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## **Economic Development and Infrastructure Services Committee**

**Tuesday, 19 October 2021**

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Economic Development and Infrastructure Services Committee** is to be held at **various locations via video-conference**, on **Tuesday, 19 October 2021** at **09:30**.

### **BUSINESS**

- 1 Sederunt**
- 2 Declaration of Group Decisions and Members Interests \***
- 3 Minute of Meeting of the Economic Growth, Housing and Environmental Sustainability Committee dated 24 August 2021** 5 - 12
- 4 Written Questions \*\***
- 5 Marine Safety Q2 2021-2022** 13 - 34  
Report by Depute Chief Executive (Economy, Environment and Finance)
- 6 Climate Change Strategy Update** 35 - 54  
Report by Depute Chief Executive (Economy, Environment and Finance)
- 7 Annual Report on Energy Strategy/Actions** 55 - 70  
Report by Depute Chief Executive (Economy, Environment and Finance)

- 8 Routemap to Community Wealth Building Strategy and Delivery** 71 - 82  
Report by Depute Chief Executive (Economy, Environment and Finance)
- 9 Supplier Development Programme Membership** 83 - 86  
Report by Depute Chief Executive (Economy, Environment and Finance)
- 10 Industrial Portfolio Annual Report 2020-21** 87 - 102  
Report by Depute Chief Executive (Economy, Environment and Finance)
- 11 Question Time \*\*\***  
Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

**Summary of Economic Development and Infrastructure Services  
Committee functions:**

Roads Authority; Lighting Authority, Reservoirs Act 1975, Public Passenger Transport; Flood Prevention; Twinning; Piers and Harbours and Coast Protection; Industrial and Commercial Development; Environmental Protection; Burial Grounds; Assistance to Industry or Commerce; Public Conveniences; Council Transportation; Catering & Cleaning; Land Reform (Scotland) Act 2003; Countryside Amenities; Tourism, monitoring funding from European Programmes, youth training and employment creation scheme and provide Architectural, Quantity Surveying, Maintenance and Allied Property Services.

**Moray Council Committee meetings are currently being held virtually due to Covid-19. If you wish to watch the webcast of the meeting please go to:**  
[http://www.moray.gov.uk/moray\\_standard/page\\_43661.html](http://www.moray.gov.uk/moray_standard/page_43661.html)  
to watch the meeting live.

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

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

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

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

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

# **THE MORAY COUNCIL**

## **Economic Development and Infrastructure Services Committee**

### **SEDERUNT**

Councillor Graham Leadbitter (Chair)  
Councillor Theresa Coull (Depute Chair)

Councillor David Bremner (Member)  
Councillor John Cowe (Member)  
Councillor Gordon Cowie (Member)  
Councillor John Divers (Member)  
Councillor Tim Eagle (Member)  
Councillor Claire Feaver (Member)  
Councillor Marc Macrae (Member)  
Councillor Maria McLean (Member)  
Councillor Ray McLean (Member)  
Councillor Amy Taylor (Member)  
Councillor Sonya Warren (Member)  
Councillor Walter Wilson (Member)

Clerk Name:	Lissa Rowan
Clerk Telephone:	07765 741754
Clerk Email:	committee.services@moray.gov.uk

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

**Tuesday, 24 August 2021**

**Various Locations via Video-Conference**

**PRESENT**

Councillor David Bremner, Councillor Theresa Coull, Councillor John Cowe, Councillor Gordon Cowie, Councillor John Divers, Councillor Donald Gatt, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Maria McLean, Councillor Louise Nicol

**ALSO PRESENT**

Councillor Warren

**APOLOGIES**

Councillor Tim Eagle, Councillor Ryan Edwards, Councillor Ray McLean, Councillor Walter Wilson

**IN ATTENDANCE**

Chief Executive, Chief Financial Officer, Head of Environmental and Commercial Services, Head of Housing and Property Services, Head of Economic Growth and Development, Consultancy Manager, Environmental Protection Manager, Harbours Development and Operations Manager, Transportation Manager, Building Services Manager, Legal Services Manager and Mrs L Rowan, Committee Services Officer as Clerk to the Committee.

**1 Chair**

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

**2 Declaration of Group Decisions and Members Interests**

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

**3 Resolution**

The Meeting resolved that under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 18, 19 and 20 of business on the grounds that

it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph Number of Minute	Paragraph Number of Schedule 7a and Reason
18	8 and 9
19	8 and 9
20	9

#### **4 Minute of Meeting of 8 June 2021**

The Minute of the meeting of the Economic Growth, Housing and Environmental Sustainability Committee dated 8 June 2021 was submitted and approved.

#### **5 Written Questions**

The Committee noted that no written questions had been submitted.

#### **6 Revenue Budget Monitoring 30 June 2021**

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the revenue budget monitoring position to 30 June 2021.

During discussion in relation to recommendation 2.2 (i) in the report, Councillor Gatt queried whether it should refer to paragraph 8.4 in the report and not 8.3 as printed and asked for further clarification in relation to the approval being sought for £100,000 for ear-marked reserves for transformation of Council services.

In response to Councillor Gatt's first point, the Chief Financial Officer advised that this was a typo and the recommendation should refer to paragraph 8.4. The Chief Financial Officer further explained that this small fund would be helpful for small scale service improvements which, once identified, would be brought to the Committee for approval.

Having considered the Chief Financial Officer's response, Councillor Gatt understood the sentiment behind the recommendation however suggested that wording be included so that this agreement was in principle.

The Chair sought the agreement of the Committee to amend the wording of recommendation 2.2 (i) to reflect that the Committee agree to approve the use of ear-marked reserves for transformation of Council services to create a bid pot of £100,000 for service improvement proposals to be considered against, as detailed in paragraph 6.3 and use of free general reserves of £30,373 as detailed in paragraph 8.4 of the report. This was unanimously agreed.

There being no-one otherwise minded, the Committee agreed to:

- (i) note the budget monitoring position of £1,123,000 over budget for 2021/22 as at 30 June 2021;

- (ii) note that this position consists of an underspend on Devolved School budgets of £434,000, an underspend of £728,000 on Children's services, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £761,000 and an overspend on other services of £1,524,000;
- (iii) note movement of £3,578,000 in the General Revenue Grant, as detailed in paragraph 3.4 of the report;
- (iv) note emerging budget pressures as summarised in paragraph 6.1 of the report; and
- (v) approve the use of ear-marked reserves for transformation of Council services to create a bid pot of £100,000 for service improvement proposals to be considered against, as detailed in paragraph 6.3 and use of free general reserves of £30,373 as detailed in paragraph 8.4 of the report.

## **7 Capital Plan 2021-22**

A report by the Depute Chief Executive (Economy, Environment and Finance) advised the Committee of the expenditure to 30 June 2021 under the capital plan for financial year 2021/22 and of estimates of projected expenditure profiled into quarters.

During discussion, the Committee noted the explanation for the delays in the Meikle Cantlay Landslip project however it was queried whether a press release could be issued in this regard so that members of the public are made aware.

In response, the Head of Environmental and Commercial Services agreed to liaise with the Public Relations Team to issue a press release updating the public as to the reason for the delays in the Meikle Cantlay Landslip project.

Following consideration, the Committee agreed to:

- (i) note expenditure to 30 June 2021 of £5,481,000;
- (ii) note the current projected expenditure of £43,663,000 for 2021/22 profiled into quarters, as set out in Appendix 1 of the report;
- (iii) note the projected overall expenditure for projects spanning more than one financial year, as set out in Appendix 2 of the report;
- (iv) approve amendments to the 2021/22 and 2022/23 capital plan as detailed in section 6.1 of the report; and
- (v) that the Head of Environmental and Commercial Services liaise with the Public Relations Team to issue a press release updating the public as to the reason for the delays in the Meikle Cantlay Landslip project.

## **8 Marine Safety Q1 2021-2022**

Under reference to paragraph 6 of the Minute of the meeting of the Economic Development and Infrastructure Services Committee dated 20 March 2018, a report by the Depute Chief Executive (Economy, Environment and Finance)

informed the Committee with regard to matters of Marine Safety and compliance with the Port Marine Safety Code (PMSC) for the first quarter of 2021/22.

During discussion, it was noted that a Water Safety Group had been formed and further clarification was sought in this regard.

In response, the Harbours Development and Operations Manager advised that there had been an increase in water activity, such as wild swimming and paddle boarding, which had highlighted a number of safety issues and it had been suggested that a group be formed with other agencies, including the Scottish Fire and Rescue Service and the Royal National Lifeboat Institution, to provide education to members of the public in relation to water safety, both inland water ways as well as coastal areas, which would highlight any dangers and ways to keep safe in the water.

The Chair welcomed this initiative and asked the Committee how they wished to be kept informed of the progress of the Water Safety Group.

In response, it was suggested that all Elected Members receive copies of the Minutes taken at meetings of the Water Safety Group as it was recognised that this is an area that all Elected Members would have an interest in. This was agreed.

There being no-one otherwise minded, the Committee agreed:

- (i) to note the safety performance, fulfilling their function as Duty Holder under the Port Marine Safety Code; and
- (ii) that minutes from the newly formed Water Safety Group will be circulated to all Elected Members for information.

## **9 Free After 3**

Under reference to paragraph 9 of the Minute of the meeting of the Economic Development and Infrastructure Services Committee dated 8 March 2016, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the opportunity to provide a Free after 3 parking promotion in December 2021.

During discussion, Councillor Divers stated that the Christmas lights are to be switched on earlier this year on 20 November 2021 and moved that the Committee agree the recommendations as printed recognising this and in relation to recommendation 2.1 (ii) that this be amended to reflect that, going forward, the Committee agree to implement Free After 3 from the switch on of the Christmas lights until the first Saturday in January. This was seconded by Councillor Leadbitter.

Councillor Gatt agreed with recommendation 2.1 (i) however was of the view that the implementation of Free After 3 should be considered year on year by the Committee and moved that the Committee agree recommendation 2.1 (i) only. This was seconded by Councillor Macrae.

On a division there voted:



For the Motion (7): Councillors Divers, Leadbitter, Bremner, Coull,  
Cowe, Cowie and Nicol

For the Amendment (3): Councillors Gatt, Macrae and M McLean

Abstentions (0): Nil

Accordingly, the Motion became the finding of the meeting and the Committee agreed:

- (i) the provision of 'Free After 3' parking in the St Giles Centre Multi Storey Car Park from the switching on of the Christmas lights on Saturday 20 November 2021 to Saturday 1 January 2022 (inclusive); and
- (ii) to give delegated authority to the Head of Environmental and Commercial Services to implement Free After 3 from the switch on of the Christmas lights until the first Saturday in January (inclusive) for future years as outlined in this report, unless Officers consider that circumstances have changed which would then prompt a report to this Committee for reconsideration.

## **10 Flood Risk Management Strategies and Plans**

Under reference to paragraph 20 of the Minute of the meeting of this Committee dated 1 December 2020, a report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the proposed response to the consultation on the Flood Risk Management Strategies and Plans for Cycle 2 and Flood Risk Management funding issues.

During discussion, the Committee noted the large amount of homes and properties at risk of flooding, and it was queried whether consideration could be given to the Council keeping a provision of flood prevention equipment which can be sold to members of the public at cost price if required.

In response, the Head of Environmental and Commercial Services advised that this had been raised in the past however agreed to look into this further and give consideration as to whether the Council can sell flood prevention equipment to members of the public at cost price and advise the Committee accordingly.

Following consideration, the Committee agreed:

- (i) the proposed consultation response on the draft Flood Risk Management Strategies and Plans for Cycle 2;
- (ii) to note the position on grant funding for Flood Protection Schemes planned for Cycle 2; and
- (iii) that the Head of Environmental Services will consider whether the Council can sell flood prevention equipment to members of the public at cost price and advise the Committee accordingly.

## **11 Population Analysis**

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the most up to date population projections for Moray, aligning different sources of information and examined the confidence decision makers can have in the projections when developing strategy. The report did not examine in detail the implications of the projections for Moray Council Services and the wider economy.

Following consideration the Committee agreed to note:

- (i) that the inherent flaws in the methodology for population projections mean they can only be relied upon to inform policy and decision making following publication of the next census;
- (ii) local knowledge related to MOD activities and the housing market can help to provide a better context of the local forecasts; and
- (iii) the actions outlined in paragraphs 3.3-3.6 of the report.

## **12 Moray Start-Up Grants**

A report by the Depute Chief Executive (Economy, Environment and Finance) sought approval from the Committee to launch a Business Start-up Grant fund for small businesses to aid the economic recovery.

Following consideration, the Committee agreed:

- (i) to authorise the launch of a Moray Business Start-up grants scheme for this financial year;
- (ii) that savings from the Business Gateway services are utilised to fund this scheme, resulting in no additional cost to the Council; and
- (iii) note the offer of match grant funding from Highlands and Islands Enterprise.

## **13 Scotland Loves Local**

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee about the Scotland Loves Local Gift Card initiative and sought approval to participate by creating a Moray wide gift card scheme. The report further sought approval to submit an application to the complementary Scotland Loves Local Fund.

Following consideration, the Committee agreed to:

- (i) note the scope of the Scotland Loves Local gift card campaign;
- (ii) participate in the first year at no cost to Council with a review on future participation if any;
- (iii) authorise the signing of the concordat agreement with the Scotland Towns Partnership; and

- (iv) delegate authority to submit a potential application to the Scotland Loves Local Fund in a consultation with Group Leaders.

#### **14        Housing and Property Services - Unaudited Outturn as at 31 March 2021**

Under reference to paragraph 12 of the Minute of the meeting of Moray Council dated 12 February 2020, a report by the Depute Chief Executive (Economy, Environment and Finance) presented the unaudited outturn position for the Housing Revenue Account (HRA) and General Reserves Other Housing Budget for the period up to 31 March 2021.

Following consideration, the Committee agreed to note the unaudited outturn for 2020/21 for the period to 31 March 2021.

#### **15        Housing and Property Services Budget Monitoring - 30 June 2021**

Under reference to paragraph 7 of the Minute of the meeting of Moray Council dated 18 February 2021, a report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 30 June 2021.

Following consideration, the Committee agreed to note the budget monitoring report for the period to 30 June 2021.

#### **16        Question Time**

Councillor Cowie sought clarification as to whether the Council can enforce the trimming of hedges that are affecting visibility splays.

In response, the Head of Economic Growth and Development advised that if this was a condition of a planning consent that was not being adhered to then enforcement action could be taken.

The Head of Environmental and Commercial Services further advised that, in terms of his Service, he would liaise with his colleagues and provide a full response to Councillor Cowie.

#### **17        Thanks**

The Chair noted that this was the last meeting of the Economic Growth, Housing and Environmental Sustainability Committee given that the Council had agreed a new Committee structure and thanked Members and Officers for their contribution to the Committee over the last 10 months.

#### **18        Learning Estate Improvement Programme - Phase 3 Submission Consultancy Support [Para 8&9]**

A report by the Depute Chief Executive (Education, Communities and Organisational Development) sought budget approval from the Committee for a

proposal to engage external consultancy from Hub North Scotland Limited (HNSL) to develop detailed business cases in preparation for a bid to the Scottish Government Learning Estate Investment Programme (LEIP) phase 3, as set out in Appendix 1 to the report

Following consideration the Committee agreed to bring forward capital budget for schools (£25,000) to fund HNSL support to the LEIP Phase 3 submission process.

## **19 Sale of Land Buckie [Para 8 and 9]**

Under reference to paragraph 29 of the Minute of the meeting of this Committee dated 1 December 2020, a report by the Depute Chief Executive (Economy, Environment and Finance) asked Committee to consider the results of a public consultation, seek court authority to dispose of land at March Road West, Buckie and approve main terms for the sale of the property.

Following consideration, the Committee agreed to:

- (i) note the results of the public consultation in relation to the proposed sale of land at March Road West, Buckie;
- (ii) authorise the Legal Services Manager to apply to Elgin Sheriff Court for permission to proceed to sell the property;
- (iii) approve the sale of the property on the main terms detailed in Section 6.2 of the report; and
- (iv) authorise the Estates Manager and the Legal Services Manager to finalise the detailed terms and conditions and conclude the transaction.

## **20 Building Services Trading Operation Budget 2021/22 – Budget Monitoring [Para 9]**

Under reference to paragraph 21 of the Minute of the meeting of this Committee dated 8 June 2021, a report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget monitoring information for the period to 30 June 2021 for the Building Services Trading Operation.

Following consideration, the Committee agreed:

- (i) the financial information for the period to 30 June 2021, as detailed in section 5 and Appendix I of the report; and
- (ii) Building Services operating performance for the period to 30 June 2021, as set out in section 6 of the report.




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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 19 OCTOBER 2021**

**SUBJECT: MARINE SAFETY Q2 2021-2022**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Committee with regard to matters of Marine Safety and compliance with the Port Marine Safety Code (PMSC) for the second quarter of 2021/22.
- 1.2 This report is submitted to Committee in terms of Section III (F) (25) of the Council's Scheme of Administration relating to the functions of the Council as Statutory Harbour Authority.

**2. RECOMMENDATION**

**2.1 Committee is asked to:**

- (i) consider and note the safety performance, fulfilling their function as Duty Holder under the Port Marine Safety Code; and
- (ii) approve a revised berthing policy as set out in Appendix 2 and described in paragraph 11.

**3. BACKGROUND**

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

**4. COMMITMENT TO THE PMSC**

- 4.1 Moray Council, in its capacity as a Statutory Harbour Authority, is committed to undertaking and regulating marine operations to safeguard all its harbour areas, the users, the public and the environment.

- 4.2 The aim of the harbour team is to manage operations safely, efficiently, sustainably and as a benefit to all of the users and wider communities.
- 4.3 The team are committed to:
- a) full compliance with all legal requirements in harbour operations while seeking to meet the changing needs of all harbour users.
  - b) ensuring that all personnel are well trained, engaged and committed to improving safety in all processes. Competent skilled personnel backed by an active safety culture are key to a positive safety record.
  - c) undertaking hazard identification and risk assessments when required and implementing improvement measures where necessary.
- 4.4 The team expect that all harbour users recognise the effect that they can have on the harbours operation and reputation and must work to our standards as a minimum. A Permit to Work system is in place to maintain control over hazardous work. The team will ensure that management systems of any contractors or others fully support the same commitment to health, safety and environmental performance.

## **5. SAFETY UPDATES BY HARBOUR**

### **Buckie**

- 5.1 Seaward side of the fish market cleaned and treated with algae cleaner reducing slip hazard on quay.
- 5.2 Several electrical issues identified and rectified with some additional repairs to the protection cupboards.
- 5.3 North pier gate is still closed as a matter of health and safety due to damage to the pier surface. North Pier repair is due to be carried out in October.
- 5.4 The roads maintenance team have attended and have repaired a damaged section of road at the top of pier 4. Roads maintenance have also repaired joint between pier 1 and the main road making safer access for trucks accessing pier 1. At present a date is to be confirmed by roads maintenance to complete works at the top of pier 3.
- 5.5 Rope ladder building has continued during the last quarter and will continue further at appropriate times.
- 5.6 Coxswain and pilot training continues as appropriate situations arise.
- 5.7 Forklift training carried out for harbour staff during August. To date two members of staff have still to complete training. The training will be completed within the coming quarter.
- 5.8 Ice plant delivered and installed by the constructor. Electrical connection work being completed within the coming weeks to ready Ice plant for commissioning. Further Electrical works to be completed in the future months

to provide additional power to Buckie fish market, this will be completed whilst equipment is operational

### **Burghead**

- 5.9 Algae treatment required in several areas after pressure washing this has reduced slip hazards on the quays.
- 5.10 Weed control continued through the quarter in addition to chemical treatment given. The continued control of weeds has reduced trip hazards and protects assets in the harbour from damage caused by ingress of weeds.
- 5.11 Electrical issues identified at power points within the chills have been rectified with chills fully operational.
- 5.12 Repairs carried out to several water pipes. Fully functional to date.
- 5.13 Rust removal and painting carried out at various locations around the harbour protecting assets from damage.

### **Hopeman**

- 5.14 The rope ladder project has been completed. Ladders will be monitored as part of planned maintenance schedule and any future repairs or replacements carried out as and when required.
- 5.15 Handrail installation will continue once threaded bar, which is on order, has arrived.
- 5.16 Repairs carried out on water supply and remain fully functional.
- 5.17 Surface rust and scale removed from pontoon pile at the bottom pontoon ramp.
- 5.18 Test to be carried out in coming months by manufacturer with a pontoon protection product on above mentioned pontoon pile. The test phase will be used to establish suitability of product. If deemed successful remaining pontoon piles will have protection product added as a maintenance project in 2022/23.

### **Findochty**

- 5.19 Annual treatment of algae on the west pier carried out reducing slip hazard.
- 5.20 Handrail replaced at McKenzie's beach, contractor has also completed repairs to bottom step providing safe footway for users.
- 5.21 Works have begun on pontoon installation, despite some minor setbacks due to delivery issues caused by haulage shortage, project is still running on schedule to be completed at start of November. Careful monitoring of

programme will be continued to update stakeholders of progress over the project timeline.

- 5.22 Contractor worksite is carefully and clearly fenced to protect public from dangers to health and safety. Public access limitations are as minimal as feasible with signs and alternative routes posted on worksite fences.
- 5.23 As Programme of pontoon installation progresses, public health and safety alongside contractor health and safety will be continuously monitored. If a need for extra controls are identified they will be implemented as required.

### **Portknockie**

- 5.24 Planned Capital works to reface the inside of North Pier now complete. Some minor issues reported and rectified. There were concerns regarding a lip visible where shuttering has been installed creating an unsafe area to berth. On inspection the lip was found to be only 10mm deep and consultancy are satisfied that this should not be an issue. The harbours team will monitor and continue to assess the risk, putting in any required control measures if required.
- 5.25 Work carried out on the pontoons securing fingers in place. This has provided a safer structure for users.
- 5.26 Slipway cleaned and treated with algaecide decreasing slip hazard and protecting the structure.
- 5.27 Several derelict boats left as waste, taken away creating more hard standing space for berth holders taking their boats out for winter or maintenance.

### **Cullen**

- 5.28 Concrete facing repairs carried out to the north pier.
- 5.29 Ongoing project at bottom of slipway to secure the structures supporting the road way above.

## **6. INCIDENT STATISTICS**

### **Injuries:**

- 6.1 There were no injuries to harbour staff during the quarter.

### **Incidents:**

- 6.2 There was one incident in Burghead. The Assistant Harbourmaster was carrying out grounds maintenance, and strimming. Unbeknown to him a stone flicked up and hit a glass panel in a house door on opposite side of the street. The matter has been passed to the insurers. Protocols for use of strimmer and training are being investigated.

### **Near Misses:**



6.3 None

## **7. VESSEL MOVEMENTS**

- 7.1 In the second quarter of 2021/22 there have been 19 cargo movements (arrival and departure) at Buckie to date. This has included 10 acts of pilotage, 5 in and 5 out, with 1 of the operations being during the hours of darkness.
- 7.2 There have been 5 imports of Malt, 2 of salt and 1 of soya. There has also been one vessel which discharged several large heavy components bound for Blackhillock power station. These were transported from Buckie. Finally there has been 1 export of stones.
- 7.3 The trawl fishing has remained inconsistent over the summer with previous quantity of squid not being reached. The lower than previous year landings combined with difficult market conditions has produced a challenging economic situation for many vessel operators. There has however been a positive increase in the number of boats using the harbour to land scallops. The creel fishing has had a good quarter with better numbers of lobsters being landed than has been seen in recent years.
- 7.4 Burghead has had a similar pattern to Buckie with regards to fishing levels. Many of the fishermen based in Burghead have returned to work after a period of furlough so the harbour has recorded more landings than the previous quarter.
- 7.5 Vessels arriving at Buckie for maintenance work at Macduff Shipyards continue steadily and include fish farm vessels, small ferries and various fishing boats. The shipyard appear to have a busy period ahead with many different types of vessels due to arrive over the coming months. The latest new build fishing boat (MFV Crystal River - FR 178) set sail in September along with her sister ship which was built in Macduff.
- 7.6 There are a steady number of CTV's working the windfarms from Buckie. Currently 3 vessels are resident at Buckie arriving and departing daily, with a number of other vessels visiting regularly over the last quarter when they required. This can limit pier space as vessels must be alongside appropriately on a quayside berth to safely disembark their passengers.
- 7.7 There have been 22 visiting leisure vessels during the summer months. While this is less than usual the average size of the boats arriving has increased, including the 118 year old converted herring drifter 'Flying Dutchman' back to the harbour, now operating as a luxury schooner. Providing facilities for vessels like this promotes the harbour to a diverse and widespread base which is a huge positive.

## **8. CONSERVANCY**

- 8.1 Dredging has continued in the entrance of Findochty completing the maximum allowance as per the Dredging Licence. The licence renews on 7<sup>th</sup> February 2022.

- 8.2 Dredging has continued in Buckie concentrating on the channel entrance. The dredging plan includes provision to continue to dredge at Buckie regularly concentrating on bringing depth of water available to 2.5 m below chart datum in the channel by the end of the calendar year.
- 8.3 Alongside dredging at Findochty and Buckie, Burghead has been identified as a priority. The dredging plan utilises Selkie dredging in the area at the entrance to Burghead. The goal is to firstly clear a safe navigable channel in to Burghead harbour. This will ensure no vessel will be constrained by their drafts at low water. This will also allow the Selkie to moor in Burghead and achieve a more efficient dredging routine allowing progression to tackle the wider build-up of sand outlying the harbour entrance.
- 8.4 Due to extremely specific licence stipulations and the safety of the vessel crew and environment there are times that even though Selkie is fully operational with crew, digging is unachievable due to weather and licence constraints. At these times the vessel crew continue to work carrying out planned maintenance and any minor repairs that are necessary.
- 8.5 The priority areas for dredging remain Burghead (sand bank approaching harbour entrance) and Buckie (entrance channel). Other dredging requirements include:
- Hopeman: There are some new ideas on how we can maximise our efforts in Hopeman which will have to be further risk assessed, these will combine use of assets and requires careful thought and planning which, will be planned over the coming months.
  - Cullen: removal of sand from the beach side of the basin as this is the only area Selkie can access. There is a small sand bank in the south side of the harbour which Selkie would not be able to access.
  - Portknockie: No major issues or conservancy plans at this time.
- 8.6 Feasibility studies have been completed and plans for the repair of Burghead beach groyne are being undertaken. This will further improve the defence of the channel entrance from sediment deposition. The plan is scheduled to be completed by the end of this calendar year with the repairs to be completed as a capital project in the next financial year subject to financial approval.

## **9. KEY PERFORMANCE INDICATORS**

### **Pilotage**

- 9.1 Pilotage is not compulsory at Buckie harbour, and therefore not all cargo movements require the services of a pilot. The number of pilotage acts carried out in the second quarter of 2021/22 was 10, in relation to 10 vessel movements in and out of the harbour.

### **Aids to Navigation**

- 9.2 As a Local Lighthouse Authority, Moray Council is required to report the availability of all its navigational lights to the Northern Lighthouse Board in

March of each year. Currently the Port Closed light on the North Pier in Buckie is unavailable resulting in availability figures being decreased. This has been discussed with the Northern Lighthouse Board and they have noted it is not an urgent requirement as the light is not mandatory and there are other provisions to communicate any port closures.

- 9.3 Currently planning, consultation and communication is in progress surrounding the proposed upgrade of Navigational lights in Buckie and Burghead. The proposals would utilise renewable solar power and provide more efficient lighting which is not reliant on unsuitable power connections. As a result the availability of lights reported to the Northern Lighthouse Board will improve significantly

## **10. GENERAL SAFETY BUSINES**

### **Water Safety Group**

- 10.1 Further meeting has taken place in the last quarter discussing targets going forward. It was decided that a scheduled meeting in October will be used to elect a new chair as the Moray Water Safety Group begins work towards achieving its goal of reducing fatalities and water based incidents throughout the whole of Moray.
- 10.2 Harbourmaster and Harbour operations and development manager are in contact with Water Safety Scotland. Moray Council are in the process of enrolling with the Water safety Scotland group. This will allow access to nationwide meetings between various local authorities. From these meetings lessons and advice from authorities with different and relevant experiences can be used to direct the Moray Water Safety Group toward achieving its goal.
- 10.3 Next Water Safety Scotland meeting is scheduled for 05/10/21
- 10.4 Next Moray Water Safety Group meeting scheduled for 15/10/21.
- 10.5 The Water Safety Group is constantly seeking new members to join the ongoing meetings and has reached out to more parties during this quarter. The remit for the group will be to discuss various safety issues and look to improve all aspects of water safety.
- 10.6 Education will be the key focus and both the RNLI and MCA will help to promote the initiative with plans for school visits and visits to other organisations and events. The ultimate goal of the group will be to eventually produce a carefully considered Water Safety Policy. This would be produced after extremely careful collaboration and relevant consultation drawing on expertise from all relevant stakeholders.

### **Signage**

- 10.7 There has been a full audit identifying new signs required around the harbours including, 4 signs to restrict general access to the pontoons as well as general harbour operations signs designating visitor berths, operational speed

restrictions in the harbours warnings and keep slipway clear signs. These will be erected on delivery within the next quarter.

## **Green Harbours**

- 10.8 There has been continuing work carried out in the background with the focus to push the harbour environments towards lowering carbon emissions and promoting overall environmentally sound practices within the harbours.
- 10.9 The works currently being planned to be reported in future meetings would lower the carbon footprint of the harbours and in turn would promote the use of green technologies in the environment.

## **11. BERTHING POLICY REVIEW**

### **Preamble**

- 11.1 A Berthing Policy was approved by this committee on 23 January 2018 (para 7 of the Minute refers) and it is requested that after proposed changes and feedback, committee approves a revised Berthing policy.
- 11.2 A full copy of the proposed berthing policy is attached as **Appendix 1** for full review. In summary the main proposed changes are to ensure the protection of pontoon assets and are set out below.

### **Summary of proposed Changes**

- 11.3 Firstly it is proposed that any person wishing to replace an existing vessel with a new vessel must provide written intention to the Harbourmaster detailing the new vessel's size and weight.
- 11.4 The new vessel will be assessed as to whether it is suitable for the berth it is intended to be put into utilising pontoon manufacturer's guidance and safety management considerations of the harbour.
- 11.5 If suitable, written consent to the changes will be given to vessel owner and only after this written consent will the change be accepted.
- 11.6 If the dimensions of the proposed new vessel are not suitable for the existing berth an alternative suitable berth will be offered.
- 11.7 If no suitable berth is available, the applicant will be placed on a waiting list for a suitable berth.
- 11.8 Proposals to ensure no equipment is left unattended on pontoons and that no alterations are made to fixings or structure of pontoons and that all fenders are secured to vessels not attached to pontoons. This ensures pontoons are not damaged by unsuitable materials and fixings.

## **Consultation**

- 11.9 All Harbour Advisory Committee members have been consulted with regards to the proposed changes. So far feedback received has asked to consider allowing suitable fenders to be added to pontoons. This would allow Yachts to be safely moored with a fender at the bow.

### **Feedback consideration**

- 11.10 Feedback regarding the allowance of suitable fendering which is correctly added to pontoons and will not damage the structure or provide a safety hazard has been considered and has been decided to be incorporated in to the revisions.
- 11.11 An updated Berthing policy after feedback has been added as **Appendix 2**. This version incorporates these changes in section 4 of the policy. It is this version that is requested to be considered for approval by this committee.

## **12 FUTURE OBJECTIVES AND PLANS**

### **Objectives identified for remainder of 2021 and beyond**

- 12.1 Review of the Safety Management System: the SMS is currently under routine review and a revised SMS will be presented to a future meeting of this committee. This will include emergency response and preparedness review, full risk assessment and health and safety reviewing and updating.
- 12.2 Further development of SMS support checklists to aid compliance with Safety management system
- 12.3 PMSC Audit carried out by Designated Person, Marex Marine scheduled for Mid-October
- 12.4 Monitor consistent incident reporting, including potential incidents.
- 12.5 Undertake further reviews of Marine Policy and training requirements.
- 12.6 Maintain momentum of Pilot training and accreditation.

## **13 SUMMARY OF IMPLICATIONS**

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

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

### **(b) Policy and Legal**

Non-compliance with the Code will have legal implications.

### **(c) Financial implications**

Non-compliance of the Code may have financial implications.

**(d) Risk Implications**

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

**(e) Staffing Implications**

No staffing implications arise from this report.

**(f) Property**

There are no property implications arising from this report.

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

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

**(h) Consultations**

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

**14 CONCLUSION**

- 14.1 The Council is currently deemed to be compliant with the PMSC, however, work to maintain a safe environment remains an ongoing matter in a dynamic environment. Diligent staffing and constant monitoring and risk assessing will be utilised to maintain compliance as demands evolve.**

Author of Report:	Stuart Akass, Harbours Development and Operations Manager
Background Papers:	
Ref:	SPMAN-524642768-499

V2.0 Buckie Harbour 03/09/21 (not yet approved)

# Moray Council Harbours [Moray.gov.uk/harbours](http://Moray.gov.uk/harbours)

## Berthing Policy

v.2.0 updated September 2021

### **Harbours Berthing Policy**

This policy applies to all vessels to be berthed at Cullen, Findochty, Hopeman and Portknockie Harbours.

It also applies to recreational and creel boats<sup>(1)</sup> at Buckie and Burghead harbours.

#### **1. How to apply for a berth**

**1.1** Berths are issued annually from 1 April to 31 March the following year. Berth-holders may renew their berth by applying for a renewal each year, and submitting their application by the published deadline.

If a vessel is berthed in a harbour but no application form has been received by the published deadline then the vessel may be charged at the day rate.

**1.2** New applications for berths will be allocated at each harbour on a first come, first served basis for the type of berth applied for. The harbourmaster will keep a waiting list where the number of applications exceeds the number of berths available.

**1.3** Berths are categorised as follows:

- Pontoon
- Wall / loose mooring - all other moorings that are not classified as pontoon
- Hardstanding (subject to land availability at the harbour, and includes slipway rights)

**1.4** Berthing application forms are available from Buckie Harbour office, Burghead Harbour office, and from [moray.gov.uk/harbours-](http://moray.gov.uk/harbours-)

**1.5** Information on the annual berthing charges is available at Buckie Harbour office, Burghead Harbour office, and from [moray.gov.uk/harbours-](http://moray.gov.uk/harbours-)

**1.6** A berth is allocated subject to the payment of the published berthing fee and confirmation of appropriate insurance as detailed below.

**1.7** A berth is allocated to an individual boat owner, or to joint boat owners, however, there must be a single named contact who is liable for all charges and compliance with the berthing policy. Joint ownership shall be demonstrated by the inclusion of all joint owners on the vessel insurance documents. The single named contact can only be transferred to another person who has been declared as a joint owner (and included on the vessel insurance documents) for no less than 4 consecutive years.

**1.8** Allocation of berths is the responsibility of the harbourmaster.

**1.9** If a suitable berth is offered to someone on a waiting list and rejected without justification, the applicant may be moved to the bottom of the waiting list. If the applicant rejects 2 further offers of a suitable berth then they may be removed from the waiting list

**1.10** Any person on a waiting list must ensure that their contact telephone number/email addresses recorded at the harbour office are kept up to date. If the harbour cannot make contact using the details provided above, the individual may be removed from the waiting list.

<sup>(1)</sup> A creel boat is defined as any boat from which fishing is carried out with creels. Licensed creel boats less than 10 Metres in length are charged at recreational vessel rates plus 2% of catch value.

## **2. Berthing Charges**

**2.1** Berths are charged annually from 1 April to 31 March the following year. Part year divisions are not permitted.

**2.2** Visitor berthing is charged at the published daily rate. A Rover ticket valid for seven days is available providing a small discount to daily rate. Contact Harbour Office for details.

**2.3** The charges are reviewed annually and are published at Buckie Harbour office, Burghead Harbour office and on [moray.gov.uk/harbours-](http://moray.gov.uk/harbours-)

**2.4** Annual berth holders may use another Moray harbour for up to 48 hours in any 120 hour period, subject to there being an available berth.

## **3. Berth Allocation**

**3.1** Each vessel will be allocated a specific berth by the harbourmaster, subject to the following restrictions. Further guidance can be sought from the Harbourmaster.

- No boat length on pontoons shall exceed the designated berth dimensions as per the harbour plan and Pontoon manufacturer's guidance.



- No boat beam including fenders shall exceed the space available within the berth.<sup>(2)</sup>
- Boat dimensions are measured as Length Overall (LOA) <sup>(3)</sup>, maximum beam and maximum draft.
- Guidance on wall mooring restrictions should be discussed with the Harbourmaster as they are berth specific.

**3.2** A list of vessels and their allocated berths will be maintained by the harbourmaster and published at each harbour, and on [moray.gov.uk/harbours-](http://moray.gov.uk/harbours-)

**3.3** A berth holder who wishes to change their berth type may do so, subject to confirmation that there is a suitable alternative berth available, and by payment/ refund of the difference in the annual berthing charge.

**3.4** At Buckie and Burghead harbours priority is given to full time licensed fishing boats.

**3.5** Recreational craft will be allocated berths subject to the harbourmaster confirming that a recreational berth would be available for the full year. Allocation of a recreational berth at Buckie or Burghead in any given year does not guarantee its availability the following year.

**3.6** If a berth holder replaces their vessel, they may continue to occupy the berth subject to the harbourmaster confirming that the berth is appropriate for the new vessel's size. This will be based on pontoon manufacturer's guidance and overall safe management of the harbour. The proposed change must be requested and confirmed in writing, prior to purchase of the new vessel. If no written application is received and the berth is not appropriate for the new vessel, an alternative berth will be allocated if available and suitable. If no suitable alternative berth is available then the berth must be surrendered and an application made to be on the waiting list for a suitable berth within the harbour.

**3.7** Where a berth is allocated, but remains unoccupied or the boat remains unused for a full 12 months, (in the reasonable opinion of the harbourmaster), then a surcharge of 100% of the applicable annual fee will be made.

**3.8** A berth is allocated to the person(s) who applied and paid for the berth, not to the vessel. As such, sale or transfer of a vessel does not entitle the new owner to a berth. Any new owner of a vessel must apply separately for a berth.

**3.9** A berth holder who occupies a berth without the consent of the harbourmaster (i.e. a berth not allocated for their vessel) may be charged the day rate for the period their vessel is in an un-approved berth, irrespective of whether they have paid the annual berthing charge.

**3.10** If any vessel in a harbour berth is unseaworthy, the harbourmaster may require the owner to remove it from the harbour. If this request is not complied with, the vessel may be removed and if necessary disposed of by the Council and the costs of removal/disposal recovered from the owner.

<sup>(2)</sup> For a 2 vessel space between pontoons, one half of the available space, for a 3 vessel space, one third of the available space, etc.

<sup>(3)</sup> Length Overall (LOA) is measured including bow sprits, bathing platforms and any modifications.

#### **4. Pontoons**

**4.1** The alteration or addition of fixings to pontoons, including fenders is not permitted. All fenders are to be attached to the boats only.

**4.2** No equipment may be left on or attached to any pontoons, including creels and keeps.

#### **5 Visitor Berths**

**5.1** The harbourmaster will maintain an appropriate number of visitor berths in each harbour.

**5.2** The maximum stay at any visitor berth is 7 consecutive days.

**5.3** Visitor berths will be allocated on a first come, first served basis and are charged at the daily rate.

**5.4** Any visiting vessel should contact Buckie Harbour office, Burghead Harbour office, or apply online at [moray.gov.uk/harbours-](http://moray.gov.uk/harbours-)

**5.5** Daily and Rover tickets are available to purchase online.

#### **6. Insurance**

**6.1** The berth holder, as vessel owner, must have valid insurance for the vessel, including third party liability insurance with an indemnity of not less than £5 million per incident. Where the berth holder, as vessel owner, has paid crew members they must also have employers' liability insurance. Copies of the insurance certificates and policies must be provided to Moray Council on request, including when applying for a berth.

**6.2** The above insurance policies do not remove the berth holder and vessel owner's responsibilities under the Harbour Confirmation Act, the Harbour Byelaws, or any other duties to ensure competence and safe working conditions.

#### **7. General Conditions**

**7.1** All reasonable instructions of the harbourmaster must be complied with, in line with the Grampian Regional Council (Harbours) Order Confirmation Act 1987 and the Grampian Regional Council Harbours Byelaws 1991.

**7.2** Vessels and trailers must be clearly marked with the vessel name.

**7.3** Adequate moorings must be provided and maintained by the berth holder. As general advice, cordage with equivalent strength to 16mm polypropylene should be used for small craft.

**7.4** Vessels moored against a pier must be well fendered with bow and stern ropes attached to mooring rings. Ropes should not be attached to stanchions, ladders, ladder-fixing points or other boats. It is the responsibility of the berth holder to ensure appropriate mooring and fendering.

**7.5** There shall be no pumping of bilges in the harbour.

**7.6** All vessels with outboard motors shall have their propellers covered when the vessel is moored.

**7.7** It is the responsibility of the berth holder to clear and mitigate any spillages, on land or in the water. If the Council is required to clean up any spillages the full cost may be recovered from the berth holder.

**7.8** Piers, Pontoons and entrances should be kept clear of obstructions at all times.

**7.9** Fishing nets and other associated equipment may only be stored in designated areas with the approval of the Harbourmaster, and should be clearly marked / tagged with the owner's details.

Unauthorised equipment may be removed and disposed of by the Council and the costs of removal/disposal recovered from the owner.

**7.10** The harbourmaster shall be given at least 14 days notice of the intention to use a crane to lift vessels in / out of the water. The details of the company / equipment being used must be supplied to the harbourmaster. All relevant risk assessments and operating instructions must be complied with. If a berth holder needs to crane a vessel in / out with less than 14 days notice, the harbourmaster's consent should be sought on a case-by-case basis.

## **8. Dispute Arrangements**

**8.2** If a dispute arises between a berth holder and the harbourmaster, the berth holder may write to the Council's Head of Direct Services giving full details of the dispute.

The Head of Direct Services will review the information, and their final decision shall be binding.



V3.0 Buckie Harbour 29/09/21 (not yet approved)

# Moray Council Harbours [Moray.gov.uk/harbours](http://Moray.gov.uk/harbours)

## Berthing Policy

v.3.0 updated September 2021

### **Harbours Berthing Policy**

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It also applies to recreational and creel boats<sup>(1)</sup> at Buckie and Burghead harbours.

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<sup>(3)</sup> Length Overall (LOA) is measured including bow sprits, bathing platforms and any modifications.

#### **4. Pontoons**

**4.1** The alteration or addition of fixings to pontoons, including fenders is not permitted.

**4.2** All fenders are to be attached to the boats only wherever possible.

**4.3** When vessel design and berthing practise limits the ability to put fenders on vessel, and after consultation with Harbourmaster and their consent given, Suitable fendering approved by harbourmaster that will not damage the pontoon structure may be used to safely berth.

#### **5 Visitor Berths**

**5.1** The harbourmaster will maintain an appropriate number of visitor berths in each harbour.

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## **8. Dispute Arrangements**

**8.2** If a dispute arises between a berth holder and the harbourmaster, the berth holder may write to the Council's Head of Direct Services giving full details of the dispute.

The Head of Direct Services will review the information, and their final decision shall be binding.






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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 19 OCTOBER 2021**

**SUBJECT: CLIMATE CHANGE STRATEGY UPDATE**

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

## **1. REASON FOR REPORT**

- 1.1 This report provides an update to Committee on actions approved within the Climate Change Strategy (CCS) for 2020-2030, consultancy studies, staffing, and next steps in order to set out a route map to achieve the Council's declaration of being net zero by 2030.
- 1.2 This report is submitted to Council in terms of Section III (F) (33) of the Council's Scheme of Administration relating to providing, developing and monitoring the Council's Economic Development and Infrastructure Services.

## **2. RECOMMENDATION**

### **2.1 It is recommended that Committee:**

- (i) notes the updates on the actions set out in the CCS as set out in Appendix 1;
- (ii) notes the progress and timescales for the consultancy work commissioned on hydrogen, buildings and transport;
- (iii) agrees that a route map to becoming net zero by 2030 including short, medium and long term actions be reported back to Committee in April 2022;
- (iv) agrees that the CCS Officer/ Member working group is replaced by a CCS Programme board to monitor and review strategic progress in delivering the action plan; and that this group is supported by a CCS operational officer group (or sub groups) which meets monthly.

### 3. **BACKGROUND**

- 3.1 Climate change is arguably the biggest challenge that we face in our lifetime and for future generations. On the 27 June 2019 the Council made a Declaration which recognised that climate change is an ecological emergency, and the Council needs to take necessary actions to protect our area, country and planet (para 6 of the Minute refers).
- 3.2 In response to the commitments made in the declaration, on the 10 March 2021 (para 13 of minute refers) the Council adopted a Climate Change Strategy for 2020-2030. The strategy set a goal of the Council being carbon neutral by 2030 and that the Council, its officers and members will work with others across Moray to deliver that goal. The strategy also set out a 57 point Action Plan to assist in the progress to net zero.
- 3.3 When the CCS was approved it was agreed that there was a need to commission further consultancy reports for key actions relating to hydrogen, buildings and transport. This is required to allow the CCS to be developed to include detailed targets, costings, milestones and KPIs in order that the strategy can include a detailed route map for the Council to reach net zero emissions by 2030.
- 3.4 When the CCS was approved it was also agreed that a Climate Change Team would be created to lead, co-ordinate and support the Strategy.

### 4. **PROGRESS UPDATE**

- 4.1 To progress the CCS, the actions up to October 2021 were designated as Phase 1 and designed to create a platform for change. These include 57 actions in the action plan, consultations, governance and staffing issues.

#### Action Plan Progress

- 4.2 An update of the Action Plan is included in **Appendix 1**. The progress of these actions has been categorised as follows:

Completed	11
Progress ongoing	33
No progress or facing problems in delivery	8
Progress stalled, on hold, or dependent on external factors	5
	57

- 4.3 The impact of Covid has meant there have been delays, however some key actions completed or progressed include:
- Procurement - non-cash benefits categorisation has been included in the tendering process with a 5% weighting.
  - Sustainability and Community Benefits are covered in Procurement Training modules.
  - CPD training sessions for Learning for Sustainability delivered for 40 members of staff.
  - Schools delivering COP26 projects for pupils.

- School catering have swapped all plastic disposable cutlery for compostable alternatives
- Full vegetarian menu and one meat free day a week offered in all school settings with local suppliers used for meat, veg and dairy.
- Guidance and policies on aspects such as biodiversity, natural flood management and woodland cover delivered. Monitoring and additional opportunities to be identified.
- Moray Council Travel Plan completed including staff survey comparing before and after COVID.
- Moray Council now operates 28 electric vehicles (up from 11 in 2019).

4.4 However there are a number of outstanding items from Phase 1. These are mainly due to the time taken to recruit the CCS team and include:

- Creating a network of staff climate change champions will be a priority for new climate change team.
- Climate change and biodiversity assessments as part of all committee papers are being drawn up and will be implemented by December 2021.
- Communication strategy delayed until climate change team put in place.
- Strategy actions to be included in service performance reports.

#### Consultancy studies

4.5 The commission of consultation studies for key actions required to allow the creation of a detailed route map for the Council to reach net zero emissions.

- Hydrogen Strategy: to consider opportunities for the transition of Council owned buildings and transport fleet, associated infrastructure and opportunities for business and industry
- Transport Strategy: to develop a strategy for on and off street public charging infrastructure for electric vehicles and to identify a rolling procurement programme for converting the Councils transport fleet to low emission vehicles.
- Buildings Strategy: to calculate current emissions of the Council property assets and review the planned projects through the Property Asset Management Plan and the 10 year Capital Plan to create an outline plan and recommendations.

4.6 All three strategies to be commissioned September 2021 with delivery of relevant information by February 2022.

#### Staffing

4.7 The creation of the Climate Change Team to lead, co-ordinate and support the Strategy was agreed on 10 March 2021. This team is now in place and is made up of 3 permanent staff consisting of Principal Officer (started 26 July 2021), Project Officer (started 27 September 2021) Project Officer – communications (started 4 October 2021).

#### Governance

4.8 When the CCS was approved it was agreed that an operational group be established to oversee the transition to net zero. It was noted that due to the wide scope of climate change and climate change related activities, Heads of Service will have responsibility and accountability for climate change actions and targets within their service area. However, they may delegate their responsibility to third tier managers to ensure that day to day management

responsibilities are clear and that delegated decision making is undertaken at the appropriate level.

- 4.9 For governance of the CCS it is proposed that a CCS Programme board is established to monitor and review strategic progress in delivering the action plan. This work will then be reported into the Transforming the Economy Board for consideration by members. Additionally, a CCS operational officer group will be established which will meet monthly. This will be made up of officers tasked with delivering actions in the Action Plan and this group can set up thematic sub groups to co-ordinate specific activities if necessary.

#### Wider Community

- 4.10 Connections between the Climate Change Team and the Moray Climate Assembly, and the Environmental Social Enterprise Network have been established and are continuing.

#### Next Steps

- 4.11 The above actions were included in the CCS Phase 1 to create a platform for change to enable the transition to net zero.
- 4.12 The next steps will involve completing the following actions by April 2022:
- Annual update on Strategy delivery. This will include a route map with short, medium and long term actions and interim targets to achieve the 2030 aspiration
  - Incorporate strategy actions into individual service plans at next review point.
  - Recommendations on programmes for decarbonising Council Buildings, decarbonising fleet transport, and for hydrogen development.
  - Identify potential schemes for land use and carbon offset that may be needed to become Carbon neutral based on forecasted Buildings and Transport programmes.
  - Develop carbon accounting process for Moray Growth Deal and Levelling Up Fund bid. Process to be suitable for other outline business case and decision making.
  - Develop a climate change communications strategy, with an internal network of climate change champions to promote behavioural change and create networking opportunities.
  - Input into draft National Planning Framework 4 expected to be published soon.

## **5. SUMMARY OF IMPLICATIONS**

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

The CCS supports the priorities set out in the Corporate Plan and 10 Year Plan. The Council has declared a climate change emergency and the measures set out in the CCS seek to create a resilient, biodiverse, fair and more sustainable future for everyone within Moray.

The strategy is aligned to deliver the priorities:

- Ensuring a just transition for all in the shift to a low carbon economy;

- Addressing inequalities of fuel poverty;
- Empowering individuals and communities through education and information provision to make informed choices with respect to climate change;
- Protecting and enhancing the world we live in to protect it for the future; and
- Being innovative in identifying solutions for cost reduction and income generation opportunities.

## **(b) Policy and Legal**

Climate Change (Scotland) Act 2009 places a duty on public bodies to act in a way they consider most sustainable and in the way best calculated to deliver emission reduction targets set in the Act.

Climate change is increasingly being embedded in all government policies ranging from Infrastructure delivery, energy policies and NPF4 and these will influence the majority of council policies moving forward.

## **(c) Financial implications**

Funding is already agreed by council for the consultancy studies referenced in para 4.3. The route map to be reported in April 2022 will set out the financial implications for the Council to meet its 2030 aspiration although this will be after the budget setting for 2022/23 and there may need to be some consideration to develop a budget for that year through the process.

## **(d) Risk Implications**

Climate change is arguably the biggest challenge that we face in our lifetime and for future generations. It poses significant risks to our health, our economy, our environment, and endangers the wellbeing of future generations. There is a risk that the Council's aim of being net zero by 2030 will not be realised if the actions within the CCS are not progressed as a priority.

## **(e) Staffing Implications**

The Climate Change Team of 3 permanent staff will be in place during the first week of October 2021.

Additional staffing implications including support within all services across the Council to achieve the route map will be reported in April 2022.

## **(f) Property**

Consultancy studies outlined in para 4.3 which form part of the CCS will impact on council housing, corporate buildings and the Learning Estate. These implications will be set out in more detail as the key actions relating to Property are progressed.

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

Climate Change will impact on every service area delivered by the Council. It has the potential to impact on Equalities for example in respect of support for active travel and fuel poverty and will also have a socio-economic impact. Individual elements of the strategy will be screened and, where appropriate, assessed on their implications for equality and human rights.

### **(h) Consultations**

Consultations have been undertaken with the Chief Executive, the Deputy Chief Executive (Economy, Environment and Finance), the Deputy Chief Executive (Education, Communities and Organisational Development), all Heads of Service, Equalities Officer, Councillor Nicol as the Council's Climate Change champion and Lindsey Robinson Committee Services Officer. Where comments have been received, these have been included within the report.

## **6. CONCLUSION**

- 6.1 This report provides an update on progress on the 57 actions identified within the CCS approved by Council on 10 March 2021. A number of actions have been completed and are being actioned. The recruitment of the new Climate Change team will help services to move forward with delivery of the CCS including the commissioning of three key consultancy studies on hydrogen, buildings and fleet.**
- 6.2 These studies will help inform a costed route map to net zero which will be reported to Committee in April 2022.**

Author of Report: Rod Lovie, Principal Climate Change Strategy Officer  
Background Papers:  
Ref:



## Climate Change Strategy Action Plan - Update October 2021

### Key

	Completed	11
	Progress ongoing	33
	No progress or facing problems in delivery	8
	Progress stalled, on hold, or dependent on external factors	5
		57

### Leadership, Governance & Policy

#### Procurement

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
1	<b>Review of standard (weighted) sustainability tender question</b> <b>To create a wide suite of non-cash benefits categorisation to include the detail sustainable topics.</b> Outcome: All relevant tenders include the standard question, resultant contract impact statements to include the non-cash benefit categorisation.	To allow consideration during tender evaluation of the contractors approach to sustainability. To record the outcome as a procurement non cash benefit. To have the ability to report on the sustainable outcomes (as a categorisation)	Complete	This was reviewed and a standard weighted question is being used in all tenders going forward (typically 5% weighting)	Climate Change Team to assist in monitoring and progressing sustainable outcomes
2	<b>Review and develop further the sustainable procurement section of the Annual Procurement Strategy</b> Outcome: To ensure that goods and services are procured responsibly, with due consideration to ethical, carbon and sustainable factors, including through the supply chain and sub-contractors	Policy approved and adopted	Complete	Strategy is approved and published on Interchange/Council website	Climate Change Team to assist in monitoring and progressing sustainable outcomes
3	<b>To further develop Sustainable Procurement guidance (and training module) and embed within the Council's tender process to reflect priorities and actions of the Climate Change Strategy</b> Outcome: To support and inform departmental lead officers through the new process Improvement of sustainability aspects and responses within tender process	Greater awareness of the various sustainable issues Increase in the number of sustainable measures noted and incorporated in tender submissions	Complete	Sustainability and Community Benefits are covered in the Procurement Training modules. Sessions have been restarted via TEAMS in May 21 and will be planned quarterly ongoing.	Modules can be reviewed for further updates as appropriate  Climate Change Team to assist in monitoring

4	<b>Carry out Sustainability Prioritisation exercise during current round of Dept Proc Action Plan process, undertake analysis and subsequently roll-out to departmental officers to complete.</b> Outcome: Provision of appropriate sustainability priorities to services/teams for on-going integration into procurement activity.	Increase in Services specifying carbon and sustainability criteria in specifications and tenders	Mar-21	The DPAP process was abbreviated this year due to COVID and obtaining feedback in general was difficult so the tool was not used. Roll out to departmental officers to complete would need further consideration and may be challenging.	Climate Change Team to assist in progressing
5	<b>Develop carbon assessment tool and report on performance in relation to the procurement of goods and services</b> Outcome: Services able to efficiently monitor and report carbon impact associated with procurement of goods and services	% of appropriate procured goods and services assessed for carbon impact	Apr 2025 and ongoing	Early suggestions were to potentially use SIC codes or CPV codes? Needs further investigation	Progression dependent upon external factors, such as legislation for carbon metrics, software development, etc Climate Change Team progressing carbon budgeting process for Moray Growth Deal which may allow similar methodology to be used here.
<b>Climate Change Team</b>					
	<b>Action</b>	<b>Outcome measures</b>	<b>Completion Target</b>	<b>Update Oct-21</b>	<b>Next Steps</b>
6	<b>Investigate the implications of introducing carbon budgets</b> Outcome: Carbon emissions by Services are managed and monitored from a financial model of scrutiny? Reduction of emissions would be phased in line with CCS targets	Carbon budgets allocated to Services	Mar-22	Climate Change Team progressing carbon budgeting process for Moray Growth Deal.	Progression involves internal expertise and external factors, such as legislation for carbon metrics, software development, etc
7	<b>Develop detailed targets, costings, milestones, reporting and KPIs for all actions. Assess and define baseline position with respect to carbon emissions</b> Outcome: Fully developed and costed Climate Change Strategy action plan	Definition of route-map to net zero carbon emissions by 2030	Mar-21	Tenders progressing for strategies in hydrogen, fleet vehicles, property.	Climate Change Team to progress and results to be incorporated into phase 2 plan.
8	<b>Apply zero and low carbon objectives as a factor in all investment decisions in relation to budgets and the Capital Plan</b> Outcome: Carbon impact is a key component of all investment decisions and has been considered as a factor within the Capital Plan. Whole Life Costing applied as part of design development process and project appraisals.	No of investment decisions incorporating carbon factors. No and type of resultant mitigating actions % of projects evaluated using WLC	Ongoing to 2030	Methodology not yet developed. However it will be a factor for LEIP bids eg Bilbohill,	Climate Change Team to progress.

9	<b>Work with our partners, including the Scottish Government, to source and focus specific funding, measures and resources to support the Climate Change Strategy at local level.</b> Outcome: Increased external funding for Climate Change projects and initiatives.	No of projects that benefit from funding Value of funding leveraged	Ongoing to 2030	Current examples of recent external green funding include bus revolution.	Climate Change Team to progress funding and build into plans for the future.
10	<b>Work with all Council Service Areas and key partners including the Scottish Government to improve the integrity of our emissions data and reporting mechanisms.</b> Outcome: Comprehensive, accurate data and reporting system in place	Corporate emissions publicly reported	Ongoing to 2030	Gathering in data for current SSN Scottish Government report	Climate Change Team to progress
11	<b>Embed the targets, aims and aspirations of the Climate Change Strategy within Moray Council's Corporate Plan</b> Outcome: Incorporation of Climate Change priorities and actions within relevant plans	Priorities and actions incorporated	Complete		Climate Change action plan set to be reviewed in 2022 and route map created
12	<b>Ensure the Climate Change Strategy and associated Action Plan are living documents and remain fresh and valid until 2030.</b> Outcome: CCS reviewed after 12 months, and subsequently every 3 years. Action Plan reviewed Annually	Reviews undertaken in line with defined schedule	Ongoing to 2030		Climate Change action plan set to be reviewed in Q1 2022 and route map created
13	<b>Include a Climate Change and Biodiversity assessment as part of all committee papers</b> Outcome: Relevant council decisions are made with reference to Carbon and Biodiversity implications	Carbon & Biodiversity assessment in place	Oct-20 to 2030	Investigation carried out into similar practices in other Councils. Further progress slowed until Climate Change team put in place.	Climate Change Team to progress carbon and biodiversity assessments by December 2021
14	<b>Introduce consideration of carbon implications in staff related policies and training</b> Outcome: Mainstream consideration of carbon implications in all future activity	Review of relevant policies and training requirements	Mar-20	Communications exercise required to disseminate. Postponed till Climate Change team put in place.	Priority for new climate change team in creating a climate change communications plan. Investigate
15	<b>Undertake promotional staff campaign. Provide Climate Change awareness training as part of staff induction process. Develop e-learning module on reducing your carbon footprint, for all Council employees; explore options to make this available to community / third sector organisations, via the wider e-learning platform.</b> Outcome: Improved employee awareness and understanding	Number and range of communication and engagement activities Staff awareness levels through pulse surveys	Mar-21	Postponed till Climate Change team put in place.	Priority for new climate change team in creating a climate change communications plan. Liaise with current employee engagement activity/calendar and corporate

16	<b>Establish network of staff climate change champions</b> Outcome: Ongoing promotion of climate change and energy efficiency to encourage colleagues to adopt improved habits at work and home.	E-module developed and included in corporate e-induction	Mar-21	Postponed till Climate Change team put in place.	Priority for new climate change team in creating a climate change communications plan
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Communication, Training & Awareness					
Climate Change Team					
	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
17	<b>Develop a Communications Strategy for the Climate Change Strategy to consult, raise awareness, communicate and engage with staff, people, businesses and organisations across Moray</b> Outcome: Effective Communications Strategy in place. Reduced Carbon emissions in Moray	No of households and businesses who engage with Communication Strategy.	Ongoing to 2030	Progress slow till Climate Change team put in place	Priority for new climate change team
18	<b>Support and help to promote national campaigns, including the Scottish Government's 'Greener Scotland' campaign, to consider the carbon footprint of our everyday lifestyle and behaviour choices.</b> Outcome: Increased awareness and engagement of Climate Change issues	Improved results in Moray-wide emissions as calculated by BEIS	Ongoing to 2030	Progress slow till Climate Change team put in place	Part of creating a climate change communications plan
19	<b>Establish effective governance for Climate Change priorities in partnership with the CPP, including public, private and community organisations, and implement a system for monitoring and reporting progress. Seek to embed CCS priorities within the Local Outcome Improvement Plan</b> Outcome: CPP supportive of CCS with appropriate leadership in place and engagement with a wide range of stakeholders. Monitoring and reporting system in place	CCS included within LOIP as a priority	Apr-22	Climate change is now a standing item on the agenda for discussion at both CPOG & CPP. The focus of the LOIP around inequalities does not necessarily create the opportunity to embed CCS priorities into the LOIP, instead actions and interventions within the LOIP to consider climate change in the way they are delivered	Climate Change Team to investigate reporting and monitoring of results in area-wide emissions as calculated by BEIS

23	<b>Moray Council will work closely with schools, local colleges and universities to build the skills and capacity for a greener economy, including a focus on new low carbon technologies and the circular economy, ensuring the provision of green apprenticeships and other opportunities.</b> Outcome: Increased provision of relevant skills and knowledge	No of college, university courses with a green economy focus, development of awareness, knowledge and skills within our schools	Ongoing to 2030	Initial discussions with newly appointed Community Wealth Building Officer	Climate Change Team to progress with Community Wealth Building Team
<b>Education</b>					
	<b>Action</b>	<b>Outcome measures</b>	<b>Completion Target</b>	<b>Update Oct-21</b>	<b>Next Steps</b>
21	<b>Early learning and childcare settings and schools will be supported to engage with pupils, parents/carers and their local community on the climate emergency and the actions which can be taken to tackle it, ensuring that all early learning and childcare settings and schools are aware of and engage with the Climate Change strategy.</b> Outcome: Increased awareness of Climate issues	No of training/CPD sessions delivered to staff	Ongoing	3 CPD sessions delivered to 40 members of staff	Climate change team to support the establishment of networking opportunities for teachers and pupils to progress climate change work
22	<b>Increase opportunities for Learning for Sustainability within the curriculum for children and young people. Managers of early learning and childcare settings and head teachers of schools will ensure that children and young people have their entitlement to learning for sustainability education, delivered through curriculum for excellence's four contexts of learning.</b> Outcome: All early years settings and schools have Learning for Sustainability (LfS) within their curriculum	No of early years settings/schools with Learning for Sustainability (LfS) in their curriculum	Rolling programme to 2025		Climate change team to support the establishment of networking opportunities for teachers and pupils to progress climate change work

## Energy, Buildings & Digital Connectivity

### Climate Change Team

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
24	<b>Participate in the Scottish Government's Local Heat and Energy Efficiency Strategy (LHEES) pilot and prepare for the introduction of a statutory framework for LHEES in Moray</b> Outcome: Delivery of output report Development and deployment of Statutory framework	Accepted recommendations incorporated into on-going considerations. Moray Council meets Statutory obligations	Report March 21 and ongoing		SG legislation required
25	<b>Engage with local communities to facilitate information provision and discussion for local renewable energy schemes / Community Energy Schemes with local benefits, following on from LHEES pilot</b> Outcome: Increase in provision of advice and engagement with community	Increase in number of renewable and community energy schemes	Ongoing to 2030	Engagement with TsiMoray, CPP, Moray Climate Assembly, Environmental Social Enterprise Network.	Continue to work with Moray Climate Assembly

### Housing & Property Services

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
26	<b>Aim to convert all fossil-fuel based building heating systems to low or zero carbon alternatives</b> Outcome: All Council buildings are net zero carbon	Building SAP Ratings; % of carbon neutral council buildings	15% conversion annually from 2021/22 for 8 years	Tender for strategy to decarbonise Moray Council Property in progress	Cost of achieving target far in excess of Council budgets, significant external resources required. Technology development and roll-out identified as a critical factor. Integration with Scotland's Schools for the Future programme
27	<b>Increase building user awareness of ways of reducing energy use and saving utility costs. This includes tenants and Council staff</b> Outcome: Energy is used efficiently in Council buildings.	Reduced utility energy consumptions by 10%, and maintain improved levels	Mar 2021 and ongoing performance retention		Climate Change team to help with behaviour change /communications
28	<b>Aim to achieve zero carbon standards in all new buildings, including housing and schools</b> Outcome: All new buildings meet net zero carbon standards	% of new buildings that are net zero carbon standard	Ongoing and applicable to all new buildings constructed	Tender for strategy to decarbonise Moray Council Property in progress	External resources may be required to achieve standard. Technology development and roll-out identified as a critical factor Integration with Scotland's Schools for the Future programme

29	<b>Council to develop and adopt design standard for sustainable construction and maintenance.</b> Outcome: New buildings incorporate standards.	% of sustainable material used	Standard in place by Mar 2021 and applied forthwith.	The Scottish Government have published a sustainable standard for public buildings	An assessment of the implications of adopting the voluntary standard to be carried out
30	<b>Achieve Energy Efficiency Standard for Social Housing (EESH) for all Council houses.</b> Outcome: All Council houses are carbon neutral	% of Council houses that are carbon neutral.  % of Council houses achieving EPC Band B (Energy Efficiency rating), or are as energy efficient as practically possible.	EESH1 Dec 2020  EESH2 2030	Tender for strategy to decarbonise Moray Council Property in progress	Substantial investment in renewable energy systems. External resources required to achieve ambition. EESH2 programme to be identified by March 2021.
31	<b>Improve the energy efficiency of private sector housing in Moray by delivering the Home Energy Efficiency Programme for Scotland (HEEPS)</b> Outcome: Reduce carbon emission from private sector housing	SHCS - % of private sector dwellings with SAP B or C.	Ongoing to 2030	HEEPS programme dependant on continued provision of Scottish Government funding.	Role of Climate Change team to help with communications
32	<b>Investigate, develop and install renewable energy generation projects on Council buildings and land.</b> Outcome: Increased renewable energy generation	Capacity (kW) of energy generation installed	Ongoing until 2030; Council assets to be reviewed by March 2021	Tender for strategy to decarbonise Moray Council Property in progress	Subject to project appraisal and technical feasibility All projects would be subject to business case approval with a defined ROI. Investigate possible project at Nether Dallachy with Crown Estate

#### ICT / HR / Housing & Property Services

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
33	<b>Increase use of virtual environment to reduce server network and consequent electricity consumption</b> <b>By default operate PCs and related equipment in the most energy efficient mode, e.g. auto switch off</b> Outcome: Rationalised server provision All PCs operated under optimum energy efficiency settings	Reduced number and/or use of servers Increased use of virtual environment Reduced electrical consumption	Incorporate into ICT Digital Strategy - draft by 2023	No progress to report	Phased approach within overall strategy as linked with current contractual commitments and capacity of infrastructure to adapt
34	<b>Investigate and promote on-line working</b> <b>Increase Flexible / Mobile working opportunities beyond current staff.</b> <b>Provide a council-wide digital collaboration tool to allow quick and easy contact between colleagues, which does not rely on attending meetings, e.g. Skype</b>	Reduction in office space. Reduction in officer travel time and costs. Increase in flexible working arrangements Increased use of digital technology for meetings,	Mar-22	On-line and flexible working increased as part of response to covid. Prior to then there would only have been around 40 people working from home at any time.	Continue to progress as offices open up after covid

	Outcome: Office space reduced Flexible working the 'norm'	communication and collaboration			
35	<b>Development of shared co-location facilities for all community areas (e.g. business, volunteers, leisure)</b> Outcome: Move to more energy efficient buildings, and more efficient use of technology and workspace	Reduction in single use accommodation Increase number of co-located partnership arrangements	Ongoing	Relevant to safe return after covid and flexible working group. Dependent on multiple factors. Office, depot and stores reviews all look at partnerships and climate change issues.	Longer term strategic partnership approach required, links with community hub work. Reliant on partner engagement. Heavily dependent upon other strategic factors, e.g. schools, offices, external partners, etc. Will be evaluated on a case by case basis Not definable, dependent upon number of schemes and scope of works



## Waste

### Catering

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
20	<b>Make school meals more sustainable with a reduced carbon impact. Develop and promote more vegetarian options, e.g. 'meat free' days and vegan options</b> <b>Outcome:</b> Increase in the use of locally sourced food and produce. Increase in the provision of vegetarian and vegan options available.	Percentage of food and produce sourced locally Percentage of meal options offered that are vegetarian or vegan	Completed	Nursery – full vegetarian menu and one meat free day a week. Primary - one meat free day a week and 37 out of 68 dishes are vegetarian or vegan. Secondary – one meat free day a week on the main meal counter. Local suppliers used for meat, veg and dairy.	Food waste difficult to monitor. Climate Change Team to assist schools/pupils in monitoring and progressing sustainable outcomes
37	<b>Improve sustainability and recycling in schools including reduction / elimination of single use plastic packaging, a greater selection of recyclable materials across school catering services, improved recycling &amp; food composting facilities in schools</b> <b>Outcome:</b> Increase in recycling and composting rates, decrease in use of single use plastics	Percentage of waste recycled in schools, percentage of food waste composted, reduction in use of single use plastics	Ongoing	Swapped all our disposables to vegeware which is compostable	Alternatives to products like clingfilm difficult to source. Climate Change Team to assist in sourcing and progressing

### Waste & Recycling

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
36	<b>Continue to encourage a reduction of waste arising's (top of waste hierarchy) and thereafter increase recycling rates.</b> <b>Outcome:</b> Reduction of waste landfilled through diversion to recycling and energy recovery	95% diversion from landfill by 2023	Aug-22	Energy from Waste Plant to be completed by August 2022 Application for a re-use hub being drawn up.	Role for Climate Change Team to assist with promotional projects etc

## Land Use, Biodiversity & Adaptation

### Strategic Planning

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
38	<b>Develop integrated land use spatial framework for Moray identifying opportunities for food production, renewable energy and woodland planting (currently these are done individually)</b> Outcome: Increase renewable energy generation, increase area of woodland cover and safeguard prime agricultural land	Current woodland cover v potential and current RE generation and current area of prime agricultural	Ongoing	Indicative Regional Spatial Strategy (RSS) pilot completed	Full RSS to be developed when new regulations/ guidance is published (NPF4).  Aim should be safeguarding prime agri land, opportunities for renewable energy, woodland expansion, and peat restoration.
39	<b>Promote sustainable urban drainage systems incorporating blue and green networks in all new developments</b> Outcome: Increase biodiversity of new development and promote natural flood management	Number of developments compliant with policy on this issue	Complete	Ongoing, LDP policy. Details in LDP annual Monitoring Report	Climate Change Team to assist in identifying additional opportunities
40	<b>Safeguard existing woodlands and promote additional planting in all new developments</b> Outcome: Increase in woodland cover in Moray.	Area of woodland "lost" to development.	Complete	Ongoing, LDP policy. Details in LDP annual Monitoring Report	Climate Change Team to assist in identifying additional opportunities
41	<b>Promote use of brownfield sites over greenfield because less carbon used in reusing an existing building</b> Outcome: Reduction in number of vacant properties and vacant/ derelict sites	Reduction in number of vacant properties and vacant/ derelict sites	Ongoing	Ongoing, LDP policy, Moray Growth Deal Housing Mix project and SHIP.	LDP annual report. Report on vacant and derelict land to go to committee in Q1 2022.
42	<b>Prepare programme of carbon free / carbon reduction Town Centre Masterplans</b> Outcome: Reduce carbon impacts in town centres	Vacant and derelict land brought into use, renewable energy projects, greening of town centre	Ongoing	Draft Elgin TC MP to P&RS Committee April 2020	Elgin final Masterplan to Committee in November. Programme thereafter to be developed
43	<b>Work collaboratively with developers on programme of carbon reduction/ carbon free Masterplans</b> Outcome: Sustainable development that mitigates climate impacts	Number of masterplans accounting for carbon (this outcome measure needs to be reconsidered)	Programme to be developed.		New regulations/ guidance to be published (NPF4) with net zero for future Master planning. Build into MGD
44	<b>Safeguard and enhance biodiversity resources, promote planting for pollination. Additional guidance for developers, including multi benefit greenspaces- where drainage, biodiversity, play facilities etc are all incorporated.</b>	Hectares of new greenspace created. Number of proposals scoring green for biodiversity in Quality Auditing.	Complete	Guidance approved earlier this year. New measure required on species and habitats	Development of LDP 2025 should engage with Local Records Centre to identify habitats and species of concern. LDP evidence report could identify areas.

	Outcome: Enhance biodiversity in new developments and protect and enhance existing greenspaces and create new multibenefit spaces	(These outcome measures needs to be reconsidered)		However, biodiversity projects needs to be monitored.	
45	<b>Include policy on coastal change in Local Development Plan</b> Outcome: Reduce risk for coastal future developments	Number of applications complying with policy	Complete	LDP2020 adopted July 2021, but new measure required around coastal change/ coastal flooding	Monitor and assist in progress
46	<b>Prepare additional guidance on sustainable design and construction and seek to have policy incorporated into NPF4 and Building Standards and introduce a Planning Condition for developers to report on their actions taken to reduce the carbon emissions from the build and from the completed development.</b> Outcome: Reduce the carbon impact of development	Legislation and Policy reflect the need for improved	Ongoing	Policy criteria added into Policy DP1 of LDP2020 by Scottish Government, however, planning authorities await detailed guidance being provided by the SG.	Amend action and monitor.
47	<b>Review land use designations to consider climate change implications and encouraging lifestyle changes.</b> Outcome: Reduced carbon impacts from daily living	Land use changes to reflect town and transport masterplans and strategies for low carbon	Ongoing and integrate into Masterplans and next LDP as required.		Key issue for LDP2025, Evidence Report begins in 2022.
48	<b>Ensure new developments make provisions for Electric Vehicle Charging facilities, including communal charging facilities where no on-plot parking is available</b> Outcome: There are no barriers to the ownership/use of electric vehicles by residents of new developments.	Numbers of Electric Vehicles owned by residents.	Ongoing	Additional guidance approved, policy being delivered.	Climate Change Team to assist in monitoring and progressing sustainable outcomes
49	<b>Ensure all new developments make provisions for Cycle Parking, including secure cycle parking for flats and properties with no gardens.</b> Outcome: There are no barriers to the ownership/use of cycles.	Increased levels of cycle ownership and use.	Ongoing	Policy in LDP 2020	Climate Change Team to assist in monitoring and progressing sustainable outcomes

## Transport

### Transportation and Roads

	Action	Outcome measures	Completion Target	Update Oct-21	Next Steps
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50	<b>Develop Strategy and Guidance for provision of Public Electric Vehicle Charging facilities in Moray and implement as funding becomes available.</b> Outcome: Access is available to public EV charging facilities in all settlements across Moray	Number and Type of public EV chargers.	Ongoing	EV Charging Strategy being progressed as part of decarbonisation strategy	External Funding required to progress infrastructure provision. Not linked to council capital budgets, any and all projects would be externally funded
51	<b>Develop and promote Travel Plans for Moray Council, Major Employers and Schools</b> Outcome: Increased numbers of people travelling by foot, cycle, public transport and car sharing for their journey to work.	Staff Surveys on Travel Behaviour. Moray Council Travel Plan developed Number of schools with Travel Plans implemented. Number of businesses with Travel Plans implemented.	Moray Council Travel Plan - 20/21 School Travel Plans - 2025 Business Travel Plans - ongoing	Moray Council Travel Plan completed including staff survey comparing before and after covid. School travel and business travel plans stalled due to covid	Role for Climate Change team to assist in determining carbon implications of Moray Council Travel Plan and help progress low carbon action as part of the return from covid/flexible working etc.
52	<b>Promotion of travel behaviour change through targeted programmes, including Active Travel infrastructure measures from the Active Travel Strategy and website information provision</b> Outcome: Increased numbers of people travelling by foot, cycle, public transport and car sharing and/or reducing the numbers of journeys made by private fossil fuelled vehicles. Information available for residents, employers and visitors to Moray to assist in making low carbon travel choices.	Mode of transport survey information. Quantity of new active travel infrastructure provided Number of website 'hits'	Ongoing	Active travel strategy being updated. Subgroup appointed and taking issues forward.	
53	<b>Complete Switched on Towns and Cities feasibility study for Elgin and implement outcomes.</b> Outcome: Provision of Evidence to assist with applications for grant funding for EV charging infrastructure	Increased amount of funding received.	Complete	Report completed into feasibility of street charging in locations in Elgin & Lossiemouth.	Report being incorporated into decarbonisation strategy.
54	<b>Aim to displace fossil fuelled vehicles and plant with ULEV options</b> Outcome: Aim to have 70% of our vehicle and plant fleet converted	Fossil fuel consumption reduced by 60% by 2030. 70% of fleet transferred to ULEV by 2030.	2030, subject to detailed appraisal	Moray Council operates 28 electric vehicles (up from 11 in 2019). This is out of a fleet of 520 registered vehicles (from cars, to refuse collection vehicles to artic trucks).  Tender for strategy to decarbonise Moray	HGV vehicles and large plant have a life of 10 years replacement. Replacement rate needs to gather pace. Timescales (i.e. going beyond 2030), technology development and policy direction will have a major influence. Being selective on which types of vehicles to replace and when would also have a significant impact

				Council vehicles in progress	
55	<b>Continue to purchase vehicles with anti idling technology and provide managers with idling reports from the vehicle monitoring system.</b> Outcome: Reduction in fuel consumption and carbon output	Fossil fuel reduction of 20% by 2022, with additional 10% annually 2030.	2020 through to 2030	Fuel consumption of remaining fossil fuel vehicles are monitored and reported to operational managers.	
56	<b>Support our Legal Section with the promotion of ULEV Taxis</b> Outcome: Provision of technical support	Fully ULEV taxi fleet in Moray	2030	No progress	Determine the best way forward for this action
57	<b>Active Travel to School campaign and promotion, including parking management around schools, and supporting modal shift from vehicles to active travel wherever feasible</b> Outcome: Increase in Active Travel to school activity	No of pupils using active travel	Ongoing	Progress slowed due to covid.	New travel plans being progressed with some schools in partnership with Living Streets – active travel charity.

#### Key

	Completed
	Progress ongoing
	No progress or facing problems in delivery
	Progress stalled, on hold, or dependent on external factors






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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE SERVICES  
COMMITTEE ON 19 OCTOBER 2021**

**SUBJECT: ANNUAL REPORT ON ENERGY STRATEGY/ACTIONS**

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

**1 REASON FOR REPORT**

- 1.1 This report forms the Council's Annual Energy Report for 2020/21 providing details of the annual energy performance Council's non-domestic properties in 2020/21.
- 1.2 This report is submitted to Committee in terms of Section III (A) (4) of the Council's Scheme of Administration relating to monitoring the performance of the services within the Committee's remit in accordance with the Councils performance framework.

**2 RECOMMENDATION**

**2.1 It is recommended that Committee:-**

- (i) considers and notes the Annual Energy Report for 2020/21;
- (ii) notes that in 2020/21 the Council's energy consumption in non-domestic operational properties fell by 7.3%, and the energy bill decreased by 13.5% (£430,421); and
- (iii) agrees that officers review the Council's Heating Policy with a view to reporting a revised Heating Policy to Committee in 2022.

**3 BACKGROUND**

- 3.1 Annual reports have been presented to Committee since 2006; the last report was submitted for noting to the Economic Growth, Housing and Environmental Sustainability Committee on 6 October 2020. This report is submitted as the Council's Annual Energy Report for 2020/21.
- 3.2 Improving energy efficiency not only minimises costs, but also reduces on-going carbon emissions in the most cost-effective manner.

- 3.3 During the financial year 2020/21 Moray Council's expenditure on utilities (including street lighting) was approximately £3.16M, with associated carbon emissions of 8,407 tonnes CO<sub>2</sub>.

## 4 **PERFORMANCE**

### 4.1 **Consumption and Costs**

Table 1 provides a summary of the Council's utilities consumption, costs and emissions during 2020/21.

**Table 1**

<b>Annual Report Figures 20-21</b>			
<b>Commodity</b>	<b>Consumption (kWh/m3)</b>	<b>Net Cost (£)</b>	<b>Carbon (tonnes CO<sub>2</sub>)</b>
Heat/Biomass	2,258,199	£111,777	35
Oil	2,921,881	£114,841	798
Gas	23,469,901	£640,192	4,315
Electricity	8,910,550	£1,423,556	2,471
Street Lighting & Unmetered Elec	2,451,572	£399,552	680
Water (m3)	102,887	£476,863	108
<b>Totals</b>		<b>£3,166,781</b>	<b>8,407</b>

- 4.2 The operation of the Council's 238 non-domestic buildings cost £2,767,229, with further expenditure of £399,552 on street lighting and unmetered electricity.
- 4.3 Compared to 2019/20, 12 new sites were added and 12 sites removed from the council's property estate during 2020/21.

### **Combined Energy Consumption**

- 4.4 Table 2 below provides a comparison of energy consumption between 2019/20 and 2020/21 for individual utilities.

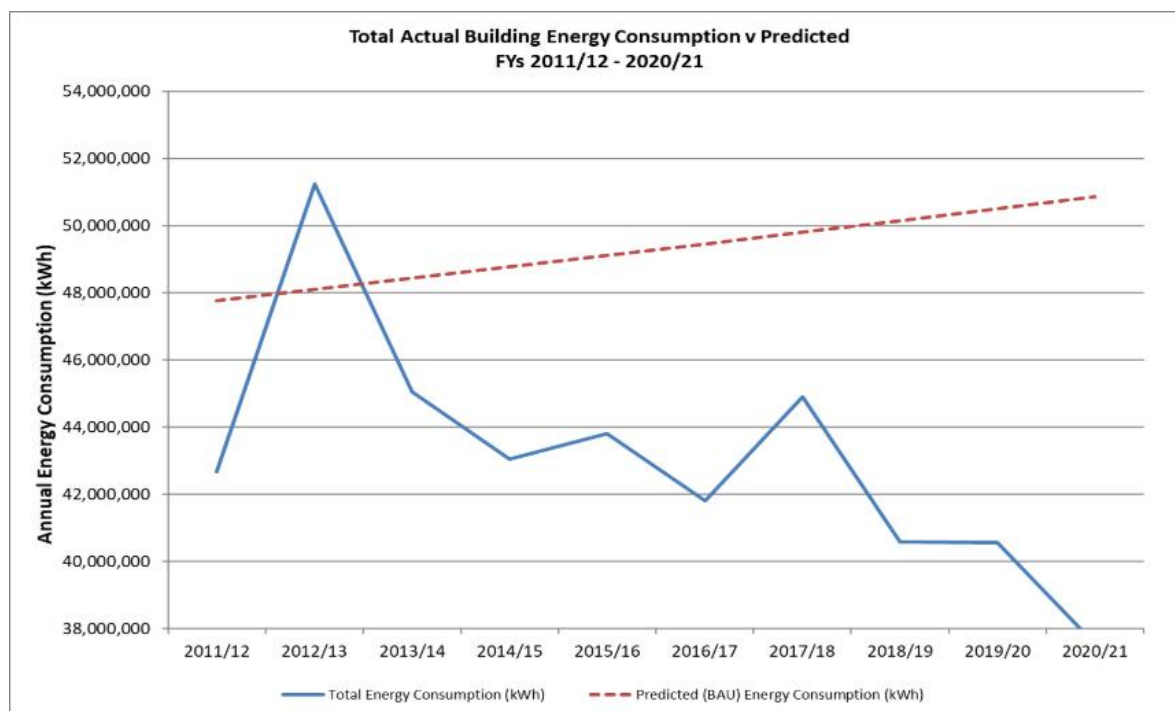
**Table 2**

<b>Utility</b>	<b>18-19</b>	<b>19-20</b>	<b>Difference</b>	<b>%</b>
Heat/Biomass	2,767,080	2,258,199	-508,881	-18%
Oil	2,904,368	2,921,881	17,513	1%
Gas	23,518,223	23,469,901	-48,322	0.2%
Electricity	11,327,716	8,910,550	-2,417,166	-21.3%
<b>Overall Building Total (kWh)</b>	<b>40,517,387</b>	<b>37,560,531</b>	<b>-2,956,856</b>	<b>-7.3%</b>
Street Lighting & Unmetered Elec	2,815,632	2,451,572	-364,060	-13%
<b>Overall Total (kWh)</b>	<b>43,333,019</b>	<b>40,012,103</b>	<b>-3,320,916</b>	<b>-7.7%</b>
Water (m3)	134,870	102,887	-31,983	-23.7%

- 4.5 The combined energy consumption from the Council's buildings, for 2020/21 was 37,560,531 kWh compared with consumption of 40,566,264 kWh for 2019/20, equivalent to a 7.3% decrease. However, during 2020/21 there were significant changes to buildings' operations and uses due to COVID, although it is difficult to say accurately what impact those had on the total energy consumption figures.



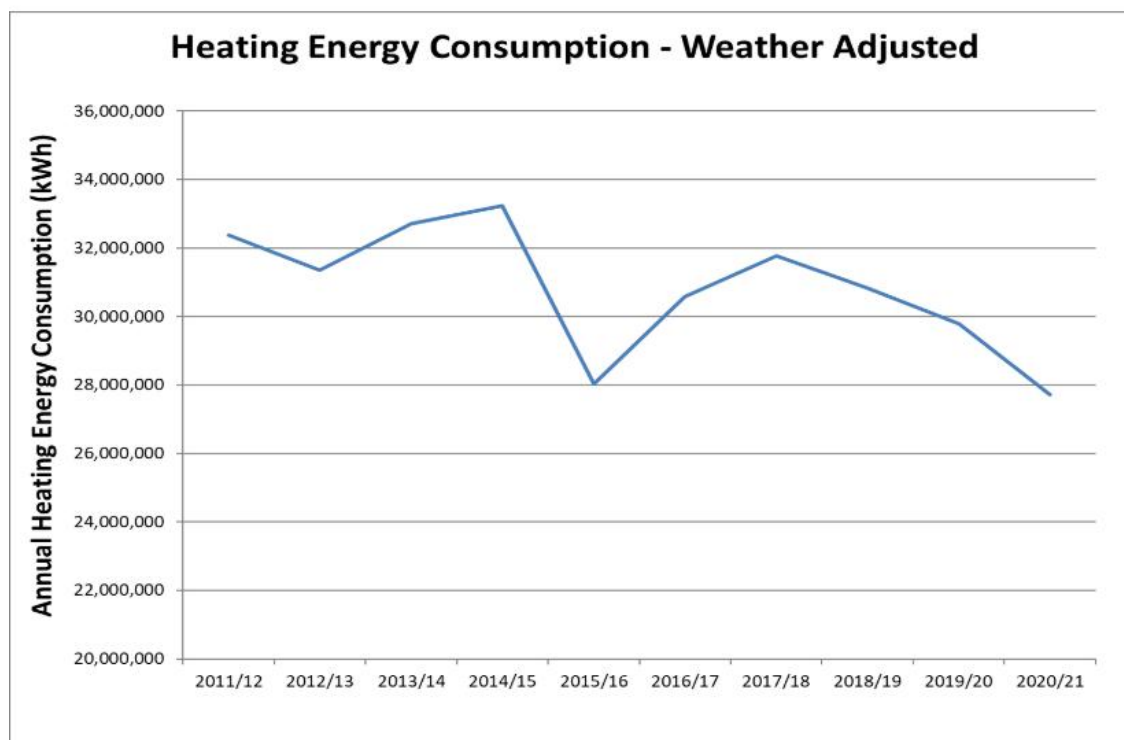
- 4.6 The graph below shows the Council's total energy consumption in its non-domestic buildings for the last 10 years, compared to the predicted increases, (based upon Government forecasts of a Business-as-Usual uplift of 0.7% per annum).



4.7 Heating-related Energy Consumption

To take account of weather conditions a measure termed “Degree Days” is utilised to incorporate the effect of warmer or colder conditions – permitting a comparison of heating related efficiency.

- 4.8 The graph below shows the Council's weather adjusted heating consumption for the last 9 years.



- 4.9 Heating accounts for a significant proportion of the Council's energy consumption. The weather in 2020/21 was 6% colder than in 2019/20 and the graph above shows a weather adjusted decrease in heating consumption of 7% compared to 2019/20. This indicates that the overall efficiency of heating provision within Moray Council properties has improved, i.e. became more efficient. However, during 2020/21 the impact of COVID on building operations had a significant impact. Climate change is likely to exacerbate fluctuations in weather conditions in future.
- 4.10 The following table summarises the absolute and relative variations in gas consumption for the various property groupings within the Council's property estate.

Property Groupings	19/20 kWh	20/21 kWh	Difference	% Difference
Closed sites 2020 - 2025	27,345	5,609	-21,736	-79%
Community Centres	466,110	458,468	-7,641	-2%
Day Centres	1,051,363	1,034,925	-16,438	-2%
Depots	419,274	400,445	-18,829	-4%
Halls	179,081	119,607	-59,475	-33%
Hostels	6,225	2,904	-3,320	-53%
Industrial Premises	246,394	214,339	-32,055	-13%
Libraries	716,925	560,627	-156,298	-22%
Minor Sites	16,005	11,669	-4,337	-27%
Museums/Visitor Centres	69,038	83,512	14,474	21%
Nurseries	93,131	160,653	67,522	73%
Offices	1,308,886	1,342,969	34,083	3%
Premises	93,766	112,634	18,869	20%
Primary Schools	6,716,512	7,368,873	652,361	10%
Residential Homes	948,929	915,681	-33,248	-4%
Secondary Schools	7,929,450	9,096,310	1,166,860	15%
Sports Facilities	9,786	5,368	-4,418	-45%
Swimming Pools	3,145,072	1,519,347	-1,625,725	-52%
Vacant Properties	74,930	55,962	-18,969	-25%
<b>Grand Total</b>	<b>23,518,223</b>	<b>23,469,901</b>	<b>-48,321</b>	<b>-0.2%</b>

- 4.11 Main points to note in relation to the above table are as follows:-

- Majority of decreases are in relation to reduced operation resulting from COVID-19 working practises changes.
- For some properties, which remained operational, e.g. HQ Annex, enhanced ventilation resulted in increased gas consumption.
- The increase for Nurseries reflects the provision of new facilities.
- The addition of Linkwood PS, accounted for half of the recorded increase of all primary schools.
- The addition of Lossiemouth High School, accounted for a significant proportion of the overall increase for secondary schools, as there was a significant overlap period between the old school closing and the new school opening. Going forward it is predicted that gas consumption at the new school will be significantly less than the consumption at the old school.

- A project was undertaken in 2020-21 to combine the gas supplies of the swimming pools at Forres and Keith into the school supplies, with the aim of reducing standing charges for gas metering. This has increased the apparent consumption of the schools, however when assessed in conjunction with historical consumption trends of the pools, the overall consumptions have remained relatively steady with reductions of approximately 9% recorded for both combined supplies.

4.12 For 2020/21 in particular the impact of COVID-19 on the operation of Council properties has meant comparisons to typical historical performances are less meaningful. However, as staffing resources allow, the Energy Team will continue to investigate the properties with the largest increases in consumptions. The Council's Climate Change Action Plan includes the aim to convert all fossil-fuel based heating systems to low or zero carbon alternatives and consultants are shortly to be appointed to provide advice on how this could be achieved.

#### Water Consumption

4.13 The Council's water consumption for 2020/21 was 102,887 m<sup>3</sup> compared with consumption of 134,870 m<sup>3</sup> for 2019/20, a decrease of 31,983 m<sup>3</sup>, equivalent to a 24% decrease. Again, COVID-19 has had a significant impact.

#### Street Lighting

4.14 The management and maintenance of street lighting is undertaken by Direct Services. The associated energy consumption in 2020/21 was 2,451,572 kWh, 13% lower than the 2019/20 consumption of 2,815,632 kWh. It is expected that the LED replacement programme will be fully completed during 21/22. There are approx. 600 lanterns outstanding with 17,182 changed to date. Electricity consumption has dropped by 67% compared to that being used prior to the project's inception, saving the council £695,000 per annum as well as 954 tonnes of carbon per annum. This exceeds the original saving projections and when combined with the project coming in 17% under budget the payback period has been reduced from 9.3 years to 5.1 years.

#### Carbon

4.15 Carbon dioxide emissions provides a single common denominator between disparate activities such as electricity, transport and waste recycling. The following table details the carbon emissions associated with energy and water consumptions attributable to Moray Council building related operations (figures are in tonnes of CO<sub>2</sub>).

Table 3

Utility	19-20	20-21	Difference	%
Heat/Biomass	43	35	-8	-19%
Oil	793	798	5	1%
Gas	4,324	4,315	-8	0%
Electricity	3,141	2,471	-670	-21%
Street Lighting & Unmetered Elec	781	680	-101	-13%
Water	142	108	-34	-24%
<b>Overall Total CO<sub>2</sub>e</b>	<b>9,224</b>	<b>8,407</b>	<b>-817</b>	<b>-9%</b>

4.16 Carbon emissions from the Council's non-domestic buildings and street lighting in 2020/21 were 9% lower than in 2019/20. Contributory factors, which would have affected the above performance, include:-

- Changes in building operations due to COVID-19 with an associated significant reduction in electricity consumption.
- More street lighting provided from LED technology.

## 5 **UTILITY MANAGEMENT**

### Utility Contracts

- 5.1 Electricity – The second one-year extension for the supply of electricity has been granted to the incumbent provider EDF and the framework will now expire on 31 March 2023.
- 5.2 Gas – The first one-year extension for the supply of gas has been granted to the incumbent provider Total and the framework will now expire on 31 March 2023.
- 5.3 Water – Scottish Water Business Stream Limited was awarded the contract commencing on 1 April 2020 and will run until 31 March 2023, with the option of a one-year extension until 31 March 2024.
- 5.4 Biomass – the Council in conjunction with Highland Council negotiated a contract with AMP Clean Energy (formerly Highland Wood Energy) for Biomass fuel supply and maintenance. The contract covered the 4-year period 1 September 2017 to 31 August 2021 and the option to extend has been exercised with a new termination date of 31 August 2022.

### Utility Expenditure

- 5.5 In 2020/21 the Council's total utility bill amounted to £3,166,781, a decrease of £443,343 (12.3%) compared to 2019/20 - with buildings constituting the largest element at £2,767,229. Table 4 below gives a breakdown of costs.

Net Cost

Utility	19-20	20-21	Difference	%
Heat/Biomass	£134,954	£111,777	-£23,177	-17%
Oil	£139,397	£114,841	-£24,556	-18%
Gas	£717,021	£640,192	-£76,829	-11%
Electricity	£1,671,762	£1,423,556	-£248,206	-15%
Water	£534,516	£476,863	-£57,653	-11%
<b>Overall Total - Buildings Only (£)</b>	<b>£3,197,650</b>	<b>£2,767,229</b>	<b>-£430,421</b>	<b>-13.5%</b>
Street Lighting & Unmetered Elec	£412,474	£399,552	-£12,922	-3.1%
<b>Overall Total (£)</b>	<b>£3,610,124</b>	<b>£3,166,781</b>	<b>-£443,343</b>	<b>-12.3%</b>

- 5.6 The following commodity market factors should be noted with regard to the utility costs for 2020/21:

- Biomass unit rate for heat remained relatively steady.
- Oil and Gas average unit rates decreased by 18% and 11% respectively.
- Electricity and Water rates rose by 8% and 17% respectively.

- 5.7 In recent years, electricity non-energy costs (a mixture of fixed charges and others relating to transmission, metering etc.) have accounted for an increasing element of the overall charge and for 2020-21 amounts to 59%. These costs are predicted to continue to increase, as energy consumers rather than taxpayers, meet the costs of moving to a low carbon society, as well as infrastructure improvements.
- 5.8 Unit charges for gas consumption accounted for 79%, whilst the indirect charges accounted for approximately 21% of the Council's overall gas costs in 2020-21.

#### Future Budget Guidance

- 5.9 In 2021-22 the contract costs of electricity decreased by 3.5% whilst there has been no change in the contract costs of gas. As mentioned above, as the 2020-21 consumption figures were affected by COVID they should be viewed with caution as to whether they are likely to represent an ongoing trend. However, based on 2020-21 consumption the annual costs for electricity and gas in 2021/22 are estimated at £1,750,184 and £652,996 respectively.
- 5.10 Scottish Procurement issue periodic updates on price forecasts for the electricity and gas contracts. The following is based on guidance issued in September 2021 and reflects median forecast figures.

		2022-23	2023-24
<b>Variance to 21-22</b>	Electricity	+12.0%	+26.0%
	Gas	+30.1%	+23.7%

- 5.11 Based upon our 2020-21 consumption patterns, should the predicted increases detailed above happen, the following additional costs would be incurred.

		2022-23	2023-24
<b>Variance to 21-22</b>	Electricity	£218,773	£474,008
	Gas	£192,698	£151,726
	<b>Combined</b>	<b>£411,471</b>	<b>£625,734</b>

- 5.12 In September 2021 significant increases in the wholesale price of gas and electricity occurred which has been widely reported in the press. A number of factors contributed to the increase, including higher global demand for Liquefied Natural Gas (LNG), uncertainty over Russian gas supplies, American refineries recovering slower than expected from hurricane damage, low UK storage capacity, un-scheduled outages of UK power generators and lower than expected wind generation. Additionally fire damage has shut down a key electricity interconnector to France, which is not expected to become fully operational until March 2022. Such a spike in energy prices is unusual. However, it is complex to predict future trends in wholesale energy prices.
- 5.13 Scottish Procurement (a department of the Scottish Government) purchases and monitors energy on behalf of the public sector. As the vast majority of the energy for the current financial year was purchased in 2020/21 the above issues do not currently having a significant impact on the Council. For 2022/23, around 75% of the Council's energy has already been purchased by Procurement Scotland and around 50% for 2023/24. Scottish Procurement issues periodic updates on future

prices and the predictions contained in sections 5.10 and 5.11 above will be subject to change in response to wholesale market changes.

#### Renewable Energy Generation Revenue

- 5.14 The council currently operates 2 biomass heating systems, at Speyside and Milne's High Schools and a solar thermal system at Forres Swimming Pool.
- 5.15 For the 2020/21 period the Council received combined Renewable Heat Incentive (RHI) payments of £112,470.

Table 5

<b>Total RHI Income</b>	<b>19-20</b>	<b>20-21</b>	<b>Difference</b>	<b>%</b>
Milnes PS	£53,695	£52,999	-£696	-1%
Speyside HS	£67,686	£57,476	-£10,210	-15%
Forres Pool	£1,718	£1,995	£276	16%
<b>Total RHI Income</b>	<b>£123,100</b>	<b>£112,470</b>	<b>-£10,630</b>	<b>-9%</b>

- 5.16 The reduction in payments to Speyside HS relate to reductions in the use of the building during COVID-19, in particular the use of the pool facility.
- 5.17 The council operates a single site, which benefits from the Feed In Tariff (FIT) scheme.

<b>Total FIT Income</b>	<b>19-20</b>	<b>20-21</b>	<b>Difference</b>	<b>%</b>
Elgin HS	£1,678	£1,739	£61	4%

#### Invoice Processing

- 5.18 All utility invoices go directly to the Energy Team for verification and validation prior to centralised authorisation and payment. The vast majority of utility invoices are received electronically and uploaded directly onto the Council's monitoring and targeting system – TEAM Sigma. The software automatically performs validation checks on the data received, highlighting any abnormalities for the Energy Team to investigate.
- 5.19 During 2020-21 the active management, checking and validation of utility consumptions and invoices identified over £65,400 of erroneous charges, which were resolved by the Energy Team.

## **POLICY AND STRATEGY**

#### Scottish Government

- 6.1 Energy policy and strategy has become integral within wider Scottish Government climate change activities. During 2020-21, the Scottish Government remained active with respect to policy relating to Climate Change, albeit impacted by COVID-19. The Council's Climate Change Strategy contains detail in relation to the major pieces of policy issued during this period.

#### Moray Council Energy Policy & Strategy

- 6.2. The Council's Energy Policy and Strategy was first produced in 2005 and subsequent revisions have been agreed by this Committee and made available publicly via the Council's Energy Internet website.

- 6.3 As part of the Council's Climate Change Action Plan, investigations are ongoing to identify how best to transition the non-domestic property portfolio to net zero carbon, and as it develops it is expected that this will in turn lead to a revision of the Council's Energy Policy and Strategy.

#### Corporate Plan

- 6.4 The Council's Corporate Plan was updated in February 2020, which identified Moray Council as "A resource efficient, carbon neutral council that works with partners to mitigate the worst effects of Climate Change, to create a resilient, fair and more sustainable future for everyone within Moray".
- 6.5 As previously referenced, the Council approved and adopted the 10-year Climate Change Strategy in March 2021. Work is ongoing with respect to determining how the Council property estate could transfer to net zero operations.

#### Heating Policy

- 6.6 The Council's Heating Policy has been in place for a number of years, but it is considered that a review would now be appropriate. This would be with the intention to take account of changes in ventilation practices due to COVID, as well as other changes in buildings' occupation, use and management. Also, to align more closely with the Council's climate change aspirations, which as mentioned above includes seeking to make all Council buildings net zero carbon. It would be intended to report to committee next year to consider proposals for a revised Heating Policy.

#### Mandatory Carbon Reporting

- 6.7 The Energy Team led upon the submission of the Council's Public Sector Climate Change report in November 2020. For the upcoming submission in November 2021, the Climate Change Team will take overall responsibility.

### **7. BUILDING ENERGY MANAGEMENT SYSTEMS (BEMS)**

- 7.1 There are BEMS systems in 33 Council buildings and the Energy Team use them to regularly monitor temperatures in buildings, identify anomalies early and adjust heating settings accordingly.
- 7.2 BEMS are now being used to assist water safety management in producing concise information reports on hot water storage temperatures. This is planned to be expanded to monitor cold water storage and flow temperatures as and when it can be incorporated into other works.
- 7.3 Support by the manufacturer for the operating system of the BEMS (Trend 963) ceased in 2019. There have been ongoing instances whereby the system has been crashed or been inaccessible. To date these have been rectified with the assistance of ICT, however it is becoming increasingly likely that should a system failure occur, we would potentially be unable to repair and continue to operate the current system. Further, it also operates using Java software, which in itself presents a security risk and does not comply with ICT policy for Council IT networks.

- 7.4 Consideration is being given to replacing the aged system with its modern equivalent. Development and investigative works are ongoing but following initial discussions with the framework BEMS maintenance provider, the cost of replacing the system is indicatively estimated at £40,000. This is provided for information at this stage as more detailed proposals are expected to become available in 2022/23.
- 7.5 For clarity, the above project refers to the Council's Building Energy Management System (BEMS), which is used to control buildings services such as heating and ventilation across multiple buildings. There is another separate active project relating to Building Information Modelling (BIM), which is wholly separate and relates to a common shared database for buildings and assets.
- 7.6 In addition to the improved resilience and reliability, there would also be improvements to performance, accessibility, security and energy efficiency.

## **8. ENERGY INITIATIVES**

### Awareness

- 8.1 Website -The Council webpages detail how to help the environment by following simple energy saving tips for the home, workplace or school. As part of the rollout of the Climate Change Strategy, it is planned to significantly upgrade the provision of information available on the council website and intranet.
- 8.2 Corporate training - Due to the impact of COVID-19, no energy awareness training was undertaken in 2020/21, however the situation is being kept under review for any opportunities to resurrect energy awareness training.
- 8.3 Surveys - Due to lockdown, no energy surveys or summer surveys were undertaken in 2020/21. However, summer surveys were undertaken in 2021/22 and a programme of further surveys for the winter period in 2021/22 is being put in place. Comparisons of the consumption at the Council's properties compared to benchmarks established recently by the Scottish Energy Officers Network for Local Authority properties in Scotland will be used to assist identify the properties to survey locally.

### Energy Projects

- 8.4 **APPENDIX I** lists the energy saving projects carried out in 2020/21, including the anticipated savings in kWh and £'s for each. It also lists further energy saving projects being considered.
- 8.5 The COVID-19 lockdown resulted in delays and postponement of several projects.
- 8.6 A second phase of replacing older inefficient lighting with LED in large halls was scheduled for 2020/21. However, this was delayed to the current financial year due to technical resources being fully committed. As of September 2021, this programme is approximately 50% complete, with the remainder to be completed within the current financial year.

### Future Energy Initiatives

- 8.7 Although significant progress has been made in recent years in reducing the Council's energy consumption it is considered that there is scope to achieve further significant reductions.



- 8.8 Consultants are to be appointed to advise the Council how it can achieve the target within the Climate Change Strategy of net zero carbon emissions by 2030. Whilst that advice is awaited, it will be essential to incorporate energy efficiency/carbon management as a prime consideration into all on-going work and it is anticipated that energy reduction will be included in future corporate Climate Change performance reporting.

#### Funding

- 8.9 The revenue and capital budgets and spend for 2020/21 were as follows:-

#### Revenue

	Budget	Spend
Awareness & Information	£ 6,700	£ 6,825
Small Projects	£16,000	£12,889
Climate Change	£ 4,800	£ 4,800
Capital Projects	£15,000	£ 5,640

- 8.10 The COVID-19 lockdown had a detrimental impact on the undertaking of certain projects. The underspend on the Capital budget has been carried forward into 2021/22
- 8.11 With respect to Spend-to-Save proposals, the Council's policy is that projects must have projected payback periods of 5 years or less. This has reduced the number of projects potentially viable.
- 8.12 It is fully expected that consultants' advice on how to achieve the target within the Climate Change Strategy of net zero carbon emissions by 2030 will include measures which cannot be considered solely on a spend to save basis.

## **9. SUMMARY OF IMPLICATIONS**

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

The Energy Policy and Strategy and actions to minimise the Council's energy use support the aim of the Corporate Plan of a financially stable Council.

The Council's Corporate Plan 2019 – 2024 identifies the environment as a key principle in the delivery of the Council's priorities.

"Environment – look after the world we live in to protect it for the future"

and for Moray Council to be:

"A resource efficient, carbon neutral council that works with partners to mitigate the worst effects of Climate Change, to create a resilient, fair and more sustainable future for everyone within Moray".

In March 2021, the Council approved and adopted the Climate Change Strategy, which provides the framework for actions aimed at reducing carbon

emissions and preparing for the unavoidable impacts of changing weather patterns through the period 2020-2030 and beyond.

**(b) Policy and Legal**

Climate Change (Scotland) Act 2009 places a duty on public bodies to act in a way they consider most sustainable and in the way best calculated to deliver emission reduction targets set in the Act.

The work of the Energy Team supports the Council's Climate Change Strategy and its primary target of achieving net zero carbon emissions for the council's property portfolio.

**(c) Financial Implications**

In 2020/21, the Council's energy bill for non-domestic properties was £3,166,781 – a decrease of £443,343 (12.3%) compared to 2019/20.

Unit electricity costs have decreased by 3.5% and gas costs have remained stationary in 2021/22, which if applied to 2020/21 energy consumption would give annual costs for gas and electricity in 2021/22 of £1,750,184 and £652,996 and respectively.

During 2020-21 the active management, checking and validation of utility consumptions and invoices identified over £65,400 of erroneous charges.

£15,000 has been allocated in the Council's 2021/22 capital plan and £19,200 in the Council's revenue plan for energy saving projects and awareness raising initiatives, although officers will also continue to take forward spend to save proposals.

**(d) Risk Implications**

Budget guidance issued in June 2021 by Scottish Procurement indicates that in 2022-23 electricity unit costs are forecast to increase by 12% and gas unit costs by 26%, whilst in 2023-24 electricity will increase by 30.1% and gas by 23.7% - compared to 2021-22.

Should the operational and commercial pressures on the wholesale utility markets continue into the medium term it is possible that additional costs pressures would be incurred, beyond those highlighted in Section 5.11 above.

**(e) Staffing Implications**

The Council is presently establishing a 3-person Climate Change Team and the Energy Team will assist in work to transform the Council's property portfolio to net zero carbon.

**(f) Property**

The property implications are as set out in this report.

**(g) Equalities**

There are no equalities implications.

**(h) Consultations**

The Head of Housing and Property, Paul Connor (Principal Accountant), the Head of Development Services, the Design Manager, the Legal Services

Manager, the Equal Opportunities Officer and Lissa Rowan, Committee Services Officer have been consulted and any comments incorporated in this report as appropriate.

## **10. CONCLUSION**

- 10.1 The Council's utility consumptions fell by 7.7% and utility costs fell by 12.3% in 2020/21.**
- 10.2 There is still potential for reductions in energy consumption through a programme of energy projects, property rationalisation, use of Building Energy Management Systems and staff awareness/behaviour changes. These are necessary to minimise the Council's carbon emissions and energy costs.**

Author of Report:	Ronnie Macdonald, Energy Officer
Background Papers:	As referred to in this report.
Ref:	SPMAN-1285234812-917



**ENERGY SAVING MEASURES****Projects completed 2020/21**

<b>SITE</b>	<b>PROJECT</b>	<b>APPROX COST (£)</b>	<b>ESTIMATED ANNUAL SAVINGS (kWh)</b>	<b>ESTIMATED ANNUAL SAVINGS (£)</b>
Milne's High School	Boilerhouse and Plantroom Insulation	3,556	94,000	2,820
Buckie Pool	LED Lighting – match funding	1,542	4,239	636
Various Sites	Draught-proofing	129	5,500	175
Glenlivet PS	Water Main replacement ( leak resolution)	4,250	1,463 m3	3,156
Cullent Library	Roof Insulation	887	4,500	675
Boilerhouse Insulation	Boilerhouse Insulation - Investigate and scope with partial application	981	n/a	n/a
Forres Academy/ Keith Grammar	Gas Meter Rationalisation	466	Reported in previous year	Reported in previous year
Various Sites	High Bay LED Lighting – Investigative works	5,174	n/a	n/a

Projects currently ongoing or in detailed feasibility stage:

<b>SITE</b>	<b>PROJECT</b>	<b>APPROX COST  (£)</b>	<b>ESTIMATED ANNUAL SAVINGS (kWh)</b>	<b>ESTIMATED ANNUAL SAVINGS (£)</b>
Various Sites	Replacement of High bay lighting with LED	45,000	166,660	20,000
Elgin Library	Replace internal lighting	20,000	67,000	8,000
Multi-Storey Carparks	LED Lighting	30,000	150,000	18,000
Various Sites	Replace External Lighting	100,000	250,000	25,000

Projects in planning – initial feasibility stage:

<b>SITE</b>	<b>PROJECT</b>
All sites	Replace external lighting – Pilot studies to be completed this year
Various	Upgrade BEMS
All sites	Valve and Pipe insulation
Hopeman PS	Roof Insulation
Various Sites	Lever Taps on toilet sinks
Buckie High School	Insulation of roof space in technical block
Buckie High School	Conversion of lighting in technical block to LED



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 19 OCTOBER 2021**

**SUBJECT: ROUTEMAP TO COMMUNITY WEALTH BUILDING STRATEGY  
AND DELIVERY**

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

## **1. REASON FOR REPORT**

- 1.1 To provide the Committee with details of the Routemap to Community Wealth Building (CWB) Strategy and Delivery for Moray and request that the Committee agree to the proposed timescales and governance arrangements.
- 1.2 This report is submitted to Committee in terms of Section III (F) (2) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

## **2. RECOMMENDATION**

**2.1 It is recommended that the Committee agree:-**

- (i) to the establishment of a Moray Anchor Network to oversee the coordination of the Community Wealth Building Strategy;**
- (ii) the proposed timescales for development of a Community Wealth Building Strategy for Moray**
- (iii) that a further report is considered for a future meeting of full Council regarding Elected Member representation on the Moray Anchor Network**

## **3. BACKGROUND**

- 3.1 The CWB approach aims to retain wealth within the local economy, through restricting extractive practices and providing increased control and benefits for local people. The CWB approach is constructed around five core pillars:
  - Progressive Procurement
  - Fair Employment and Just Labour Markets

- Shared Ownership of the Local Economy
- Socially Just Use of Land and Property
- Making Financial Power Work for Local Places

- 3.2 At its meeting on 28 October 2020, Council approved the allocation of funding for the employment of a CWB Officer, to develop and implement a CWB strategy for Moray (Paragraph 16 of the minute refers). Recruitment for the post was successful with the Officer starting in June of this year. However, the officer has subsequently been successfully recruited to the post of Senior Economic Officer for Strategy and Development, with the now vacant CWB Officer post advertised on 17 September.
- 3.3 The Council Procurement Strategy for 2021/2022, which incorporates measures targeted towards delivery of CWB outcomes, was approved by the Economic Growth, Housing and Environmental Sustainability Committee at its meeting on 8 June 2021 (Paragraph 12 of the minute refers).
- 3.4 The [Scottish Government](#) is committed to exploring how CWB can be utilised as an approach to delivering inclusive growth across Scotland, with several projects already in development to facilitate this. The Scottish Government have enlisted the support of prominent CWB advocates to help embed the approach within national economic development. A briefing note outlining the benefits of the CWB approach has been prepared for Elected Members and is available on the Scottish Centre for Regional Inclusive Growth ([SCRIG website](#)).

#### **4. ESTABLISHING A MORAY ANCHOR NETWORK**

- 4.1 It is proposed that a Moray Anchor Network be formed to coordinate the development and implementation of the strategy. This network will consist of representatives from public, private, and third sector anchor institutions, who hold a significant stake in the local economy. Including, for example, the Council, Highlands and Islands Enterprise, NHS Grampian, Moray College UHI, Ministry of Defence, Scottish Fire and Rescue, Police Scotland, Moray Chamber of Commerce, and tsiMORAY.
- 4.2 Initial research has shown that local political support and leadership in forming an anchor partnership has been essential in securing buy in from external partners. In both Preston and North Ayrshire, who have successfully implemented local CWB strategies, this has taken the form of the Council Leader serving as Chair of the anchor partnership. It is proposed that a separate report to Council be prepared regarding Elected Member representation and chairing of the anchor partnership.
- 4.3 The Moray Anchor Network will work in collaboration with the Moray Economic Partnership and Community Planning Partnership, to support delivery of the outcomes of the Moray Economic Strategy, Moray Economic Recovery Plan, and Local Outcome Improvement Plan.



## 5. **A ROUTEMAP TO BUILDING COMMUNITY WEALTH**

- 5.1 The Routemap to CWB Strategy and Delivery provides a framework and timeline for the development and implementation of the strategy. The Routemap has been included as **APPENDIX 1** and is supported with a supplementary document, which provides early considerations of how the CWB approach may be applied in Moray in **APPENDIX 2**.
- 5.2 The routemap to creating the strategy will be completed in the phases and timescales outlined below, dependent upon successful recruitment to the vacant CWB officer post:

### Planning (June – December 2021)

- Peer learning from colleagues within other local authorities who have more established community wealth building practice
- Research and analysis of the current landscape in Moray to provide a baseline for the five pillars
- Reinvigoration of supplier development forum to address current levels of leakage from Council procurement spend

### Development (December 2021 – September 2022)

- Consultation with local stakeholders and partners to support development of the strategy
- Establishment of a Moray Anchor Network
- Creation of CWB action plans for Moray Growth Deal and Levelling Up Fund projects for the end of March 2022
- Preparation of draft strategy for the end of June 2022
- Public consultation on draft strategy for the end of August 2022
- Finalising and publicising strategy for the end of September 2022
- Developing draft action plan to support strategy delivery

### Implementation (September 2022 onwards)

- Integration into existing local strategies
- Finalising action plan for delivering against performance indicators identified in strategy
- Reducing leakage of local procurement spend
- Maximise community benefits from public land and assets
- Support growth of social enterprise in industries where the third sector is currently underrepresented

### Monitoring (September 2022 onwards)

- Review of progress against indicators identified in strategy, including annual reporting to Council
- Inclusion of CWB considerations in relevant committee reports

- 5.3 In addition to progressing the Strategy, the CWB Officer will work with colleagues to embed a CWB approach in the Moray Growth Deal projects and develop a CWB action plan to support the Council's bid to the UK Levelling Up Fund.
- 5.4 As suggested in the report to Council on 28 October 2020, the initial focus in delivering CWB has been to build upon the previous work of the procurement

service to reduce the current level of leakage from the local economy through Council procurement spend (Paragraph 16 of minute refers). Through collaboration between procurement and economic development colleagues, a supplier development forum has been reinvigorated with the intent of supporting local SMEs and social enterprises to tender for Council contracts and participate in supply chains. The forum will include internal colleagues from Procurement, Business Gateway, Community Learning and Development, and Climate Change, alongside external colleagues from Highlands and Islands Enterprise and tsiMORAY. The forum will provide support and assist in the direction of activities delivered via the Supplier Development Programme.

- 5.5 An example of where Community Wealth Building has been delivered successfully is in Preston. In the space of 5 years, public anchor institutions in the city increased their level of procurement spend within Preston from 5% to 18.2%. This equates to an additional £74M being retained in the economy annually. Further information about the impact of CWB in Preston can be found in a report by the Centre of Local Economic Strategies: How We Built Community Wealth in Preston, which has been made available as a background paper. Further case study examples of how CWB has been delivered in other local authority areas are available on the [SCRIG website](#).

## **6. SUMMARY OF IMPLICATIONS**

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

The proposals will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

### **(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

### **(c) Financial implications**

There are no financial implications arising directly from this report.

### **(d) Risk Implications**

CWB requires an alternative perspective on risk that balances financial cost, with social and environmental cost.

The risk in relation to CWB is to do nothing. As other local authorities adopt CWB practices to strengthen their local markets and grow their business bases, Moray could find its economic position weakened with increased leakage of local spend, as suppliers from outwith the area are upskilled in tendering for public contracts and supply chain participation.

There is also risk posed to the estimated delivery timescales, in the event that there are delays in the recruitment of a new CWB Officer.

**(e) Staffing Implications**

The CWB Officer post is for a fixed term of 2.5 years. The actions detailed in this report do not require any further staff resource at this time. The actions relating to development of the CWB strategy will be undertaken by the CWB Officer and Senior Economic Officer for Strategy and Development. Supplier development and procurement activities will be undertaken by officers from Procurement, Strategic Planning and Development, Economic Growth and Regeneration, Community Learning and Development, and Business Gateway. Departmental lead officers will be responsible for supporting local delivery and contract management in procured contracts.

**(f) Property**

There are no property issues arising directly from this report.

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

The actions detailed in sections 4 and 5 aim to promote equality and growth in the local economy through the development and implementation of a CWB approach. The draft CWB Strategy will be accompanied and informed by an Equalities Impact Assessment.

**(h) Consultations**

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Payments Manager, Paul Connor (Principal Accountant), the Equal Opportunities Officer and Lissa Rowan (Committee Services Officer) have been consulted and their comments incorporated.

**7. CONCLUSION**

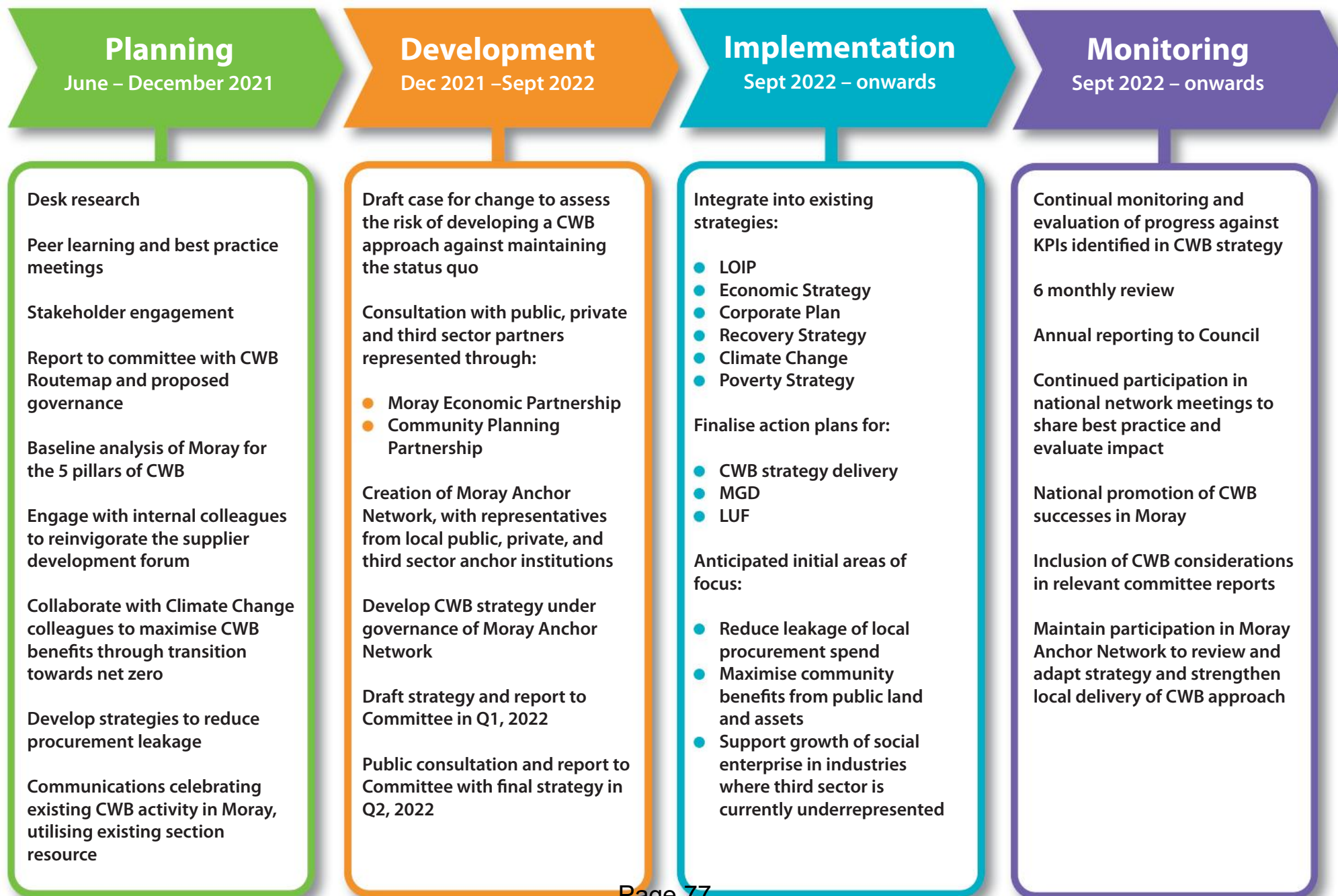
- 7.1 This report outlines the routemap to developing a CWB strategy and the expected steps in its initial implementation.**
- 7.2 A CWB approach will support the previously approved actions listed within the economic recovery plan relating to progressive procurement.**
- 7.3 Developing a CWB strategy is a key component of the economic recovery of Moray. The actions detailed in this report should be viewed as integral to the delivery of the economic recovery plan.**

Author of Report: Chris Muir, Senior Officer Economic Strategy and Development

Background Papers:  
Ref:



# Routemap to Community Wealth Building Strategy and Delivery





## Community Wealth Building Routemap for Moray

Community Wealth Building (CWB) is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

The Scottish Government have committed to developing a CWB Bill, which will focus on diversification and development of local economies, finance, land, and ownership models. The approach will be targeted towards delivering inclusive growth, through promoting fair work, tackling inequality, and creating sustainable communities that foster wellbeing.

## The Five Pillars of Community Wealth Building in Moray

There are five core principles to CWB:

- Progressive Procurement – Developing local supply chains of businesses likely to support local employment and keep wealth within communities.
- Fair Employment and Just Labour Markets – Using anchor institutions to improve prospects of local people by removing barriers to employment opportunities, providing learning and skills development opportunities, and increasing access to career pathways.
- Shared Ownership of the Local Economy – Supporting and growing business models that are more financially generative for the local economy, including social enterprise, cooperative, and employee ownership.
- Socially Just Use of Land and Property – Developing the function and ownership of local assets held by anchor organisations, so local communities benefit from financial and social gain.
- Making Financial Power Work for Local Places – Increase flows of investment within local economies by harnessing and recirculating the wealth that exists.

### Progressive Procurement

Objectives: Use local anchor spend to support economic growth in the private and third sectors.

Stakeholders: Moray Council, Business Gateway, HIE, tsiMORAY, NHS Grampian, MOD, Moray College UHI, Chamber of Commerce, Forestry and Land Scotland

Next steps: Increase local supplier engagement with Supplier Development Programme.

Reinvigorate internal supplier development working group. Increased focus on community benefit in tender assessment. Early local promotion of procurement pipeline. Increased frequency of updating and publicising contract register to encourage supply chain participation. Continued professional development opportunities for procurement staff relating to community wealth.

Baseline: Data taken from an analysis conducted by the Centre of Local Economic Strategies on Moray Council procurement spend in 2019/20 financial year. Overall proportion of procurement spend by region:

- Moray: 30% (£31.4M)
- Moray, Aberdeen, Aberdeenshire and Inverness (MAAI): 52% (£54.9M)
- Scotland: 78% (£82.2M)

Total leakage in procurement spend outwith MAAI region equated to £47.6M.

### **Fair Employment and Just Labour Markets**

Objectives: Support the growth of fair employment opportunities with progression pathways for local residents.

Stakeholders: Moray Council, HIE, tsiMORAY, DYW, Fair Start Scotland, Private sector anchors

Next steps: Moray Council to become an accredited Living Wage employer. Implement requirement for inclusion of living wage, fair contracts, and skills development opportunities within procurement contracts. Develop opportunities to access apprenticeships, internships and graduate placements.

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### **Shared Ownership of the Local Economy**

Objectives: Work with partners to strengthen and expand the local social business base.

Stakeholders: Moray Council, HIE, tsiMORAY

Next steps: Provide opportunities for social enterprise development within industries where they are underrepresented. Engage with Cooperative Development Scotland to deliver workshops encouraging increased employee ownership. Support growth for social enterprises operating in circular economy and renewables. Explore public-community partnerships for operation key local tourism and heritage assets. Harness local expertise in outdoor learning to support STEM delivery.

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### **Socially Just Use of Land and Property**

Objectives: Ensure consideration of social and environmental implications in use of all local public land and assets.

Stakeholders: Moray Council, HIE, Forestry and Land Scotland, Cairngorm National Park Authority, Crown Estate

Next steps: Expand on existing support to increase accessibility for communities in securing Community Asset Transfers. Creation of inclusive and biodiverse open spaces to promote wellbeing. Increased provision and promotion of active travel routes. Access funding to support regeneration of vacant and derelict sites. Engage with other local public sector land owners to explore low carbon initiatives.

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### **Making Financial Power Work for Local Places**

Objectives: Capitalize on opportunities for public and community investment in local development.

Stakeholders: Moray Council, Visit Moray Speyside, NHS Grampian, NESPF

Next steps: Explore use of Community Municipal Investment Bonds to finance low carbon and infrastructure projects. Provide support to grow local community owned financial institutions. Assess the implementation of a voluntary tourist tax to invest in local tourist infrastructure.

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### **Who will be accountable for the delivery of CWB in Moray?**

Moray Council, through a newly created Moray Anchor Network, will hold responsibility for the governance and delivery of the Moray CWB Strategy. The new network will consist of representatives from local public and private anchor institutions, included those represented on the MEP, Community Planning Partnership (CPP), and Strategic Business Forum. The successful delivery of a CWB strategy in Moray will be reliant upon the commitment of these local anchor partners.

The strategy and its governance arrangements should drive the way in which CWB is delivered locally. This includes the need for political buy-in, and a culture within the organisation in which community benefits are seen as significant considerations across all anchor activities.

Anchor institutions working in partnership can amplify the impact of CWB activity, demonstrating the importance of CWB to the local community. This will not just benefit the practice of each anchor, but also provide a platform to share key learning, with a view towards increasing impact.

### **What are the risks in the delivery of a CWB approach in Moray?**

Community Wealth Building requires an alternative perspective on risk that balances financial cost, with social and environmental cost. However, there is growing evidence that awarding procurement contracts to local business and social enterprise remains competitive in terms of price and often ensures the delivery of better quality goods and services.

The risk in relation to Community Wealth Building is to do nothing. As other local authorities adopt CWB practices to strengthen their local markets and grow their business bases, Moray could find its economic position weakened with increased leakage of local spend, as suppliers from outwith the area are upskilled in tendering for public contracts and supply chain participation.

There is also risk posed to the estimated delivery timescales, in the event that there are in delays in the recruitment of a new Community Wealth Building Officer.

### **How will the CWB approach in Moray be communicated?**

There will be a promotional campaign across all five pillars of CWB, highlighting the need and impact of the approach and how it will be tailored specifically to Moray. This will include meaningful engagement with all MEP and CPP stakeholders, Moray Growth Deal project managers, to ensure alignment of delivery. The communications activities will be delivered using existing resource in the Strategic Planning and Development team and in collaboration with external partners.

We will identify and celebrate pre-existing activities aligned to Community Wealth Building in Moray, such as Forres Area Community Trust, Moray Reach Out, and Moray Firth Credit Union. These communications will be used to highlight the added value in terms of local market development, increased employment opportunities, and improved community capacity.

## Success of Community Wealth Building in other areas

**Manchester City Council** achieved growth in procurement spend with businesses based in Greater Manchester from

**51.5% to 73.6%**  
**in 7 years.**

**In Preston**, the local anchor network has grown its procurement spend in the Lancashire Council area from

**39% to 79.2%**  
**in 5 years.**

**West Berkshire Council**  
**raised £1M**

through Community Municipal Investment as Climate Bonds to support a range of community projects aligned with the council's Environment Strategy.

**22% of funds were raised locally, with bonds available for as little as £5.**

**Jerba Campervans became**

**100% employee owned,**

after the owners began to explore options for succession to secure the long term viability of the company.

In 2018, the two sole founding shareholders transferred all their shares into the newly formed Jerba Campervans Trust. All employees already benefit from an annual profit share which is paid as a flat amount, regardless of position or level of responsibility.

In return for transferring all their company shares into the Trust, the founding shareholders agreed a below market valuation for the business and this amount is gradually being paid to them from company profits over a period of years – without the company taking on any financial debt.

Employee ownership has a proven track record in creating long term growth and security, with reduced staff turnover and improved productivity.

**Perth and Kinross Council**

have developed a Community Benefits Wish List as a method of engaging with local communities to maximize social value through procurement spend. Local communities add their wishes to an online platform, requesting support from public suppliers in the form of sponsorship, donations, labour, and work experience placements.




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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 19 OCTOBER 2021**

**SUBJECT: SUPPLIER DEVELOPMENT PROGRAMME MEMBERSHIP**

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

**1. REASON FOR REPORT**

- 1.1 To provide Committee with an update on the Supplier Development Programme membership.
- 1.2 This report is submitted to Committee in terms of Section III (F) (2) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Committee approves membership of the Supplier Development Programme to be reviewed once the Community Wealth Strategy and Action Plan are developed.**

**3. BACKGROUND**

- 3.1 Moray Council has been an associate member of the Supplier Development Programme (SDP) since 2014. SDP provides training to upskill small and medium sized enterprises (SME's) looking to win business from the public sector. On 19 February 2019, this Committee agreed to trial full membership of the Supplier Development Programme for one year in 2019/2020 and that the results of this trial be reported to future meeting of this Committee (para 12 of the minute refers). A further report was presented on 20 October 2020 highlighting whilst overall engagement with businesses and promotion of the SDP had been very successful, there was not enough time to fully evaluate the outcomes and it was decided to continue the trial membership for financial year 2020/2021 (para 11 of the minute refers).
- 3.2 Outcomes of the SDP membership so far includes that events delivered in Moray are being tailored to meet the requests from businesses, which attended the launch event in 2019. They are tailored on suppliers who wish to

deal with Moray Council. Surveys conducted showed that of the 76 respondents, 44 stated that their business is based in Moray. 54 respondents (72%) showed a preference for face-to-face training with 37 respondents (49%) with a preference for hosted webinars. However due to the pandemic all activities had to be limited to virtual events. Council's involvement with SDP Meet the Buyer North was delivered virtually by SDP in August 2020 and repeated in September 2021. Of the total of 13 suppliers attending from Moray, 100% stated that they would participate in any future events and would recommend the Meet the Buyer event to other public sector buyers. It has not been possible to identify a direct link between attendance at events and participation in tendering for contracts.

#### **4. PROGRESS UPDATE**

##### **4.1 Full membership includes the following:**

- At least 4 face to face training sessions for business delivered throughout the year in the Council area.
- A 'Talking Tenders' webinar on how to tender/do business with the Council - hosted by SDP with Moray Council procurement personnel to hold a Question & Answer session.
- Consideration of featured categorised events. That is where Council identifies an opportunity to carry out some early intervention e.g. a known market where suppliers are less likely to understand the tender process.
- Marketing - SDP produced a marketing action plan for Moray Council including widespread on-going social media campaign, features in SDP monthly newsletters that targets 14,000+ businesses and paid advertising supplement through HN Media promoting Moray
- Moray Growth Deal. SDP has experience of raising awareness of City Deal projects and would offer its marketing and event services to support Moray Council for related supplier engagement events relating to these projects.

##### **4.2 SDP Board no longer offers an associate membership and full membership is the only offer to local authorities. Whilst it is not apparent in terms of numbers of additional companies having registered with Public Contract Scotland (PCS) and successfully gained contracts as a result of the SDP work provided, however full membership is one of various actions taken to promote, encourage and upskill SME's to gain business from the public sector, with all other 31 Local Authorities being members.**

##### **4.3 It complements the work of the Moray Economic Recovery Plan by Business Gateway in partnership with HIE for the consultancy provision for small businesses to support procurement and supplier development through assisting companies in preparing bids. The work around community wealth building and growing the local economy with a focus on progressive procurement and the new emphasis on climate change through reducing distances travelled by suppliers, which all will further strengthen the links between procurement team and actions to support local businesses to gain contracts from the public sector. A separate report on Community Wealth Strategy and Action Plan are presented at this committee. It also links to the Public Contracts Scotland Capability Development supported by Scottish Government through secondment of post within the Economic Growth &**

Regeneration section in the delivery of PCS and PCS-Tender services across all sectors in Scotland. It includes training course, development of system user guides, supporting and communicating with buyers and suppliers.

- 4.4 Continued membership of the SDP is vital to support the ongoing work of the newly formed supplier development forum. The forum intend to access the services offered by SDP to facilitate targeted support for local firms, to assist in increasing the proportion of Council procurement spend with Moray based businesses. Any work with SDP will be reported via the quarterly Business Gateway reports, which are published on the Council website.

[http://www.moray.gov.uk/moray\\_standard/page\\_59743.html](http://www.moray.gov.uk/moray_standard/page_59743.html)

## **5. SUMMARY OF IMPLICATIONS**

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

Supplier development is an activity which can help existing business win contracts procured by the public sector. This can support the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

### **(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

### **(c) Financial implications**

Full membership is £4,800 per year. The proposed continuation of full membership which can be accommodated from the Business Gateway budget.

### **(d) Risk Implications**

There are no risk implications.

### **(e) Staffing Implications**

Council staff from Procurement, Economic Strategy & Development and Economic Growth & Regeneration sections, which includes Business Gateway will provide ongoing support and link to SDP work.

### **(f) Property**

There are no property implications.

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

There are no equalities impacts arising from this report

### **(h) Consultations**


The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Principal Accountant (Paul Connor), the Legal Services Manager, the Payments Manager, the Equal Opportunities Officer and Lissa Rowan (Committee Services

Officer) have all been consulted and their comments included within the report.

**6. CONCLUSION**

- 6.1 **The Supplier Development Programme promotion and activities have been successful in engaging businesses from Moray. It forms part of a range of actions to encourage SME's to gain contracts from public bodies.**
- 6.2 **These actions should be viewed as part of the wider plan designed to complement and enable each other.**

Author of Report: Reni Milburn, Economic Growth and Regeneration Manager

Background Papers: Correspondence and reports on file in Economic Growth and Regeneration section  
 [Supplier Development Programme Membership Update](#)

Ref:




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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE SERVICES COMMITTEE ON 19 OCTOBER 2021**

**SUBJECT: INDUSTRIAL PORTFOLIO ANNUAL REPORT 2020/21**

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

**1. REASON FOR REPORT**

- 1.1 This report sets out the annual performance of the Council's Industrial Portfolio in 2020/21.
- 1.2 This report is submitted to Committee in terms of Section III (F) (3) of the Council's Scheme of Administration relating to industrial and commercial development.

**2. RECOMMENDATION**

**2.1 It is recommended that Committee:-**

- (i) **considers and notes this Annual Industrial Portfolio Report for 2020/21;**
- (ii) **welcomes the good performance of the Council's Industrial Portfolio; and**
- (iii) **approves the Annual Review of the portfolio's constituent properties as set out in Section 6 of this report.**

**3. BACKGROUND**

- 3.1 The Moray Council's industrial portfolio comprises a range of industrial land and buildings throughout Moray including all of the principal settlements. At 31 March 2021, the Council's industrial portfolio comprised 175 industrial buildings with a total floor area of 30,499m<sup>2</sup>; 130 development and ground leases with a total site area of 21 hectares, and a stock of serviced and unserviced land for future development totalling 20.92 hectares. The distribution of industrial buildings, industrial sites and development land in Moray is detailed in **APPENDIX I**.
- 3.2 Annual reports have been presented to Committee since 2002; the last report was submitted for noting to the Economic Growth, Housing and Environmental

Sustainability Committee on 6 October 2020. This report is submitted as the Council's Annual Industrial Portfolio Report for 2020/21, providing a summary of the portfolio's performance and main issues.

#### 4. **PERFORMANCE**

##### Rental Income

- 4.1 The total gross rental income for the past 5 years is set out below:-

2016/2017	£1,753,000
2017/2018	£1,756,000
2018/2019	£1,930,000
2019/2020	£1,954,000
2020/2021	£1,940,000

- 4.2 **APPENDIX II** illustrates the gross rental income generated by the industrial portfolio over the period 2012/13 to 2020/21.

- 4.3 It was forecast in last year's annual report that the portfolio's rental income would decrease in 2020/21 principally due to the sale of three properties (detailed at para 4.12 below) which no longer matched the objectives of the portfolio and/or where the costs/risks (such as repairs, void periods and empty property rates) were considered to be outweighed by the opportunities to realise capital receipts. In addition, it was feared that the impact of the coronavirus pandemic would negatively affect demand and property rentals. The decrease in the rental income of only £14,000 from 2019/20 was much less than expected and the rental income in 2020/21 exceeded the budget target of £1.912M.

- 4.4 The net rental income after deduction of property running costs, staff, administrative and capital financing costs decreased by £6,000 in 2020/21 to £1,334,000. Again, this was a much smaller decrease than had been anticipated.

- 4.5 **APPENDIX II** illustrates the net rental income generated by the industrial portfolio over the period 2013/14 to 2020/21.

- 4.6 It is very difficult to compare the rental of the industrial portfolio objectively over a number of years as its composition changes due to the sale of properties, addition of new properties and the refurbishment and repair of existing properties. However, **APPENDIX III** demonstrates how increases in rental achieved at rent review for industrial premises (3 yearly rent reviews) and for industrial sites (5 yearly rent reviews) have continued to outstrip the Retail Prices Index over the corresponding periods, but to a lesser extent than previous years.

##### Debt

- 4.7 The level of rent/insurance arrears was 8.7% at 31 March 2021 - up from 7.06% at 31 March 2020. This increase is due to the impact of the coronavirus on tenants and the Estates team is working corporately with Legal Services and Finance to arrange repayments and minimise arrears, with a



range of measures deployed to safeguard the Council's interests if discussions with tenants fail to reach satisfactory outcomes.

#### Occupancy

- 4.8 The occupancy levels of Council industrial buildings in recent years are set out below:-

Year	% of floorspace occupied	% of buildings occupied
2016/17	96.1%	95.4%
2017/18	94.4%	92.7%
2018/19	83.57%*	93.18%
2019/20	93.54%	95.48%
2020/21	88.84%	93.71

\* The floor area occupancy figures for 2018/19 were skewed as a result of the former sawmill at Waterford Circle in Forres (which was by far the largest in the portfolio) becoming vacant.

- 4.9 At 31 March 2021 the occupancy rate in terms of buildings occupied was 93.71% compared to the target of 80%.
- 4.10 The % floor space occupied at 31 March 2021 is lower than at 31 March 2020 primarily due to large units in Lossiemouth and Keith becoming vacant. The unit in Lossiemouth has since been re-let and the Unit in Keith is under offer of lease.

#### Capital Receipts

- 4.11 The sale of industrial land and buildings has generated capital receipts to the Council over the past 5 years as follows:-

2016/17 -	£0
2017/18 -	£70,500
2018/19 -	£0
2019/20 -	£417,000*
2020/21 -	£605,250

\* Sale of land at Rathven Industrial Estate

- 4.12 In 2020/21 the Council completed the following transactions:-
- Sale of former Sawmill, Waterford, Forres.
  - Sale of building and simultaneous new long ground lease at 3 Mosstodloch Industrial Estate.
  - Sale of ground lease interest in the National Tyres site at Edgar Road, Elgin.

#### Development

- 4.13 In recent years the Council has invested in general upgrading works to the Industrial Portfolio to ensure the properties remain responsive to future business needs. During 2020/21, the Council invested £67,000 of revenue and £85,500 of capital in the Industrial Portfolio and in supporting industrial development in Moray through the following projects:-

1. Fencing and ground works at March Road, Buckie.
  2. Asbestos roof replacement at 6 March Lane, Buckie.
  3. Electrical upgrades at Chanonry Business Centre, Elgin.
  4. General upgrading at 8 Chanonry Road South, Elgin.
  5. Gates to new yard at Chanonry Spur, Elgin.
  6. Ground works at Waterford, Forres.
  7. Site investigations at Waterford Circle, Forres.
  8. Upgrade road at Isla Bank, Keith.
  9. Upgrading of Unit P Isla Bank, Keith.
  10. Electrical upgrades at Westerton Road Business Centre, Keith.
  11. New gas heating at Unit R Isla Bank, Keith.
  12. New pumps for sewerage system at Isla Bank, Keith.
  13. Upgrade of Unit F Isla Bank, Keith.
  14. Roof repairs, Unit D, Isla Bank, Keith.
  15. Electrical upgrades at Coularbank Business Centre, Lossiemouth.
  16. Electrical upgrades at 8 Mosstodloch.
  17. Miscellaneous repairs, maintenance and minor improvements at various locations.
- 4.14 Refurbishment works ensure the properties continue to meet business needs and safeguard future rental income. Officers will continue to work with tenants on the most appropriate ways to deliver improvements to properties, including agreeing where appropriate for tenants to do works in return for commensurate temporary reductions in rental or capital payments.
- 4.15 Whilst the revenue repairs budget is sufficient at present to meet ongoing repairs and maintenance needs, as the portfolio expands and the newer units age, there will likely be a future requirement to increase the revenue repairs budget.

## **5. TRENDS AND CHALLENGES**

### Coronavirus

- 5.1 The coronavirus pandemic and associated restrictions have had adverse impacts on the majority of tenants. All bar a few suspended trading during the first national lockdown from 23 March 2020 until mid July 2020 and many continued to experience trading difficulties thereafter.
- 5.2 Officers worked closely with tenants to try and mitigate the impacts, including providing advice on available funding assistance. In accordance with Scottish Government advice and consistent with the approach of most other Scottish Local Authorities it was agreed to defer rental payments temporarily with approximately 72 tenants who requested such assistance. This was with a view to subsequently agreeing phased repayments of the deferred rent. In addition, rent reviews, which fell due during lockdown, were deferred and with a view to being implemented after lockdown lifted.
- 5.3 The level of rental debt increased significantly during the first lockdown and officers have been working closely with tenants to agree phased repayments. Although the portfolio's debt has reduced from the peak, it is still above pre

COVID levels. Most tenants are managing to make phased repayments, but a number are struggling to do so.

- 5.4 Approximately 7 tenants have terminated their leases citing COVID reasons. As at 31 July 2021, it was estimated that lost rent and increased rates liability to the industrial portfolio due to COVID amounted to around £48,500. This money is to be funded from COVID reserves.
- 5.5 Although there was little demand for vacant units during the first lockdown, the market bounced back surprising well thereafter, with good demand for units and rentals have remained stable. Occupancy rates have generally remained high; however, there has been a series of recent lease terminations at Isla Bank Mills, Keith and occupancy rates at that estate have dropped below normal levels.
- 5.6 Isla Bank Mills has traditionally been the first part of the portfolio to experience vacancies during times of economic downturns and officers will monitor closely the impact on the portfolio as government schemes providing support to businesses are reduced/phased out.

#### Supply of Properties

- 5.7 Although for decades there has been very little private sector provision of industrial property to let in Moray, 36 units for speculative let have recently been completed by private developers in Elgin. These have been facilitated by public sector investment in infrastructure to provide serviced sites. Officers will monitor their progress and take account of this activity in assessing future property needs and their impact on occupation and rentals of Council properties.
- 5.8 In 2020/21 the industrial portfolio continued to meet its objectives of:-
  - (i) minimising the number of vacant properties as far as is consistent with current market conditions; and
  - (ii) maximising overall rental income and thereby minimising the cost of the service.
- 5.9 However, there remain concerns about a shortage of industrial development land and units in various locations (excluding Elgin).
- 5.10 The following actions are aimed at addressing supply issues:-
  - (i) a major extension of March Road Industrial Estate in Buckie has provided a supply of industrial development land in East Moray;
  - (ii) discussions are taking place with Highlands and Islands Enterprise about purchasing land at the Enterprise Park, Forres to facilitate serviced sites and business units of a general industrial nature. Indicative designs are being prepared with a view to preparing a Business Case and assessing financial viability;

- (iii) discussions are taking place with the owner of land recently zoned for industrial purposes on the outskirts of Forres with a view to the Council purchasing land and developing a new industrial estate;
- (iv) discussions are taking place with landowners in Speyside with a view to the Council purchasing land and providing serviced sites and business units as demand and finances dictate;
- (v) officers continue to work with private developers to facilitate the provision of new business units;
- (vi) potential further opportunities to acquire and develop land and buildings will be considered as part of the Council's asset management rationalisation programme;
- (vii) existing properties will be repaired and refurbished as required;
- (viii) proposals for funding future development of the Industrial Portfolio will be brought forward through the Council's asset management, capital planning and economic development capital fund processes; and
- (ix) relocation of Council services occupying industrial portfolio property as opportunities arise.

#### Occupation of Properties by Council Services

- 5.11 12 of the Council's properties are occupied by Council services, which is contrary to the objectives of the portfolio to maintain an adequate supply of affordable premises in appropriate locations within Moray and maximise overall rental income. However, the vast majority of these properties are within the scope of current reviews of Council depots and stores being carried out by the Head of Housing and Property in terms of the Council's Property Assessment Management Appraisal and it is planned that where opportunities arise officers will seek to relocate Council services to free the properties for letting to private enterprises.
- 5.12 Occupation of industrial units by Council services has occurred in a piecemeal fashion over many years. In order to take a strategic asset management approach any new requests by Council services will be considered by the Asset Management Working Group.

#### Non-Commercial Occupation of Properties by Council Services

- 5.13 Using delegated powers the Chief Executive approved a lease of Unit 1 at Coularbank Business Centre at a nominal rent for a period of up to 6 months from 15/4/21 to a not for profit community organisation providing coronavirus food relief.
- 5.14 The Moray Council at its meeting on 12 May 2021 (para 16 of Minute refers) agreed that delegation be granted to the Chief Financial Officer in conjunction with the Head of Housing and Property Services to approve low value short term concessionary rentals to community groups where the following circumstances pertain:

- Where the annual value of the lease is £1,000 or less, a lease or licence to occupy may be granted and renewed until that threshold is reached.
- Where the annual value of the rent foregone is between £1,000 and £6,000 and the length of the requested lease or licence to occupy is for no more than 6 months, with any requests for extension subject to committee approval.

and in all cases

- The service whose property is requested for use supports the request.
- Ward members support the request.

- 5.15 Any longer term requests by charities and community groups to occupy Council properties at less than market value are considered via the Community Asset Transfer (CAT) process.

#### Energy Efficiency

- 5.16 Since 2018 in England and Wales there has been a prohibition on letting properties with Energy Performance Certificates (EPCs) worse than E ratings. In 2018 the Scottish Government consulted on draft proposals to make non-domestic properties more energy efficient and further consultations were been delayed due to the coronavirus. It is expected that approximately 35 units with heating systems will be in scope and officers will continue to monitor developments closely whilst investigating cost effective means to comply.

#### Mosstodloch Industrial Estate

- 5.17 This estate has suffered flooding on several occasions during periods of exceptional rainfall, despite significant investment by the Council in upgrading the surface water drainage system. A major adjacent business has installed various water/drainage alleviation measures, which have mitigated flooding at this location. That business is investigating options to expand its operations in Mosstodloch, including comprehensive flood solutions within its proposals and officers continue to liaise with the company.

#### Budgetary

- 5.18 Budget pressures have limited opportunities to further develop the portfolio in recent years. However, monies are allocated in the capital plan and COVID Economic Recovery monies are potentially now available. As such, officers are investigating the purchase and development of land to provide serviced sites and business units in Forres and Speyside.
- 5.19 A number of industrial portfolio developments were funded with assistance from the European Union. The audit processes for a number of the funding schemes have now been completed with the others are due to be complete in the next 2-3 years. As such, conditions attached to European funded projects will no longer apply. The UK Shared Prosperity Fund (due to be launched in April 2022) is intended to replace European Structural Funds. However, decisions on its detail have been delayed due to COVID. Officers will

continue to monitor developments on this and any other potential investment opportunities and replacement of European funding.

#### 2021/22 Projects

- 5.20 Monies have been allocated in the current capital programme to carry out condition surveys and for the refurbishment of the portfolio. The condition surveys were delayed due to the coronavirus, but are now progressing. Meantime officers have identified the following projects:-
- a) Fencing and gates to create yards at Rathven Industrial Estate, Buckie.
  - b) Various site works at Chanonry, Elgin.
  - c) Create additional car parking at Greshop Industrial Estate, Forres.
  - d) Road repairs at Greshop Industrial Estate, Forres.
  - e) Provide new roller door at Unit F Isla Bank, Keith.
  - f) Drainage works at Isla Bank, Keith.
  - g) Roof works at Isla Bank Mills, Keith.
  - h) Internal alterations to Unit A Balloch Road, Keith.

### **6. ANNUAL REVIEW**

- 6.1 A review of the portfolio has been carried out concluding that all the portfolio's constituent properties should be retained with the exception of the following properties:-
- Site at March Road West, Buckie – Disposal was approved in principle by this committee at its meeting on 10 September 2019 (para 8 of Minute refers). Following a public consultation the Economic Growth, Housing and Environmental Sustainability Committee at its meeting on 24 August 2021 (para 19 of Minute refers) approved the main terms of sale, subject to court consent being obtained for the sale of Common Good land.
  - 11 March Road East, Buckie. This property is leased out by way of a long ground lease and operated as a container self-storage facility. There is a small office store building on the site. The tenant has been granted permission to demolish the building to create space for additional containers.
  - Former Abattoir, 9 Linkwood Place, Elgin – this property is on the market for lease or sale as approved in principle by this committee at its meeting on 10 September 2019 (para 8 of Minute refers). Officers are in negotiations with an interested party and intend to report to committee as appropriate if provisional terms of sale can be agreed.
  - 6 March Road East, Buckie – this is a former fish-processing factory and is not ideally suited to most business needs (including the current tenant). The property is in need of significant investment and it is intended to explore options with the current tenant to facilitate its upgrading, whilst retaining ownership of the ground by way of a long lease. It would be intended to report to the Corporate Services Committee for approval if terms can be provisionally agreed.

## **7. SUMMARY OF IMPLICATIONS**

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

The management and development of the Industrial Portfolio supports the LOIP priority of “a growing, diverse and sustainable economy” as well as the priority of the Corporate Plan of promoting economic development and growth. It also accords with the aim of the Moray Economic Strategy of facilitating economic growth and diversification of the local economy.

### **(b) Policy and Legal**

The policy objectives of the industrial portfolio are as follows:-

- a) To maintain an adequate supply of affordable premises in appropriate locations within Moray;
- b) To minimise the number of vacant properties as far as is consistent with current market conditions; and
- c) To maximise overall rental income and thereby minimise the cost of the service.

### **(c) Financial Implications**

Gross rental income in 2020/21 was £1,940,000 and net rental income £1,334,000.

Revenue expenditure in 2020/21 was within budget. A number of revenue and capital works were delayed due to the coronavirus and £144,000 of capital has been carried forward into 2021/22. £255,000 is allocated in the 2021/22 capital plan for refurbishments and other industrial portfolio development works. Condition surveys will assist prioritising future refurbishment works and spend.

Looking forward, revenue expenditure on repairs and maintenance is forecast to be within the current budget of £70,185 in 2021/22.

Proposals for future years' capital developments will be taken forward through the Council's financial planning process.

### **(d) Risk Implications**

The main risks are detailed above in Section 5 of this report.

### **(e) Staffing Implications**

The Estates Team manages the Industrial Portfolio on behalf of the Council. Workload within the team is at capacity and timescales are having to be extended on priority tasks. Any expansion of the industrial portfolio would require additional staff resource.

Legal Services staff continue to be involved in formalising lease agreements and pursuing rent arrears where necessary.

**(f) Property**

The property implications are as detailed in this report.

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

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

**(h) Consultations**

The Head of Housing and Property Services, Paul Connor, Principal Accountant, the Design Manager, the Legal Services Manager, the Head of Development Services, the Equal Opportunities Officer and Lissa Rowan, Committee Services Officer have been consulted and their comments incorporated in this report as appropriate.

Discussions continue to take place regularly with Highlands and Islands Enterprise (HIE) and private sector developers to ensure a co-ordinated and complimentary approach to property provision. HIE concentrates on the provision of larger, higher specification/amenity properties, whereas the Council focuses on smaller more general industrial properties.

Officers continue to liaise regularly with private sector developers/providers of industrial property.

**8. CONCLUSIONS**

- 8.1 The Industrial Portfolio exceeded targets for rental income and occupancy in 2020/21.**
- 8.2 Many tenants have been adversely affected by the coronavirus and officers are continuing to work with them to try to mitigate the impact on tenants and the performance of the industrial portfolio.**
- 8.3 Opportunities to provide further serviced development sites in Forres and Speyside are being investigated.**
- 8.4 To ensure the portfolio continues to meet business needs a programme of works is in place to improve the condition of the Council's existing industrial buildings. The projects have been delivered within budget and ensure the Council's portfolio continues to meet business needs and support economic development in Moray.**
- 8.5 Officers will explore options to facilitate private investment in 6 March Road East, Buckie.**

Author of Report: Stuart Beveridge, Estates Manager  
Background Papers: None  
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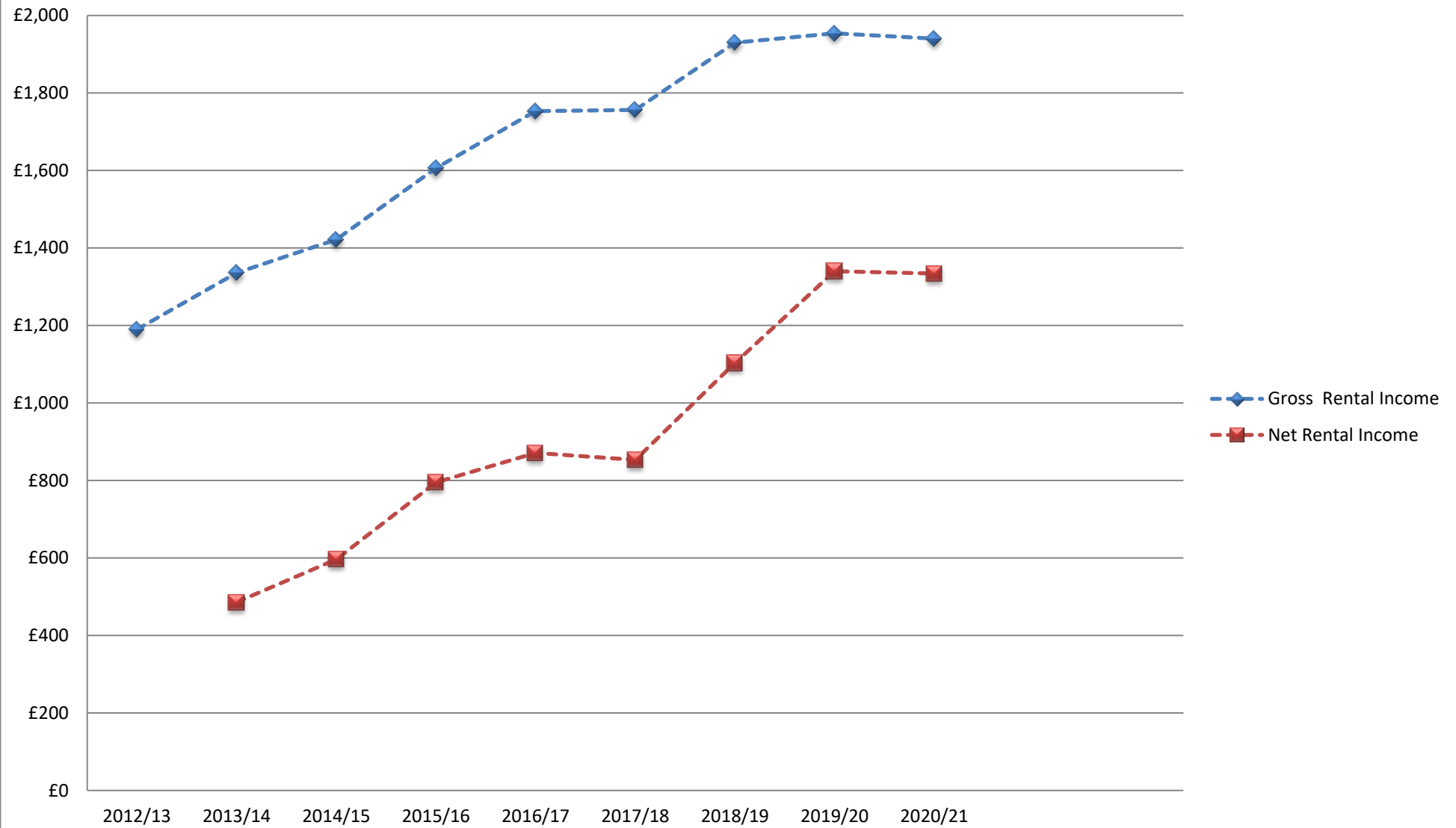


INDUSTRIAL PORTFOLIO ANNUAL REPORT  
ANALYSIS OF PORTFOLIO AS AT 12/09/2021

ALL INDUSTRIAL BUILDINGS			LET INDUSTRIAL SITES		FUTURE INDUSTRIAL DEVELOPMENT LAND	
Settlement	No.	Floor Area (m <sup>2</sup> )	No.	Total Area (Ha)	Serviced (Ha)	Unserviced (Ha)
Elgin	66	10,601	72	9.99	0.67	0.94
Forres	24	3,048	15	3.61	0.00	0.00
Buckie	20	2,896	9	2.18	8.97	7.96
Keith	38	11,155	11	1.41	0.54	1.84
Lossiemouth	13	1,394	9	0.97	0.00	0.00
Others	14	1,405	14	2.54	0.00	0.00
<b>TOTAL</b>	<b>175</b>	<b>30,499</b>	<b>130</b>	<b>21</b>	<b>10.18</b>	<b>10.74</b>



## Appendix II Rental Income





Annualised Rental Growth

APPENDIX III

