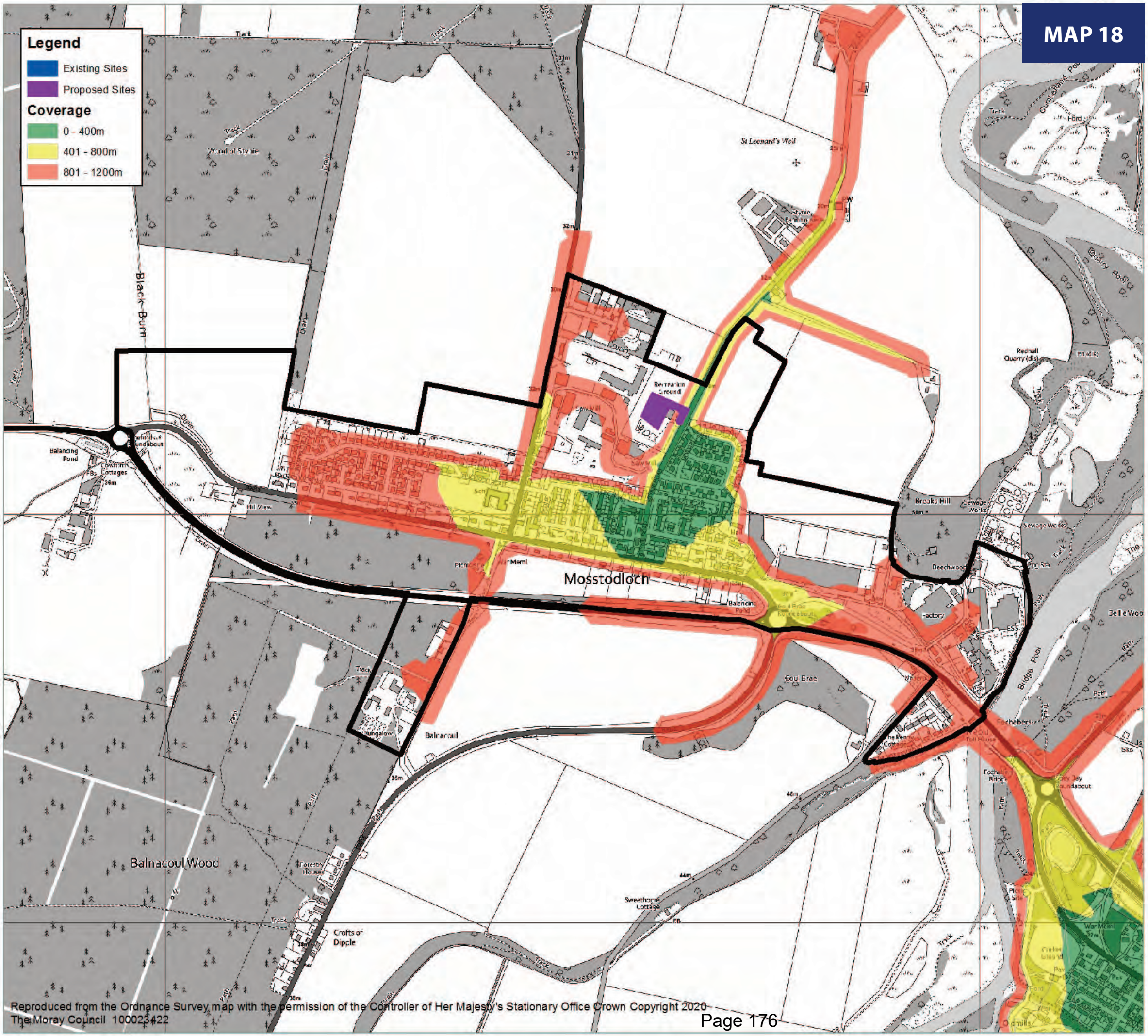


MAP 16

LHANBRYDE POTENTIAL FOOD GROWING SITES

LOCATION	DESCRIPTION
Lhanbryde Blackshaw Court	Smaller food growing types at front of site eg raised beds and herb garden.
Lhanbryde Community Centre	Raised beds – No structures





MAP 18

MOSSTODLOCH POTENTIAL FOOD GROWING SITES

LOCATION	DESCRIPTION
Mosstodloch Stynie Road	Allotments/multi use. e.g. orchard/raised beds

PORTGORDON
POTENTIAL FOOD
GROWING SITES

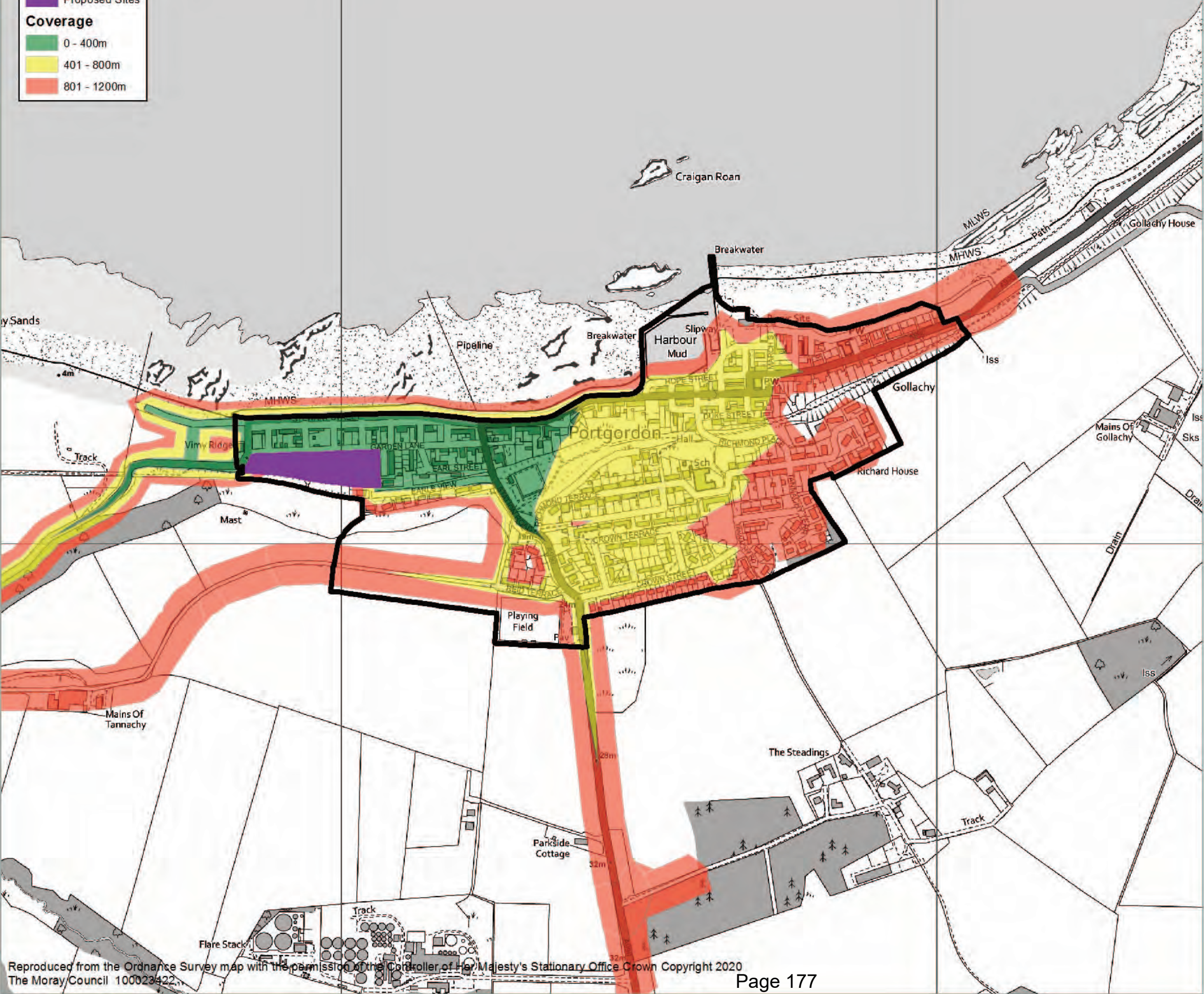
Legend

Existing Sites
Proposed Sites

Coverage

0 - 400m
401 - 800m
801 - 1200m

LOCATION	DESCRIPTION
Portgordon Stewart Street	Allotments/multi use. e.g. orchard/raised beds



PORTKNOCKIE
POTENTIAL FOOD
GROWING SITES

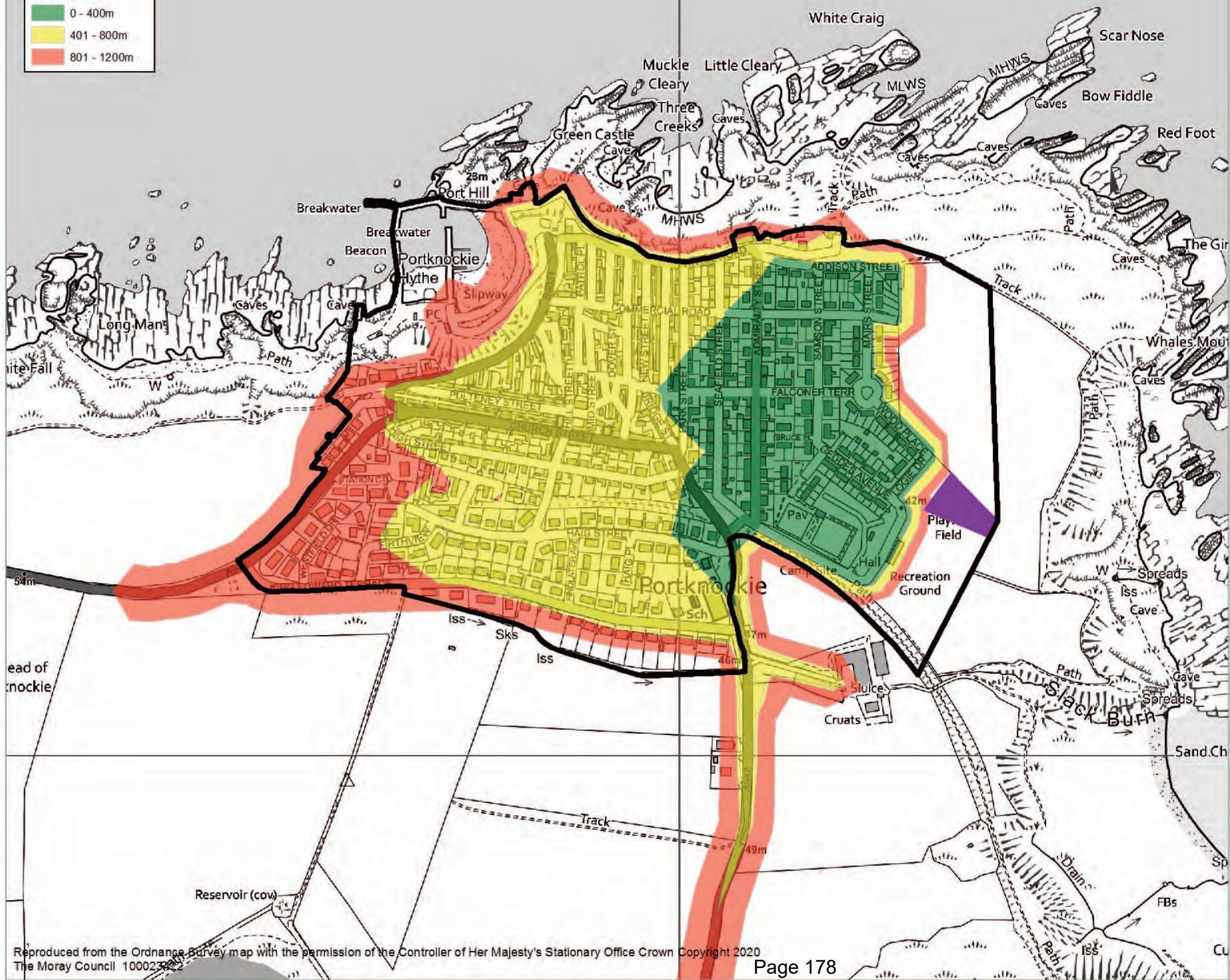
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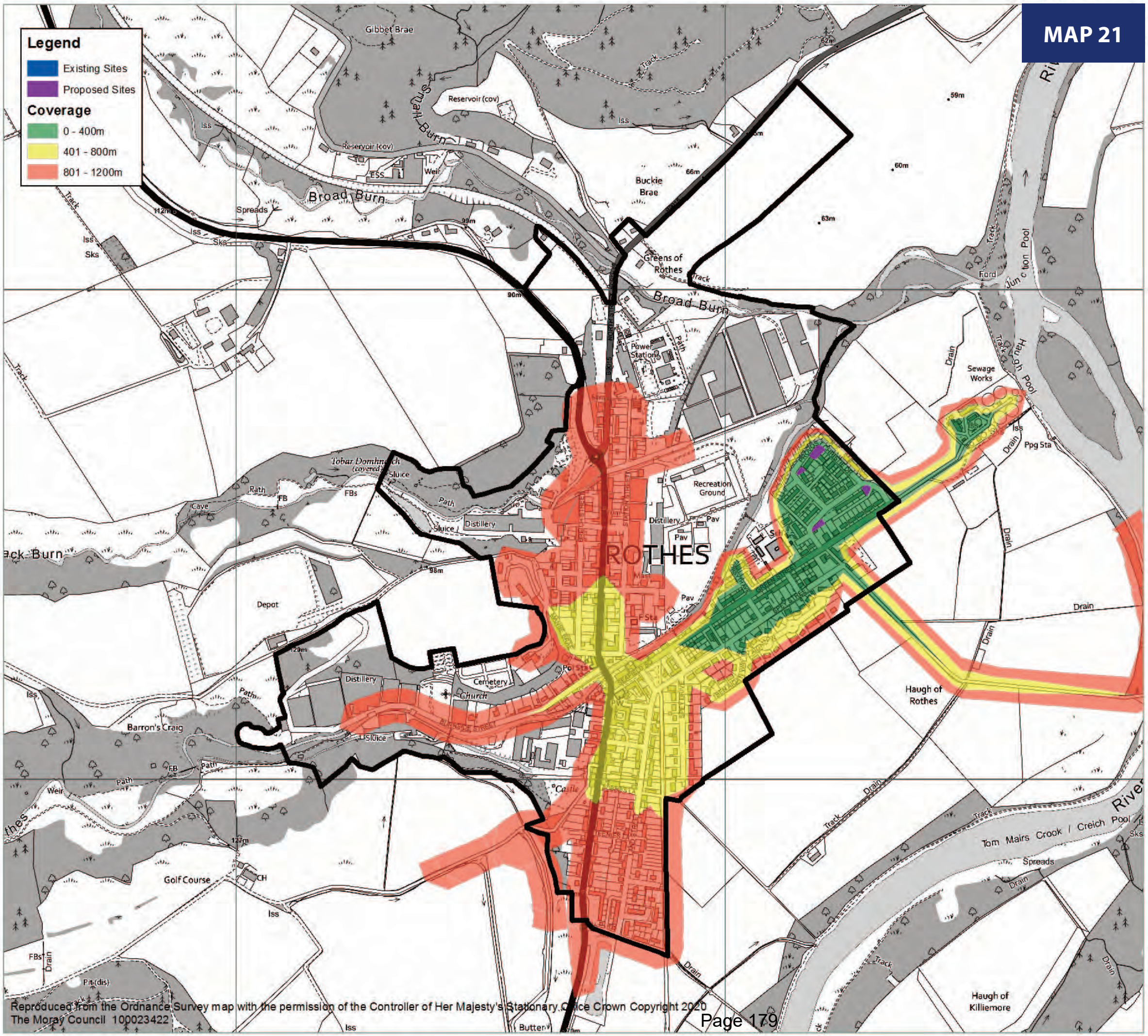
Existing Sites
Proposed Sites

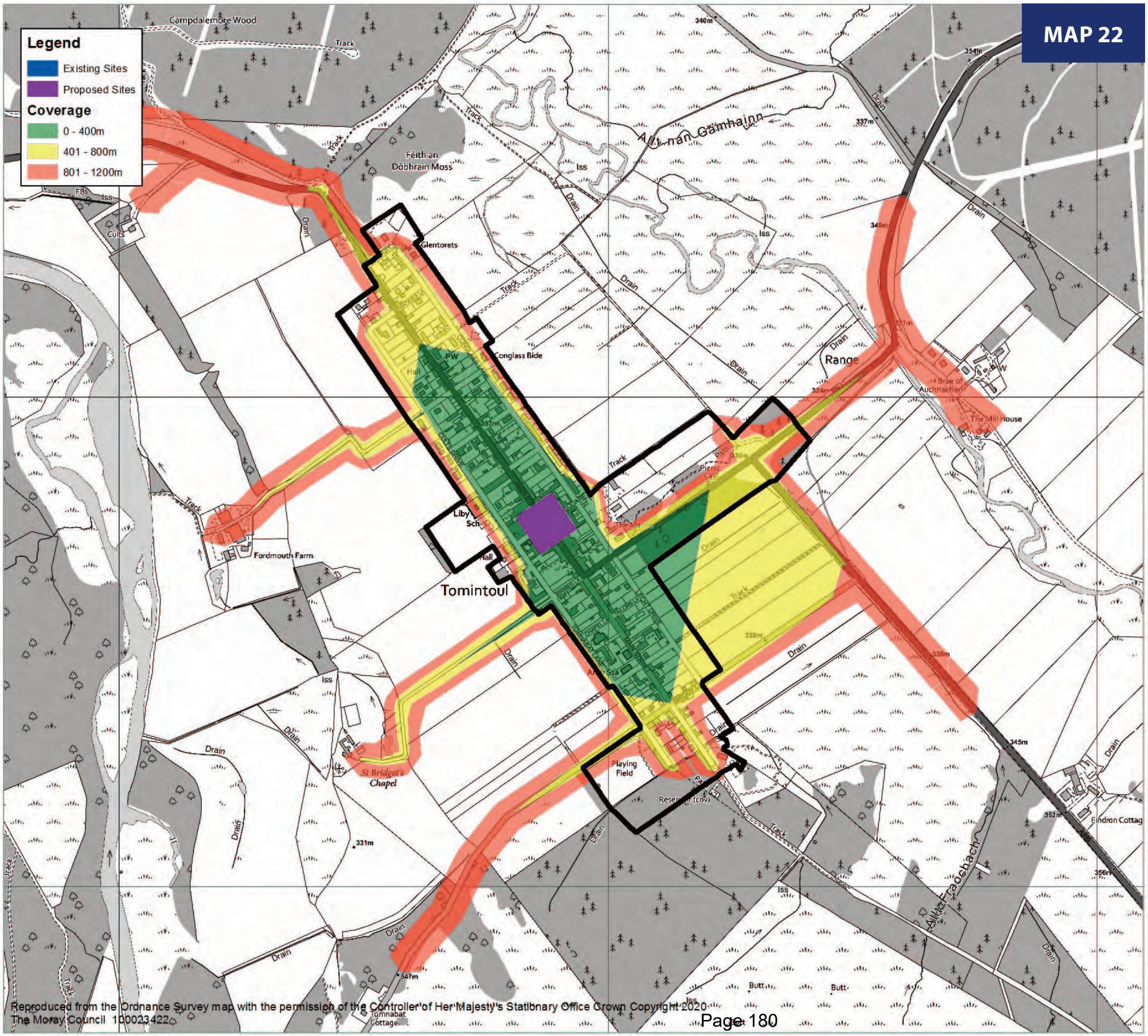
Coverage

0 - 400m
401 - 800m
801 - 1200m

LOCATION	DESCRIPTION
Portknockie McLeod Park	Raised beds or smaller food growing types







MAP 22

TOMINTOUL POTENTIAL FOOD GROWING SITES

LOCATION	DESCRIPTION
Tomintoul.The Square	Edible verges/hedgerows; raised beds. No structures on site.



