



MORAY COUNCIL

WEDNESDAY 13 MARCH 2019

SUPPLEMENTARY AGENDA

The undernoted Minutes have been added to the Agenda for the meeting of Moray Council to be held on Wednesday 13 March 2019 at 09.30.

BUSINESS

4c Minute of Special Meeting dated 27 February 2019

4d Minute of Special Meeting dated 04 March 2019

Members are also asked to note that the headings in respect of Agenda Items 4a and 4b should read:

4a – Minute of Meeting dated 23 January 2019

4b - Minute of Meeting of the Joint Consultative Committee dated 7 February 2019

Apologies for any confusion caused.

MORAY COUNCIL

Minute of Special Meeting of the Moray Council

Wednesday, 27 February 2019

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

PRESENT

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

APOLOGIES

Councillor Ray McLean

IN ATTENDANCE

The Chief Executive, the Corporate Director (Corporate Services), the Corporate Director (Economic Development, Planning and Infrastructure), the Chief Officer Health and Social Care, the Head of Legal and Democratic Services, the Head of Financial Services, the Head of Housing and Property, the Democratic Services Manager as Clerk to the Meeting.

ALSO IN ATTENDANCE

Maggie Bruce, External Audit

1 Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, the meeting noted the SNP Group and Conservative Group respectively had discussed the budget related report at Item 4 on the Agenda and had reached a mutual agreement as a group in regard to this. There were no other declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

2 Resolution

The Council resolved that, in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid

disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph Number of Minute	Paragraph Number of Schedule 7A and reason
7	1 Information relating to staffing matters
	11 Information relating to negotiations in connection with labour relations

3 Chair of Meeting

The Meeting was chaired by Councillor S Morrison.

4 2019-20 Budget 2019-22 Financial Plan

A report was submitted by the Corporate Director (Corporate Services) inviting the Council to set the level of Council Tax for 2019/20, to agree the Council's revenue and capital budgets for 2019/20 and to consider the Council's Financial Plan for 2019/209.

On the invitation of the Convener, Councillor Leadbitter in his capacity as Council Leader presented the proposed budget. He outlined the financial , policy and social demographic pressures being faced by the Council created by 10 years of the Government's austerity policy, the changing demographic with people living longer and requiring greater support from NHS and adult social care services and Moray's population growth in recent years due to the expansion of RAF Lossiemouth. He further stated that other challenging issues have been the lack of reserves to cushion budget impacts and the impact of BREXIT and the uncertainty about future budgets that brings.

He stated that since becoming Leader of the Council in June 2018 he has taken the argument for better funding arrangements, in particular the funding formula used, to COSLA and directly to Scottish Government Ministers and has been grateful for the support in that he has received from his SNP Administration colleagues and from other councillors who wish to see those changes.

In referring to savings and efficiencies he commended Council Officers in driving out efficiencies in services and their continuing efforts to deliver more for less. He acknowledged the role that communities and individuals are playing in running town halls, community centres and toilet facilities as well as getting involved in locality planning and in the recent campaign for more Fit Life Liesure services.

He acknowledged the cross-party working that has been ongoing with other Group Leaders and colleagues and whilst some of those discussions have been fairly intense, he reflected that the experience has been positive with a collective acknowledgement of the serious financial challenge facing the Council and a collective will to get it sorted.

Prior to addressing the budget proposals in detail, Councillor Leadbitter sought the agreement of the Council to set the level of council tax and moved approval of recommendation 2.1(i) of the report that the Council agree to an increase of 4.79% on Council Tax for 2019/20. Councillor Bremner seconded the motion.

There being no one otherwise minded this was unanimously agreed.

In addressing the budget proposals in detail Councillor Leadbitter referred to the budget pressures as detailed in Appendix 2 of the report referring in particular to the pressures relating to Health & Social Care; Integrated Children's Services; Education, notably school roll and class contact hours'; Pension Scheme and Waste Management & Recycling costs, amounting in total to £5.153M and moved that the Council agree recommendation 2.1(ii) and agree the provision of £5.153M for budget pressures as outlined in Appendix 2 of the report. Councillor Warren seconded the motion.

There being no one otherwise minded this was unanimously agreed.

In referring to the approach taken to identify savings he stated that along with other political groups in the Council the Administration had worked to protect statutory services notably in Education and Children's Services and also investment in new housing to address the substantial demand for affordable housing. He stated that throughout the process as many stones as possible have been turned over and this has resulted in getting to the position swimming pools can be protected from closure the Active Schools Programme can be maintained. In addition it is possible to reduce the percentage increase for music instruction charges to 10% and to keep libraries open albeit there will be a reduction in hours.

Following discussions with other Councillors, Councillor Leadbitter invited the Council to accept a proposal made by Councillor Ross to retain all of the remaining council run public toilets for a further year and in response to a proposal by the Conservative Group to agree to reduce the percentage increase of Leisure Harbour fees to 5%.

In referring to the use of reserves and the agreement in January 2019 that it would be reasonable in the circumstances to reduce the level of reserves to £4.3M with a view to getting them back up to a level of £5M as soon as possible, he moved that the Council agree recommendation 2.1(v) for the use of reserves of up to £3,312M to balance the budget. Councillor Coull seconded the motion.

There being no one otherwise minded this was unanimously agreed.

Thereafter in referring to the initial budget proposals previously ratified by the Council in December 2018 and the Council decision in January 2019 to progress a further range of proposals he moved the Council approve recommendation 2.1(iii) as detailed in the report and approve the savings previously agreed for consultation which were set out in Appendix 3a of the report. Councillor Bremner seconded the motion.

There being no one otherwise minded this was unanimously agreed.

In conclusion Councillor Leadbitter stated that he was very grateful to his Administration Group colleagues, the Council's Management Team who put in many hours of work to address these financial challenges and to the public for the messages of support, innovative ideas and questions that have been posed. He stated that he was especially grateful to the staff, who are working in particularly challenging circumstances and to the staff who have collectively given many years of services but for whom those changes mean they will no longer be employed by the Council. Thereafter he recommended the SNP Administration Group budget proposals and moved that the Council approve recommendation 2.1(iv) to agree the

additional savings totalling £2M as set out in Appendix 3b of the report including the additional changes as previously stated.

Councillor Eagle stated that this was a very difficult time for Moray and all Members felt the effects of the budget on communities. The savings being proposed would undoubtedly impact on all and the Council needed to ensure the very best partnership working it can with individuals, groups and organisations throughout Moray to ensure where possible we mitigate the consequences of these savings. He acknowledged the great work that many of Moray's communities already do and urged as many as possible to come forward to help develop our communities in the future. In referring to the modernisation programme Councillor Eagle stated that all Councillors and Officers were working towards this long term programme to create a prosperous future for Moray and it was imperative to move this forward at speed over the next 12 months. He welcomed the cross party working which is taking place and welcomed constructive dialogue moving forward. He thanked staff for their help during this process. In conclusion he stated that none of the Conservative Group nor indeed any others would have wanted to make the choices they have had to consider this year and that these are not a reflection on the great work staff do but are based on a bad financial situation that the Council is working to move away from. With transparency and open communication with communities Councillor Eagle expressed his strong belief that Moray can move forward from this dark time to a much brighter future

In seconding the motion Councillor Alexander stated that it came as no surprise to him that the budget was as awful as it was as it has been known for the last 3 to 4 years that this would be a very difficult budget. He stated that it has been encouraging to see over the past six months how well Councillors have managed to work together. He stated that the public must be assured of steadfast leadership and recognise at a council level there is so much more that unites than divides. In referring to the previous months and the proposals that have been tabled then removed, he was of the opinion that the public cannot accuse Councillors of not listening but must also realise that not everything can be taken on board. He referred to the risks associated with some of the proposals and reiterated the need for the community to support them. In seconding the motion he asked that the cross party working become stronger going forward.

There being no one otherwise minded the Council unanimously agreed recommendation 2.1(iv) and approved the additional savings totalling £2,101,000 as listed in APPENDIX 3b, subject to consultation for savings marked c, including the following additional changes:

- a) No library closures, reduction in hours only (subject to consultation)
- b) Retention of all public toilets for a further year;
- c) Reduce increase of Leisure Harbour Fees to 5%, and
- d) Reduce increase of Music Instruction fees to 10% (to be funded by reducing the budget pressure for out of area placements).

Thereafter the Council further agreed:

- i) Capital expenditure for 2019/2020 as set out in the indicative ten year Capital Plan in APPENDIX 4 and described in APPENDIX 5 of the report;
That preliminary work to revert to capital expenditure based on asset
- ii) management principles rather than Make Do or Mend is commenced, with a view to implementing this in full by 2022/23;
Charges for harbours, leisure facilities and burial grounds, which form part of
- iii) the proposed / agreed savings as listed in APPENDIX 6a, APPENDIX 6b and APPENDIX 6c of the report respectively;

- iv) Not to lift residual (green) bins containing garden waste, in line with the existing refuse collection policy as it relates to contamination in recycling waste bins;
- v) To join the Digital Office to support the development of digital services in Moray, and
- vi) Promotion of e-billing for Council Tax as described in paragraphs 5.2.14 and 5.2.15 of the report.

The Council also further agreed to note:

- vii) The conditions placed on the council in terms of the settlement letter from the Cabinet Secretary for Finance and the Constitution;
That the budget is based on the figures issued by the Scottish Government in December 2018 and January 2019 and that the council's budget will be
- viii) amended to reflect any changes made by the Scottish Parliament when the Scottish budget is approved; and
that the Chair of Moray Integration Joint Board (MIJB) has written to the Chief
- ix) Executive formally notifying him that MIJB anticipates an overspend of £1.5 million in 2018/19, which falls to be part-funded by the council.

5 Treasury Management Strategy Statement and Prudential Indicators

A report was submitted by the Corporate Director (Corporate Services) asking the Council to approve the Treasury Management Strategy and the Investment Strategy for 2019/20 and to approve the indicators which will be used to measure the Council's performance in capital investment decisions.

Following consideration the Council agreed:

- (i) the Treasury Management Strategy Statement for 2019/20;
- (ii) the Investment Strategy for 2019/20 as outlined in Appendix 1 of the report;
- (iii) the Prudential Indicators and Limits for 2019/20 as outlined in Appendix 3 of the report, and
- (iv) to note the indicative Prudential Indicators and limits for 2020/21 and 2021/22.

6 Housing Revenue Account Annual Budget 2019

A report was submitted by the Corporate Director (Economic Development, Planning and Infrastructure) asking the Council to approve the Housing Revenue Account (HRA) Budget and Housing Investment Plan for 2018/19 for approval.

Councillor Laing, in her capacity as Chair of the Communities Committee, presented the HRA Budget stating that due to a number of factors as outlined in the report no rent increase is proposed for 2019/20 and that the main areas of revenue expenditure will continue to be in repairs and maintenance, financing costs and staffing. The use of capital from current revenue (CFCR) will continue to play an important role in helping the Council to reduce its borrowing costs with £3.7million set aside within this budget for this purpose. Councillor Laing further stated that capital investment for the year ahead is projected at £23 million, £17 million of that to be invested in new build housing with the remainder to be spent on planned maintenance and improvements such as new heating systems, kitchen replacements

and new door and windows which reflects the priorities identified by tenants. Councillor Laing further stated that a review of the Housing Business Plan will be completed in 2019 which will ensure that the Council's housing activities remain fundable and affordable and will consider current and future risks and also future rent levels. In conclusion Councillor Laing commended the work of the Housing Team in producing the HRA Budget.

Following consideration the Council agreed:

- (i) the proposed HRA Budget (APPENDIX I of the report) and Housing Investment Plan (APPENDIX II of the report);
- (ii) no council house rent increase for 2019/20;
- (iii) that garage site rents are increased by 7% (this is a two yearly increase);
- (iv) service developments at a cost of £39k;
- (v) that grass cutting charges are increased by 3.5%; and
- (vi) to note the three year projection to 2022 (APPENDIX III of the report) which includes all of the above, (i) through to (v).

7 Budget 2019-20 - Workforce Implications [Paras 1 and 11]

A report was submitted by the Corporate Director (Corporate Services) asking the Council to consider applications under the terms of the agreed Voluntary Severance (VS) and Voluntary Early Retirement (VER) Schemes as contained in Appendix A of the report.

Prior to consideration of this item a revised Appendix A containing a list of applications was circulated which reflected the changes arising from the earlier budget decisions.

Following consideration the Council agreed to approve the applications for VER and VS contained within the revised Appendix A of the report.

MORAY COUNCIL

Minute of Special Meeting of the Moray Council

Monday, 04 March 2019

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

PRESENT

Councillor George Alexander, Councillor James Allan, Councillor David Bremner, Councillor Theresa Coull, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Lorna Creswell, Councillor John Divers, Councillor Tim Eagle, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Louise Laing, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Maria McLean, Councillor Shona Morrison, Councillor Amy Taylor, Councillor Sonya Warren

APOLOGIES

Councillor Frank Brown, Councillor John Cowe, Councillor Ryan Edwards, Councillor Graham Leadbitter, Councillor Ray McLean, Councillor Derek Ross, Councillor Ron Shepherd, Councillor Walter Wilson

IN ATTENDANCE

The Corporate Director (Economic Development, Planning and Infrastructure), the Head of Direct Services, the Legal Services Manager, Mr Paul Connor, Principal Accountant and the Democratic Services Manager as Clerk to the Meeting.

1 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.

2 Resolution

Prior to agreeing the resolution Councillor Gatt stated that he wished to highlight as a matter of public record, that Aberdeen City Council and Aberdeenshire Council had their report and Appendices A, C and E in public and therefore he wished to politely condemn Moray Council for excessive secrecy when, in his opinion, there was no need.

In response the Legal Services Manager advised that there had been discussions as Moray Council had been working jointly with both these Councils, however it was considered there are inherent difficulties in splitting the report between the open and confidential sections as it does lead to some confusion and the need to stop debate because it has crossed into an Appendix that is in the confidential section due to them being integral parts of the report and therefore the view was taken that it would

be more appropriate to take the entire matter in confidence and to then agree an appropriate press release, in discussion with Aberdeen City and Aberdeenshire Councils, following the meeting in order to allow full discussion and no confusion considering that there are matters which should remain in confidence.

Councillor Feaver stated that whilst she appreciated the advice given, the wording in the reports from Aberdeen City and Aberdeenshire Councils was almost identical to the wording in the Moray Council report other than what is specific to Moray with percentages replacing figures giving the public information that shows that the council is dealing with a major project. She further stated that in her opinion if Aberdeen City and Aberdeenshire Council can manage to split the report between the open and confidential sections, Moray Council can manage that also and would hope that in the future the council looked at how reports are presented without in her opinion such excessive secrecy which was not good for democracy.

Thereafter Council resolved that, in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph of Minute	Number	Paragraph Number	reason	of Schedule 7A and
3	8		Information relating to the amount of expenditure proposed to be incurred by the Authority	
	9		Information on terms proposed or to be proposed by or to the Authority.	

3 Chair of the Meeting

The meeting was chaired by Councillor S Morrison.

4 Joint Energy from Waste Project (Contract Award and Inter Authority Agreement) [Paras 8 and 9]

A report was submitted by the Corporate Director (Economic Development, Planning and Infrastructure) informing the Council of the outcome of the OJEU procurement exercise for the proposed Energy from Waste Facility at East Tullos and seeking authority to proceed to contract award with the preferred bidder, and enter into the associated Stage 3 Inter Authority Agreement (IAA3) with Aberdeenshire Council and Aberdeen City Council.

Following consideration the Council agreed:

Contract Award

1. agrees the award of the Ness Energy Project Residual Waste Treatment contract (the "Project Agreement") for the implementation of the Project with the preferred bidder in terms of the draft Project Agreement issued to the bidder immediately prior to submission of final tenders together with such minor amendments as the Project Board may agree are:

- i) necessary to contractualise the preferred bidder's method statements, or
- ii) otherwise acceptable to the Project Board and are permitted under procurement law.

2. that pursuant to section 56 of the Local Government etc. (Scotland) Act 1973, that Aberdeen City Council shall discharge the functions of Aberdeenshire Council and Moray Council as a Waste Disposal Authority (WDA) within the meaning of the Environmental Protection Act 1990 in so far as they relate to the Project and the Facility and in accordance with the Project Agreement and the Inter Authority Agreement.

3. to grant delegated authority to the Corporate Director (Economic Development, Planning and Infrastructure) or her designated substitute as its current representative on the Project Board to approve or reject the recommendations put to the Project Board associated with recommendations 1 and 2 above subject to the execution of the Inter Authority Agreement by Moray Council, Aberdeenshire Council and Aberdeen City Council as per recommendation 6 below.

Finance

4. to note that the Council's share of the capital investment related to the Project Agreement as stated in the Principles of the Stage 3 Inter Authority Agreement ("IAA3 Principles") included at Appendix D can be met from the capital budget and approves the total estimated capital expenditure being the sum identified as the investment subtotal for Moray Council in Appendix F of the report.

5. to note the EfW Cost Model included in Appendix F and instructs the Chief Officer – Finance to incorporate the impact of the operating cost and the revenue share sub-totals into the Council's future revenue budget planning.

Governance

6. to grant delegated authority to the Corporate Director (EDIS) or her designated substitute as its current Representative on the Project Board to approve the terms of an Inter-Authority Agreement based on the IAA3 Principles included at Appendix D.

7. to note Aberdeen City Council has the lead authority to carry out the external procurement of advisors.

8. to appoint for the Works and Services Period, the Head of Direct Services as the Council's Representative on the Project Board; and in his absence appoints the Environmental Protection Manager, or such other officer as the Head of Direct Services may nominate from time to time, to act as the Council's alternate Representative on the Project Board during the Services Period.

9. grant delegated authority to the officer from time to time acting in the capacity of the Council's Representative or alternate Representative on the Project Board, to take the decisions, issue the instructions, and undertake the functions stated in the column headed "Project Board" in Annex 1 (Governance Matrix) of the IAA3 Principles included at Appendix D to this report.

10. to the continued role of the Joint Members Energy from Waste Engagement Group.

Collaborative Working

11. to instruct the Head of Direct Services to collaborate with the relevant officer(s) in Aberdeenshire Council and Aberdeen City Council to identify a sustainable solution which will allow items that do not meet the waste acceptance protocol to be either diverted for reuse/recycling or treated in order to be acceptable at the Facility.

12. to note that officer of Aberdeen City Council are concluding a business case for a district heating scheme in the vicinity of the Facility and this will be presented to its members at the next appropriate committee following the conclusion of a heat off-take heads of terms.

General

13. to note that a similar paper was being put to Aberdeen City's Full Council on 4 March 2019 and Aberdeenshire Council's Full Council on 7 March 2019 and that implementation of all the recommendations above will be subject to similar approval by Aberdeen City Council and Aberdeenshire Council.