



Economic Growth, Housing and Environmental Sustainability Committee

Tuesday, 01 December 2020

SUPPLEMENTARY AGENDA

The undernoted reports have been added to the Agenda for the meeting of the **Economic Growth, Housing and Environmental Sustainability Committee** to be held at **remote locations via video-conference**, on **Tuesday, 01 December 2020** at **09:30**.

BUSINESS

- | | |
|---|----------------|
| 5a) Capital Plan 2020-21 | 3 - 22 |
| Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 5b) Economy, Environment and Financial Service Plans 2020-22 | 23 - 64 |
| Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 5c) Offshore Wind Cluster Funding Request | 65 - 70 |
| Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 5d) Economic Recovery Plan - Local Development Plan Delivery Programme | 71 - 76 |
| Report by Depute Chief Executive (Economy, Environment and Finance) | |

5e) Strategic Housing Investment Plan (SHIP) 2021-2022 - 77 - 82
2025-2026

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



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 1 DECEMBER 2020**

SUBJECT: CAPITAL PLAN 2020/21

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

1. REASON FOR REPORT

- 1.1 To advise the Committee of the expenditure to 30 September 2020 under the capital plan for financial year 2020/21 and of estimates of projected expenditure profiled into quarters.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) considers and notes expenditure to 30 September 2020 of £10,884,000;**
- (ii) considers and notes the current projected expenditure of £42,731,000 for 2020/21 profiled into quarters in light of the caveat in paragraph 5.1;**
- (iii) considers and notes the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2;**
- (iv) considers and notes the projected overall expenditure for services which would normally report to Economic Development and Infrastructure Committee, as set out in APPENDIX 3; and**

- (v) **approves amendments to the 2020/21 and 2021/22 capital plan as summarised in section 5.24 and 5.33.**

3. BACKGROUND

- 3.1 The capital plan for 2020/21 of £42,319,000 was approved by a meeting of Moray Council on 3 March 2020 (paragraph 2 of the minute refers). Amendments approved by the Council at the meeting of the Emergency Cabinet on 1 July 2020 (paragraphs 3c and 3e of the minute refer), and at the meeting of this Committee on 6 October (paragraph 18 of the minute refer) have been incorporated to give a current approved capital plan for 2020/21 of £48,979,000. The current projected expenditure is £42,363,000.
- 3.2 Regular monitoring reports are provided to Economic Growth, Housing and Environmental Sustainability Committee or to Council showing expenditure to date for each project and details of capital receipts received. Policy and Resources Committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report "Major Capital Investment in Councils" (paragraph 7 of the Minute refers). Accordingly this report includes a separate **APPENDIX 2**, giving details of expenditure on projects which span more than one financial year.

4. CAPITAL PLAN 2020/21

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 30 September of £10,884,000. This is just over 22% of the currently approved Capital Plan, reflecting a very low level of activity during the lockdown period. Capital receipts of £712,000 from sale of assets are identified along with General Capital Grant of £3,995,000 from the Scottish Government. Specific Capital Grant in respect of the expansion of Early Learning and Childcare of £1,906,000 from the Scottish Government. Developer Contributions of £97,000 have been received in quarter 1 of this financial year.
- 4.2 Expenditure on land and buildings to 30 September totals £7,901,000. The major items of expenditure are £3,917,000 for the new Lossiemouth High School, £1,502,000 for the new Linkwood Primary School and £450,000 on the expansion of Early Learning and Childcare, mainly at Cullen. The expansion of Early Learning and Childcare projects are funded by capital grant received from the Scottish Government. Expenditure of £301,000 has been incurred for the construction of a new cell at the Dallachy Landfill Site and £1,281,000 for the Council's contribution to the construction of the NESS Energy from Waste plant.
- 4.3 Expenditure on infrastructure assets to 30 September totals £751,000. The main items of expenditure were £336,000 on carriageway resurfacing projects and £187,000 on work on Craigellachie Bridge on the A941.

- 4.4 Expenditure on vehicles, plant and equipment to 31 August totals £2,232,000. The major items are £755,000 on the vehicle replacement programme, £196,000 on a replacement baler and £235,000 for a replacement green waste shredder, both for the Moycroft recycling centre. There was also spend of £703,000 on ICT projects, £459,000 is spend associated with the response to the Covid-19 pandemic, and £244,000 on planned projects.
- 4.5 This report includes the capital monitoring for services that would normally be reported to Economic Development and Infrastructure Committee as **APPENDIX 3** to this report.

5. **PROJECTED OUTTURN**

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

Risk Status	RAG	No of Projects	Projected Expenditure 2020/21 £000
High confidence of spend to estimate	G	74	25,245
Medium confidence of spend to estimate	A	6	12,146
Low confidence of spend to estimate	R	29	5,340
		108	42,731

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

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

Description	Paragraph	Underspend (Overspend) £000
Land & Buildings		
Lossiemouth High School	5.3	2,559
Findrassie Primary School	5.5	350
Legionella Works – Schools	5.6	15
Fire, Safety & Security Minor works – Schools	5.7	50
4 Schools Refurb	5.8	(32)
Moray Growth Deal	5.9	250
Car Parks	5.10	329
Dallachy Landfill Site	5.11	52
NESS Energy from Waste	5.12	985

Description	Paragraph	Underspend (Overspend)
Upgrade Recycling Centre Facilities	5.13	77
Industrial Portfolio – Serviced Sites	5.14	24
Cemetery Provision in Moray	5.15	5
Depots	5.16	(1)
Legionella and Fire Risk Assessment Upgrades – Corporate	5.17	35
Town Centre Fund Initiative	5.18	275
Infrastructure		
Road Safety – New Road Signs & Markings	5.19	25
Road Safety Barrier Provision	5.20	89
Road Safety Provision	5.21	38
Street Lighting – Replace Columns & Lights	5.22	500
Findhorn Flood Alleviation	5.23	(499)
Harbours – Findochty Pontoons	5.24	300
Vehicles, Plant & Equipment		
Moray Leisure Centre Combined Heat Power	5.25	(231)
Moray Leisure Centre Gym Upgrade	5.26	(7)
Vehicle Replacement Programme	5.27	1,000
Traffic Signal Replacement	5.28	220
Upgrade Recycling Centres	5.29	275
Materials Recovery Facility (MRF) Relocation & Replacement Baler	5.30	(15)
Pilot Boat Replacement, Buckie	5.31	20
Corporate Office Furniture	5.32	5
TOTAL		7,693

Land and Buildings

- 5.3 **Lossiemouth High School** – The underspend on the project this year is due to the effects of the Covid-19 outbreak. The site was closed between 27 March and 15 June in compliance with the Scottish Government guidelines. When the site was re-opened productivity was reduced in order to comply with the Scottish Government's social distancing guidelines. The site closure has impacted on the overall completion date of the build and therefore there has been a knock on effect to the completion dates of the project. The expected completion date of Phase 1 (handover of the new school) is February 2021 and this now means that the expected completion date of Phase 3 (demolition of the existing school, construction of 3G pitches and landscaping works) is February 2022 and it is requested that the underspend of £2,559,000 is carried forward to cover costs which will now be incurred in 2021/22. An additional costs claim submitted by the contractor has been scrutinised by Hub North Scotland's appointed quantity surveyor Currie and Brown and moderated downwards. The majority of these 'anticipated' costs are for the prolongation period of the project and the extended timescales to complete aspects of the work due to new social distancing guidelines and actual costs will depend on progress achieved throughout the remainder of the contract period. Also included are the costs for hire of additional welfare and toilet facilities and additional cleaning. All costs submitted have been reviewed in line with the prelim workbook agreed within the original contract. Negotiations

are currently underway to assess whether the Scottish Government will provide additional funding to meet these additional costs.

- 5.4 **Linkwood Primary School** – The Covid-19 pandemic has impacted on the completion date of this project. The school will complete in November 2020 and the retention payment should be released 12 months later in November 2021. The Additional costs submitted to date by the contractor have been scrutinised by Hub North Scotland's appointed quantity surveyor Currie and Brown and moderated downwards. The majority of these costs are for the prolongation period of the project and the extended timescales to complete aspects of the work due to new social distancing guidelines and actual costs will depend on progress achieved throughout the remainder of the contract period. Also included are the costs for additional hire of welfare and toilet facilities and additional cleaning. Negotiations are currently underway to assess whether the Scottish Government will provide additional funding to meet these additional costs.

The developer had obligations through the Section 75 agreement to provide a serviced site prior to construction commencing on the Linkwood Primary school build. The site was not fully serviced when construction works commenced and consequent additional costs incurred to date are included in the costs incurred on the project. Discussion about recovery of these costs from the developer is ongoing.

- 5.5 **Findrassie Primary School** – At the special meeting of the Moray Council on 9 October 2020 (paragraph 4 of the minute refers) Council approved that a new Primary School at Findrassie would be the priority project submitted to the Scottish Government Learning Directorate for funding through the Learning Investment Programme (LEIP). The application has been made and preparations are underway to begin the consultation. Design work is planned on the new school following this consultation and it is therefore requested that the underspend of £350,000 be carried forward to 2021/22 to enable this work to be progressed for construction to begin in 2022/23.

- 5.6 **Legionella Works Schools** – The programme of works was put on hold following the instruction to cease non-essential expenditure to help mitigate the financial impact of the Covid-19 pandemic. The water dispenser replacement programme has been suspended for 2020/21. This is not a high risk/essential spend item as water dispensers with mains water outlets have been replaced at a number of locations over the past two years. This was instigated as the current systems were highlighted as a risk of stagnant water, although not a Legionella risk when there is no 'aerosol' created. The project focuses on removal of all stored water dispensers and replacement with drinking water taps with short direct connection to mains water. This arrangement eliminates future risk and ongoing cost. Most of this work is carried out during summer holidays, which couldn't happen this year when schools were committed to Covid safe distancing preparations in readiness for re-opening or being used for childcare provision for key workers. The budget in 2020/21 is recommended to be reduced by the projected underspend of £15,000.

- 5.7 **Fire, Safety and Security Minor Works Schools** – This programme of works was delayed due to the lockdown restrictions put in place as a result of the Covid-19 Pandemic which meant that schools were closed or open for childcare provision which also precluded works being carried out. The easing of these restrictions and the opening of schools has seen a shift of emphasis towards external fabric work and work to ensure that the schools can open safely. It is requested that the projected underspend of £50,000 in 2020/21 be carried forward to 2021/22 to allow postponed projects to be completed.
- 5.8 **4 Schools Refurb** - Expenditure on repairs to sports halls floor coverings at two of the primary schools has been coded to the 4 schools project. Accountancy are trying to establish whether this can be properly capitalised. At present it is shown as an overspend on the capital programme.
- 5.9 **Moray Growth Deal** – The Heads of Terms for the Moray Growth Deal was signed by both UK and Scottish Governments on 14 August 2020, which has indicated a level of support for the projects and gives us the confidence to progress the business cases and incur the additional works required to inform the business cases. The projects that are being progressed this financial year are:
- Cultural Quarter Project – detailed design work for Grant Lodge and Elgin Town Hall, associated pedestrian crossing improvements, associated public art works and improvements to Cooper Park.
 - Housing Mix Delivery – first phase design Dallas Dhu, Forres Housing Development.
- It is requested that the projected £250,000 underspend be carried forward to complete the committed projects. Separate reports on each project will be brought to members for scrutiny.
- 5.10 **Car Parks (Replace Waterproofing and Expansion Joints)** – None of the £329,000 budget for this project has been spent so far in 2020/21. Work on Batchen Lane has been delayed due to Covid and to tender it now would risk delays during construction due to winter weather. This work is now to be tendered in January and the work undertaken and completed in quarter 1 of 2021/22 and it is therefore requested that the underspend be deferred to 2021/22 to cover these costs.
- 5.11 **Dallachy Landfill Site** – Included within this budget is an allowance of £52,000 for the purchase of cover materials. In general, the volume of waste being landfilled has decreased and it is anticipated that this will continue. However, fluctuations are possible. Lower volumes of material being landfilled has a positive impact on the volumes of cover material required for end of day processes therefore reducing the financial burden associated. It is not anticipated that this budget will be required during 2020/21 so it is requested to carry forward this amount to 2021/22 to cover any future purchases required.
- 5.12 **NESS Energy from Waste** - The impact of Covid-19 has been to delay the project with work on site having to be suspended during the early stages of the pandemic. As a result of the initial lockdown due to the Covid-19 pandemic, there will be additional costs to be borne by the Local Authority partners. However, these are currently subject to commercially confidential

negotiations and final agreement by the Project Board; in the meantime it is requested that the phasing be adjusted, with £985,000 deferred from 2021 to 2021/22.

- 5.13 **Upgrade Recycling Facilities** – A new booking system was implemented across all Moray Council operated Household Waste Recycling Centres (HWRCs) in accordance with offering a safe and manageable service for site users and staff. It was originally introduced to ensure the Council could offer the service whilst adhering to the relevant Covid-19 government guidance, However, since then it has been noted that the booking system has relieved the Health and Safety concerns associated with Chanonry HWRC in Elgin. The site is very constrained and the previous lack of control over the volume of site users caused concerns which were the driving force behind finding a suitable replacement site. As a result of this the decision was been made at a meeting of this Committee on 6 October 2020 (paragraph 18 of the minute refers) to discontinue the work associated with the feasibility study for a new site in Elgin, therefore there are no plans to spend the budget of £77,000 against this project.
- 5.14 **Industrial Portfolio Serviced Sites (Elgin)** – This budget is to cover the removal of unsuitable materials from a site at Chanonry Road South and thereafter to upfill the site. The project was delayed by the late withdrawal from lease negotiations of a prospective tenant. The site was then identified as being potentially suitable for an operational purpose and was held whilst the proposed project was investigated. Following the investigations an alternative service solution was pursued and the site is now back on the market for lease. A number of firm interests in various parts of the site have been expressed and officers are liaising with the parties in question to try and accommodate as many as possible. It is requested that the £24,000 budget be carried forward to 2021/22 so this work can be carried out.
- 5.15 **Cemetery Provision in Moray** – Work on this project has been delayed due to the impact of the Covid-19 pandemic. It is requested that the projected underspend of £5,000 is carried forward to 2021/22.
- 5.16 **Depots** – Spend in this year is the residual balance of work previously carried out on the Ashgrove Depot.
- 5.17 **Legionella & Fire Risk Assessment Upgrades Corporate** - Work on this programme was put on hold following the instruction put a hold on non-essential expenditure to help mitigate the financial impact of the Covid-19 pandemic. As with the schools programme, this is not deemed to be a high risk spend item as water dispensers have been replaced at various locations over the past 2 years. Consequently it is recommended that the budget in 202/21 is reduced by the projected underspend of £35,000.
- 5.18 **Town Centre Initiative Fund** – This is 100% funded by Scottish Government grant. Due to Covid-19 all Town Centre Initiative Fund work had come to a halt with some of the projects still experiencing delays in starting up again. It is currently anticipated that around six projects will spend their allocated funding in the next year and it is requested that the projected underspend of £275,000 be carried forward to 2020/21 to enable them to be completed.

Scottish Government have relaxed the time limits for the grant funding this initiative to enable work to be completed in 2021/22.

Infrastructure

- 5.19 **Road Safety New Road Signs and Markings** – Lining works can only be undertaken during summer months, and was unable to happen this year due to the lockdown restrictions imposed as a result of the pandemic. The contractors that would be used to undertake this work are not yet fully operational following the Covid-19 lockdown so no work will be carried out in this financial year. It is therefore requested that the underspend of £25,000 be carried forward to allow this work to be carried out in 201/22.
- 5.20 **Road Safety Barrier Provision** – Covid-19 and a shortage of trained staff has resulted in no works on vehicle restraints systems being undertaken this year. When training courses resume the service will train up the staff needed to undertake this work and it is therefore requested that the projected underspend of £89,000 be carried forward.
- 5.21 **Road Safety Provision** – Only six months was available to carry out work during 2020/21 and therefore a reduced number of schemes were implemented, resulting in a projected underspend of £38,000. It is therefore requested that this be carried forward to 2021/22 to allow projects to be advanced.
- 5.22 **Street Lighting Replacement Columns and Lights** – This programme has seen delays due to the Covid-19 pandemic as the number of staff in work was reduced due to the lockdown restrictions and, even with the easing of restrictions, only 50% of staff are currently allowed on construction sites. The projected outturn is assuming that approval will be given in the next 6 months to move to the next stages of the construction sector re-start plan and will result in an underspend of £500,000.
- 5.23 **Findhorn Flood Alleviation** – Expenditure of £10,000 has been incurred relating to outstanding land compensation claims, with another £489,000 projected to be paid before the end of the financial year. The budget for this is held in future years and it is recommended that budget of £499,000 is brought forward to 2020/21 to match the expenditure incurred.
- 5.24 **Findochty Pontoons** – Work will not be undertaken on this project this year due to delays associated with the Covid-19 pandemic. It is therefore requested for the budget to be deferred to 2021/22 to allow the work to be undertaken. The budget for 2020/21 was set at £300,000 based on indicative quote information sought at the time of budget setting. The project has now been out to tender and the full tender prices received are higher than the budget of £300,000, and the project will require a budget of £500,000 in order to renew the pontoons at the same capacity as the life expired assets. It is therefore requested that the budget is increased in order to allow the renewal project to be carried out. Without asset renewal it remains the case that there will not be the ability to provide income generating berths in the harbour.

Vehicles, Plant and Equipment

- 5.25 **Moray Leisure Centre Combined Heat Power** – The unused budget for Moray Leisure Centre's Combined Heat and Power unit was inadvertently not identified as a carry-over from 2019/20 and incorrectly released. The overspend in this area is a result of this omission but expenditure is within the original budget for the project.
- 5.26 **Moray Leisure Centre Gym Upgrade** – Work has been carried out to upgrade the gym facilities in the Leisure Centre. The Council has stopped the capital element of its grant to Moray Leisure Ltd in order to fund these works.
- 5.27 **Vehicle Replacement Programme** – Vehicle factories across the world have been closed during the Covid-19 lockdown so levels of spend will be dependent on how backlogs of work are dealt with. The service has also been slow to respond to requests for replacement vehicles as Fleet Management resources have been diverted elsewhere to assist with the response to the pandemic. It is requested that £1,000,000 be deferred to 2021/22 to enable Fleet Management to action requests for replacements timeously and process the backlog of requests. Timeous replacement of vehicles is a key feature of the Fleet Asset Management Plan and assists to minimise downtime and running expenses.
- 5.28 **Traffic Signal Replacement** – This project is to replace signals at A940/Orchard Road in Forres which was unable to progress due to the pandemic lockdown restrictions. The crossing is on a school route and, due to the significant disruption that would be caused, it has been planned for the summer holidays in 2021. It is requested that the budget of £220,000 be carried forward to allow this to happen.
- 5.29 **Upgrade Recycling Centres** – This budget relates to upgrades at Gollachy HWRC. Due to lockdown restrictions work has been unable to progress so it is requested that the budget of £275,000 be deferred to 2021/22 to enable the upgrade works to be completed.
- 5.30 **MRF Relocation and Replacement Baler** – There has been an overspend of £15,000 due to alterations required by Council Health and Safety staff and contractor observations during the refit at Moycroft Waste Transfer Station. The alterations were made in order to enhance safety measures around the hopper which feeds the materials onto a shaker plate before the first picking line. The MRF Relocation and Replacement Baler are both essential components of the Moycroft re-development. Completion of the project (inclusive of the highlighted amendment) was vital in order for the service to handle recycling materials and process them in the most financially effective way for the Council as the MRF enables metal, aluminium and plastics to be extracted from the waste in the purple recycling bins, which is then sold to various companies. If the MRF was not operating then the material would not be able to be separated and would, therefore, not be able to be sold.
- 5.31 **Pilot Boat Replacement Buckie** – During the process of procuring a new pilot boat the regulations changed and additional information had to be provided in order to meet the requirements. Then the Covid-19 lockdown happened and in this intervening period alternative vessels came on the market which had the potential to provide better value for money. The

purchase price of the replacement boat chosen is less than the original one sourced, hence the underspend of £20,000 on this project.

5.32 **Corporate Office Furniture** - Work on this programme was put on hold following the instruction put a hold on non-essential expenditure to help mitigate the financial impact of the Covid-19 pandemic. An underspend of £5,000 is projected at this stage and it is recommended that the budget for 2020/21 is reduced accordingly.

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

Project	Paragraph	2020/21 £000	2021/22 £000
Land and Buildings			
Lossiemouth High School	5.3	(2,559)	2,559
Findrassie Primary School	5.5	(350)	350
Legionella Works – Schools	5.6	(15)	-
Fire, Safety & Security Minor Works – Schools	5.7	(50)	50
Moray Growth Deal	5.9	(250)	250
Car Parks	5.10	(329)	329
Dallachy Landfill Site	5.11	(52)	52
NESS Energy for Waste	5.12	(985)	985
Upgrade Recycling Facilities	5.13	(77)	-
Industrial Portfolio – Serviced Sites Elgin	5.14	(24)	24
Cemetery Provision Moray	5.15	(5)	5
Legionella & Fire Risk Assessment Upgrades – Corporate	5.17	(35)	-
Town Centre Initiative Fund	5.18	(275)	275
Infrastructure			
Road Safety – New Road Signs & Markings	5.19	(25)	25
Road Safety – Barrier Provision	5.20	(89)	89
Road Safety Provision	5.21	(38)	38
Street Lighting – Replacement Columns and Lights	5.22	(500)	-
Findhorn Flood Alleviation	5.23	499	-
Harbours – Findochty Pontoons	5.24	(500)	500
Vehicles, Plant & Equipment			
Vehicle Replacement Programme	5.27	(1,000)	1,000
Traffic Signal Replacement	5.28	(220)	220
Upgrade Recycling Facilities	5.29	(275)	275
Pilot Boat Replacement	5.31	(20)	-
Corporate Office Furniture	5.32	(5)	-
TOTAL		(7,179)	7,026

6. RISK AND EMERGING ISSUES

- 6.1 Budget managers have been requested to identify any specific areas of risk for the projects in the capital plan for which they are responsible.
- 6.2 The Covid-19 pandemic is a major risk to the Council capital programme. Various projects have already seen delays as a result of the situation and this is likely to continue through 2020/21. Work is ongoing to identify the impact on projects, and the projected levels of spend. Requirements for additional ICT equipment to support flexible working have added to the Capital Plan.
- 6.3 The Council is currently seeking to establish whether the Scottish Government will contribute to the additional costs due to Covid-19 in respect of both the Lossiemouth High School and Linkwood Primary School new build projects. Should the Council have to bear either all or a proportion of these costs, it would be necessary to consider the options available to meet or contain the costs and these would depend on the funding gap the Council had to address.
- 6.4 The main ongoing risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales.
- 6.5 Projects can be subject to risks which are outwith the direct control of the Council.
- 6.6 Land compensation claims remain a risk for the major flood alleviation scheme in Forres.
- 6.7 Poor weather can impact on project timescales.
- 6.8 Lack of staff resources and staff turnover can impact on project timescales.
- 6.9 Other emerging work priorities can impact on scheduled works.
- 6.10 No other project risks have been specifically identified by budget managers.

7. SUMMARY OF IMPLICATIONS

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

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

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

(b) Policy and Legal

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

(c) Financial implications

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

(d) Risk Implications

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

(e) Staffing Implications

There are no staffing implications arising directly from this report

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report

(h) Consultations

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

8. CONCLUSION

- 8.1 Capital expenditure in the second quarter of the year amounts to £10,884,000 to the end of June 2020.
- 8.2 Capital expenditure is currently projected to be £6,616,000 lower than the approved capital plan for 2020/21, but that levels of projected spend are to be caveated per paragraph 5.1.
- 8.3 Amendments to the Capital Plan of a reduction of £6,979,000 in 2020/21 and an increase of £6,826,000 in 2021/22 are requested.

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

APPENDIX 1

Moray Council Capital Programme 2020/21
As at 30th September 2020

	Plan 2020/21 £000	Actual £000	Actual Q1 £000	Projected Expenditure Q2 £000	Projected Expenditure Q3 £000	Projected Expenditure Q4 £000	Projected Expenditure £000
Land and Buildings							
Children and Young People's Services Committee	20,766	6,112	505	3,815	6,581	6,923	17,824
Economic Development and Infrastructure Committee	13,470	1,786	929	946	6,796	3,077	11,748
Policy and Resources Committee	1,198	3	2	501	183	202	889
Infrastructure							
Economic Development and Infrastructure Committee	6,835	751	105	572	2,017	3,643	6,427
Vehicles Plant and Equipment							
Children and Young People's Services Committee	159	266	1	40	89	30	397
Economic Development and Infrastructure Committee	5,041	1,263	891	536	729	1,385	3,541
Policy and Resources Committee	1,570	703	219	161	480	705	1,905
	49,039	10,884	2,652	6,571	16,875	15,965	42,731
Funding							
Prudential Borrowing	38,967	4,983					
General Capital Grant (exc PSHG and CYP A)	7,751	3,995					
Other Grants & Contributions							
Expansion of Early Learning & Childcare	1,900	1,906					
Specific Capital Grant - CWSS	421						
	49,039	10,884	0	0	0	0	0

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

APPENDIX 2

Description	Approved Total Budget	Total Expenditure in previous financial years	Current Budget 2020-21	Actual spend 2020-21	Remaining Budget 2020-21	Project Life Spend to 31/12/21	Projected Future Years Budget Required	Estimated Final Cost	Projected Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
New Linkwood Primary School	12,810	9,886	2,919	1,502	1,417	11,388	5	12,810	0
New Lossiemouth High School	43,000	29,935	11,797	3,917	7,880	33,852	1,268	43,000	0
Early Years Learning & Childcare	7,143	4,335	2,808	450	2,358	4,785	0	7,143	0
LED Street lighting replacement programme	5,000	3,783	200	22	178	3,805	1,033	5,000	0
Moycroft Integrated Waste Facility	2,947	2,401	546	141	405	2,542	0	2,947	0
NESS Energy from Waste	27,224	7,123	9,721	1,281	8,440	8,404	10,380	27,224	0
Moray Leisure Combined Heat Plant	270	16	254	230	24	270	0	270	0
Total	98,124	57,463	28,245	7,543	20,702	64,776	12,686	98,124	0

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

- 1.1 The table below details the Direct Services Capital Budget position to 30 September 2020. The total Capital Plan budget of £24.593 million has an actual spend at the end of September 2020 of £3.735 million.

	Capital Plan 2020/21	Actual Expenditure 30 September 2020	Projected Expenditure 2020/20
	£000	£000	£000
Vehicles, Plant & Equipment	5,041	1,273	3,621
Land & Buildings	12,717	1,723	11,269
Infrastructure	6,835	739	6,382
TOTAL	24,593	3,735	21,272

- 2.1 The following table shows the individual projects within the Capital Budget

	Ref	Capital Plan 2020/21	Actual Expenditure 30 September 2020	Projected Expenditure 2020/20	RAG
		£000	£000	£000	
Car Parks	2.2	484	-	155	G
Waste Management	2.3	13,069	2,154	11,695	G
Parks & Open Spaces	2.4	45	9	40	G
Road Safety	2.5	789	35	637	G
Road Improvements	2.6	2,060	398	2,060	R
Traffic		227	1	7	G
Street Lighting		1,000	105	500	R
Bridges		1,662	189	1,662	G
Flood Risk Management & Coastal Protection		15	10	514	G
Sustainable Travel (Grant Funded)		-	10	41	G
Harbours		1,409	67	1,089	G
Vehicle & Plant Replacement Programme		3,823	755	2,823	G
Facilities Management Equipment		10	2	45	G
TOTAL		24,593	3,735	21,272	

- 2.2 **Car Parks.** Works to replace waterproofing and expansion joints at the multi-storey car park in Batchen Land have been delayed due to Covid. To tender works now would risk delays in construction due to the winter weather and £329,000 works will now be tendered in January 2021, with expected completion in quarter one of 2021. £30,000 of this budget will be allocated to inform required repairs of St Giles car park
- 2.3 **Waste Management** to 30 September 2020 totals £2,154,000. Expenditure of £141,000 has been incurred for the ongoing project to provide integrated waste facilities at Moycroft in Elgin and £301,000 has been spent on the Dallachy Landfill site. £1,281,000 has been spent to date on the NESS energy from waste project. Covid-19 has delayed this project with works on site suspended during the early stages of the pandemic. Overall the project is anticipated to be within the allocated budget of £9,721,000, but the majority of costs will now occur in 2021-2022.
Domestic and Trade Waste has incurred expenditure of £235,000 for the replacement of a green waste shredder at £196,000 and £196,000 for a new baler at Moycroft.
- 2.4 **Lands and Parks**
Cemetery Provision in Moray this budget is projected to spend £5,000 by 31 March 2021 as ground checks and early design brief work are commenced in preparation for a new cemetery in Elgin.
Lands and Parks - Play Equipment £24,000 is expected to be spent on upgrading children play areas (zip lines and safety surfaces) at the beginning of next calendar year
- 2.5 **Road Safety**
New Road Signs and Markings had an actual spend of £6,000 with total projected expenditure of £37,000, Covid 19 has resulted in a reduced lining programme.
Road Safety Barrier provision - has an expenditure of £18,000 and projecting an underspend to budget of £89,000 by the end of March 2021, this is due to Covid19 and shortage of trained staff to undertake design work
Road Safety Provision has an actual expenditure of £6,000 to 30 September 2020 and a total projected expenditure of £92,000 to the end of March 2021 of £92,000. This projected underspend of £38,000 is due to the reduced number of schemes being implemented.
Road Safety CWSS Cycling Walking Safer Streets has expenditure to 30 September 2020 of £5,000 but is projected to spend £421,000 by March 2021. This project is government grant funding and unspent grant will be returned. Whilst scheme delivery has been impacted by Coronavirus, it is still anticipated that the full grant will be spent by year end.
- 2.6 **Road Improvements – Carriageway resurfacings/ reconstruction /surface dressing / drainage/footways/ kerbs** have an actual expenditure of £390,000 against a revised capital plan allocation of £2,020,000. The annual surface dressing programme has been reduced due to a delayed start and during the summer months the service was only allowed 50% of its pre Covid workforce allowed on site. It is projected to still spend the revised capital allocation by the end of March 2021

- 2.7 **Road Improvements – A95 Landslip River Isla** £8,000 expenditure has been incurred to date on this project with works on site progressing and the full budget of £40,000 is expected to be spent by 31 March 2021.
- 2.8 **Street Lighting** £23,000 expenditure has been incurred replacing SOX and SON street lights with energy efficient LED units and £82,000 has been spent to date replacing columns and lights. Works were severely affected by Covid19 which prevented the full complement of operational staff on site. An anticipated underspend of £500,000 is projected by 31 March 2021 is expected regarding our column replacement programme.
- 2.9 **Bridges** – Works are progressing well on 7 bridge refurbishment and repair projects with an actual spend of £187,000 and a projected combined full budget spend of £1,535,000 by 31 March 2021. £2,000 expenditure has been incurred on remote footbridges with a further £127,000 projected to be spent by 31 March 2021.
- 2.10 **Flood Risk Management & Coastal Protection** The Schemes at Forres (River Findhorn and Pilmuir) are operational but there are compensation claims that need to be agreed before these budgets can be closed and £10,000 expenditure has occurred this year in the Findhorn scheme.
- 2.11 **Sustainable Travel Projects** (grant funded) £10,000 was spent on LCTT ERDF car charging points with a total of £45,000 projected to be spent by the end of March 2021. These additional works were approved by the funder as they are within the overall grant budget, previous items having come in under budget.
- 2.12 **Harbours – replacement of life expired elements and upgrades** £300,000 works planned for Findochty Pontoons will not be undertaken this year due to delays associated with the Covid pandemic. £80,000 was spent on a pilot boat replacement at Buckie Harbour, this has resulted in a budget underspend of £20,000 due to a lower purchase price than originally anticipated.
- 2.13 **Harbours Economic Development – Economic Development** has no expenditure to date this year. Buckie Harbour Infrastructure Improvements – Ice Plant has no expenditure at 30 September 2020 although £160,000 is projected to be spent at the end of the financial year March 2021.
- 2.15 **Vehicle plant and replacement programme** has a spend of £755,000 to date with committed orders placed with suppliers of £1,755,825 and is projected to spend a total of £2,823,000 by 31 March 2021.



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 1 DECEMBER 2020**

**SUBJECT: ECONOMY, ENVIRONMENT AND FINANCIAL SERVICE PLANS
2020-22**

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

1. REASON FOR REPORT

- 1.1 To invite the Committee to consider the Economy, Environment and Financial services' Service Plans for 2020-22.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Children and Young People Services, Governance, Strategy and Performance (para 9 of the minute refers).

2. RECOMMENDATION

- 2.1 **It is recommended that Committee consider and approve the Service Plans for services within Economy, Environment and Finance, noting the Service Annual Performance Review Templates which accompany these.**

3. BACKGROUND

- 3.1 Service planning is a key aspect of the Council's Performance Management Framework and is undertaken annually to set out the strategic direction for services over the coming months. Typically, actions are more certain in the short term but work will continue beyond a 12 month period and will feature in plans for more than a single year. There has been a delay in presenting service plans due to the Covid-19 pandemic and so these plans cover the period to April 2022 in order to recover the April planning cycle.
- 3.2 The service planning process focuses on forward planning for medium-term activities supporting delivery of the Local Outcomes Improvement Plan (LOIP), the Corporate Plan and the Best Value action plan. The council

planning process also includes team plans that focus on short term tactical and operational activities supporting delivery of the service plan and strategies and Employee Review and Development Plans (ERDP) provide individual planning for employees' activities and development.

- 3.3 As well as identifying service developments and improvements, the service plan framework requires an assessment of the output and outcome requirements for services based on the Council's priorities, statutory and regulatory requirements and other relevant factors and matching of resources to these priorities. Priority outcomes are those included in the Council's corporate plan that directly relate to the service or are influenced by the service and should be clearly identified.
- 3.4 Setting clear measurable outcomes and defining key indicators by which progress will be assessed is a recognised area for development within the council and these service plans are part of the improvement journey to implement the performance management framework. For some actions it can be difficult to identify a measurable outcome (e.g. a change in legislation that must be implemented, or updating a policy framework). It can also be challenging where there is currently no clear baseline or benchmarking from which informed targets and reasonable steps towards these can be developed. Therefore, as far as possible efforts have been made to set measurable outcomes for service plan actions but in some cases outputs have been used so that it is still possible to measure whether the action has been progressed as intended. In other areas, further work will be required to refine outcomes in future.
- 3.5 A summary of progress is given below based on the annual reviews carried out for each of the service areas also produced.
- 3.6 For these service plans, the impact of the Covid-19 pandemic is also a factor. The Emergency Cabinet on 24 June 2020 (paragraph 3 of the minute refers) agreed a recovery and renewal framework setting out the vision and priorities for recovery of council services and how they can support wider recovery and renewal in Moray. This has been taken into account in preparing service plans, as far as the impact is currently known. An indicator has been added to the service plan format to show where there is a contribution to recovery from a previously planned action (that may have been adapted in light of covid experience). There is also a separate section in service plans for specific new recovery and renewal actions and these will be imported into the Council's Recovery and Renewal plan to provide a comprehensive corporate document.

2019/20 Annual Service Review Summaries

- 3.7 These are produced as appendices to accompany each service plan. They do not include references to the annual performance reports as these were reported at this committee at its meeting on 28 October. These reviews are intended to be undertaken at the end of each financial year to summarise the key successes, challenges and improvement actions to address the challenges. This is a new part of the process and will take some time to bed in.

Service Plans for 2020/22

- 3.8 Given the pressures across all services and the need to prioritise resources to the council's priorities, services are focussing on essential service delivery and developments taking account of the direction in the new corporate plan. On this basis, the 4 service plans and annual reviews for Economy, Environmental and Financial Services are attached to this report as follows:

Appendix 1:	Environmental and Commercial Services Annual Review
Appendix 2:	Environmental and Commercial Services Service Plan
Appendix 3:	Economic Growth & Development Annual Review
Appendix 4:	Economic Growth & Development Service Plan
Appendix 5:	Financial Services Annual Review
Appendix 6:	Financial Services Service Plan
Appendix 7:	Housing & Property Services Annual Review
Appendix 8:	Housing & Property Services Service Plan

4. SUMMARY OF IMPLICATIONS

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

The service plans were informed by the LOIP and the Council's updated Corporate Plan as well as the Recovery and Renewal Strategic Framework.

(b) Policy and Legal

Statutory requirements and council policies are considered by managers when preparing service plans for the year ahead.

(c) Financial implications

No additional financial resources are required to support the service plans.

(d) Risk Implications

Up to date risk registers are maintained and considered as part of the service planning process.

The covid-19 pandemic will have an ongoing impact on services as resources are directed to the priority of responding to and adapting to covid requirements. This will mean that resources may be diverted from the actions set out in the plan depending upon how the pandemic evolves.

(e) Staffing Implications

Service plans are integral to good management practice including workforce planning and assisting with communication about work plans for staff, identifying priorities and matching staff time to the Council's priorities.

(f) Property

There are no property implications arising from this report.

(g) Equalities

Managers consider equalities issues for staff and service users when assessing current service delivery arrangements and future requirements.

(h) Consultations

Heads of Services in Economy, Environment and Finance have contributed to this report and they have prepared service plans and annual reviews with input from staff within the services and support from the Research and Information team.

5. CONCLUSION

- 5.1 Service plans have been prepared identifying the improvements targeted for the period up to April 2022. In preparing the plans managers have taken account of risk, performance data (including inspections and Best Value), the LOIP, the Corporate Plan and other relevant factors such as audit outcomes. Consideration has also been given to the impact of the Covid-19 pandemic and recovery that is required to respond to that. The service plans identify the resources allocated to each service and how these will be utilised to deliver core service requirements and improvements.**

Author of Report:	Rhona Gunn
Background Papers:	
Ref:	SPMAN-1108985784-449

Service Annual Performance Review Template Environmental and Commercial Services 2019 / 2020
Key Successes (as listed in Service Plan)
<p>1. We aimed to install vehicle fuel telematics systems across council fleet vehicles allowing real time feedback on driving styles and reduce carbon emissions in accordance with Moray council climate change strategy and Action Plan . Target of 30 % installation was exceeded by 55%. Sample fuel reports have demonstrated that the planned fuel target saving of 7% is achieved and often exceeded on vehicles with the fitment. This action is now complete and will drop from our new Service Plan 2020- 2022 and we have achieved our outcome of reduced carbon emissions</p>
<p>2. We aimed to improve our winter maintenance operations by improving the efficiency of the priority one network by reducing the number of routes from 17 to 13 and aimed to completed 100% of scheduled routes by 2.5hours. We met our target by March 2020. This action is now complete and will drop from our new Service Plan 202-22 and we have achieved our planned outcome by providing a service with less staff and vehicle resources.</p>
<p>3. We aimed to employ efficient project and contract management methods to improve the delivery of strategic capital projects with an increase of 95 %work completed on time and within budget. Craigellachie Bridge refurbishment and Portknockie landslip were completed on time and on budget. This action is now complete and will drop from our new Service Plan 2020-2022</p>
Other Successes
<p>1. The 5 year LED invest to save project will be completed this year and has been delivered under budget. The electrical and carbon saving targets were achieved for 2018/19 and are expected to exceed the original saving projections although ultimately this will be influenced both by energy costs and reactive maintenance costs in future years.</p>
<p>2. The Public Transport Unit PTU successfully managed school transport return under Covid 19. This has involved working with schools, school coach companies, drivers, pupils and parents. With many uncertainties, unknowns and interpretations of guidance, the team produced and promoted " Bee Safe" posters in line with the range of council artwork in schools. They have produced exemption cards for young people who can't wear a face covering and made arrangements with window cards to assist the more vulnerable clients. All suppliers and staff have been provided with disposable face coverings to issue to a pupil who forgets on the day and the team ensure guidance is followed regarding sanitising. They aim to provide reassurance to all that as safe school transport service is being provided.</p>
<p>3. Waste Management - meeting Government & Zero Waste Scotland targets of sending no more than 5% of remaining waste to landfill.</p>

According to data released by SEPA recycling rates in Moray are now at their highest level since 2016 and the third highest recycling rate in Scotland. Residents in Moray outperformed the national average of 44.5%, by recycling 59% of household waste - up from 57.4% in 2018. This increase of 1.5% equates to a saving for Moray taxpayers of over £200k in landfill costs. Moray households are also producing less waste, at 0.49 tonnes per person, down from 0.50 tonnes in 2018.

Case studies (illustrating the positive contribution to our communities)

1. Tomintoul and Glenlivet – Cairgorms Dark Sky Park- Our Roads Maintenance- Street Lighting Team have been working with The Cairgorm Astronomy Group (CAG) who undertake a lighting review for the Tomintoul & Glenlivet – Cairgorms Dark Sky Park (DSP). The group evaluates how we have protected the night sky and assesses progress in restoring the quality of our night skies. An internationally accredited Dark Sky Park status has potential to help in the recovery of the area following Covid -19 by attracting tourists that will help to support local businesses and provide employment. As a result of the Moray Council LED street lighting replacement scheme, we have 83% of Council-controlled external lighting meeting Dark Sky Park standards– March 2020. Further improvements have been highlighted for the future.

2. The Lands & Parks section installed a new gate and disabled access at Dufftown War memorial to enable better access for the Community, this involved consultation with the Royal British Legion. A handrail was also installed at Lhanbryde war memorial to make the area safer for users.

Key Challenges (as listed in the Service Plan)	Key improvement actions to address challenges
<p>1. Working to protect and enhance our environment –</p> <p>a) Reduction in CO₂ emissions within Council Fleet</p> <p>b) reduction of carbon footprint within School Meals Service</p> <p>c) Waste management -meeting Government & Zero Waste Scotland targets of sending no more than 5% of remaining waste to landfill.</p>	<p>1. Achievement of target (refer to 1 Key Successes above)</p> <p>b) We reduced usage of single use plastic (e.g. disposable cutlery in school meal service from 100% to 10% and aim to reduce further in 2020/21</p> <p>c) PSIF (Public Sector Improvement Framework) exercise was completed in Waste Service during 2019 and staff agreed an improvement plan to deliver a more sustainable and resilient waste management System. A Key Improvement Action from PSIF has been included into the Service Plan for 2020-2022</p>
<p>2. Green and Active travel</p>	<p>The upgrade of the Speyside Way between Craigellachie and Carron was completed to enable everyday journeys to</p>

Cycling Action Plan for Scotland commitment that 10% of everyday journeys will be by bike Transport Scotland Commitment to delivery 53km of path network with ERDF funding	be undertaken by bicycle. The project will be concluded this year with the introduction of additional EV chargers and e-bike hire and car club facilities.
3. Environmental Impact of Climate change and severe weather events / resilience in response to incidents	Surface Water Management Plans in accordance with Flood Risk management (Scotland) Act 2009 and Scottish Government Guidance
Other Challenges	
1. Impact of Covid 19 has had on service performance / delivery. 7 actions listed in the 2019-22 Service Plan were due to be completed by 2019/20. 3 have been completed on time, one has been reviewed and reworded in line with new Corporate Plan and 3 were severely impacted by Covid. Impact and Recovery is highlighted further in the 2020-2022 Service Plan.	3. Focus on Continuous Improvement. – having clear objectives and priorities and measuring against those. Capturing learning and new ways of working whilst maintaining current service levels/or managing decline in services.
2. Budget Pressures	4.

Consultation and Engagement	You said (customer response)	We did (improvement actions)
In response to demands and concerns from the Community, Councillors.	Community concern over the lack of a scheduled bus service in Forres, notably Forbeshill. Demand Responsive transport DRT (i.e. not scheduled or timetabled but when the passenger requires it) covered the Forres town area with limited operating hours.	We trialled a new bus service beginning on 24.2.20 which operates hourly between 0840 - 1640. using a vehicle previously available for Demand Responsive transport DRT The service has proved to be extremely popular, although difficult to accurately measure growth due to Covid 19.
2. Lands & Parks were successful in gaining £42,000 funding (town centre fund) for a new play area in Mosstodloch to replace what was existing as beyond	Tender submissions were provided to the local primary schools along with voting slips and an evaluation matrix was completed with the schools preferred design.	The Mosstodloch play area was installed in March this year and Ian Johnstons play equipment completed on 24 August 2020 The Mosstodloch project sparked interest of

<p>economical repair and replacement budget was not available</p> <p>£42,000 funding was also secured for Ian Johnston Park-Buckie.</p>	<p>The schools chosen design came out as the winning bid and the play area was installed in March this year. The project also sparked interest of local businesses who donated bins and memorial seating for the play area which the Land & Parks section installed.</p> <p>Ian Johnston Park-Buckie The process was similar to that for Mosstodloch but the consultation involved all schools and all tenders with a vote box and slips were displayed in a local Supermarket/ local Councillors facebook page. The votes were submitted into an evaluation matrix and the communities came out top.</p>	<p>local businesses who donated bins and memorial seating for the play area which the Land & Parks section installed.</p> <p>During 2019/20 Lands & Parks have also worked with Community groups in Lossiemouth, Buckpool and Rothiemay to enable smaller play equipment works for the benefit of the community</p>
---	---	---

Head of Service: Stephen Cooper

Environmental and Commercial Services 2020 - 2022

1. Service Definition:	<p>Environmental and Commercial Services is a diverse service with twenty one discrete functions delivered by four services: -</p> <p>Roads Maintenance delivers management and maintenance of public roads, winter maintenance, street lighting and fleet services.</p> <p>Environmental Protection manage and maintain all parks, open spaces, core paths, countryside ranger service, amenity areas and burial grounds waste/recycling collection, waste disposal, street cleaning, school meal service, building cleaning and janitorial service for council buildings.</p> <p>Transportation has responsibility for the management of all traffic and road safety functions, street works co-ordination, active and sustainable travel, transport planning and strategies, off street car parks, public transport unit PTU, and includes maintenance and operation of 6 harbours including a dredger.</p> <p>Consultancy provides civil engineering construction related services including bridge management, road design, contract management and flood risk.</p>
2. Service Resources:	<p>Roads Maintenance 137FTE/ Environmental Protection 408.57FTE/Transportation 76.83FTE Consultancy 13FTE = <u>Total 635.5 FTE</u></p> <p>Annual Budget 2020/21: Capital £26,732,000, Revenue £22,422,426</p>

3. What have we identified for improvement in 2020-21	Recovery & Renewal (tick if app)	What evidence did we use to identify this improvement? Please add benchmark information wherever available and relevant to the improvement.
Green and Active Travel	<input type="checkbox"/>	<ul style="list-style-type: none"> • Moray Council - Climate Change Action Plan • Moray Council - Active Travel Strategy • Cycling Action Plan for Scotland commitment that 10% of everyday journeys will be by bike • Transport Scotland commitment to delivery of 53km of path network with ERDF funding
Surface Water Management Plans	<input type="checkbox"/>	<ul style="list-style-type: none"> • Severe weather events due to impact of climate change and the resilience required to respond to such incidents.
<p>We will work to protect and enhance our environment, creating a more resilient and sustainable future by:</p> <ul style="list-style-type: none"> • Delivering reprioritised capital and revenue projects including road maintenance work and transportation improvements • Reducing CO2 emissions by progressing the joint energy waste facility • Improving inspection rates of network bridges • Delivering a resilient and sustainable Waste Management Service 	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> • Achievement of targets, indicators and outcomes identified in Climate Change Action Plan via reduction in CO2 emissions • Government & Zero Waste Scotland targets, "send no more than 5% of remaining waste to landfill" • Public Service Improvement Framework (PSIF) assessment of the Waste Service in 2019.
Covid Service Delivery Recovery	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> • Refer to Sections 5 and 6

COVID REVISED SERVICE PLAN

4. Strategic Outcome or Priority	Action	Planned Outcome	Recovery & Renewal	Outcome measures	Completion Target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold)
(L) Growing, diverse & sustainable economy. (CP) Our Future: Create a vibrant economy	4a) We will promote and develop active and green travel	Increased provision and use of electric vehicles and plant with supporting infrastructure		All primary schools delivering level 2 bikeability and over 50% of high schools to level 3.	Bikeability programme to be delivered over the next 5 years	Transportation Manager	2
				Increase number of electric car charging points by 3% per year from 2020	Annually	Transportation Manager	
				Reduce annual CO2 e vehicle fuel consumption by 14 Tonnes per annum	Annually	Roads Maintenance Manager	
(L) Growing, diverse & sustainable economy. (CP) Our Future: Create a vibrant economy	(4b) We will develop Surface Water Management Plans	Implement surface water infrastructure improvements in vulnerable flood risk areas		<p>Reduce the risk of surface water flooding in vulnerable areas (levels of risk and areas to be identified in surface water management plans)</p> <p>New schemes prioritised in Local Flood Risk Management Plans for 2022 – 2028 will reduce risk to approximately 100 properties in Moray.)</p>	<p>Strategy published December 2021</p> <p>Plans published June 2022</p> <p>Schemes to be developed after 2026 subject to Scottish Government</p>	Consultancy Manager	2

COVID REVISED SERVICE PLAN

5. Service Level Outcomes or Priorities	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold)
Covid Service Delivery Recovery – Roads Maintenance	(5a) The capital and revenue programme for 2020/21 will be reprioritised with 60% of the programme to be delivered by March 2021. (Subject to current Covid controls on construction work continuing)	Priority projects across the roads maintenance, drainage and street lighting programme that were delayed due to Covid will be completed.	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	60% of the reprioritised capital programme will be completed.	March 2021	Roads Maintenance Manager	1
Improving the Transportation network	(5b) We will implement the Wards/Edgar Road Junction improvement scheme included within the Elgin Transport Strategy.	Improvements will ensure reduced and more consistent journey times at this junction and will enable delivery of the Local Development Plan.		Meets key objective from Elgin Transport Strategy	November 2021	Transportation Manager	2
Establishing Joint Energy from Waste Facilities	(5c) We will progress the Joint Energy from Waste project with Aberdeenshire and Aberdeen City Councils to have a long term and sustainable approach to waste management.	Increased efficiency of Waste management in Moray removing the reliance on landfill operations, in accordance with Moray Council Climate Change Strategy and Action Plan and Waste Scotland Regulations 2012		<p>Diversion of approximately 23,000 tonnes of residual waste from landfill to energy recovery per annum. Meet SG target of 5% to landfill by 2025.</p> <p><u>Milestones</u></p> <p>Placement of Process Equipment (including boiler and structural steelwork) to begin January 2021.</p> <p>Installation of 70m high chimney to begin July 2021.</p> <p>Hot commission (first test of the equipment using waste as fuel) to commence late 2021/early 2022</p> <p>Project complete 2022</p>		Head of Environmental and Commercial Services	1

COVID REVISED SERVICE PLAN

5. Service Level Outcomes or Priorities (cont'd)	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold)
Improving our operations	(5d) We will improve the rate of Principal Inspections undertaken on the Council's network bridges by reassigning this work as a top priority	Principal Inspections rate complies with legislation (each network bridge to be inspected every six years) and Moray improves to a similar standard to other Local Authorities.		63 Principal Inspections will be undertaken each year.	December 2025	Consultancy Manager	4
Improving our operations	(5e) We will increase satisfaction with the services provided by the Waste Team through improved internal and external communication including; timely updates provided to the public via Moray Council's Service Disruption Page and alert service; improved search times for customers looking for service updates online and reviewing scripts and information used by the contact centre.	Customers have clear expectations of the service the Waste Team can provide.		Reduce the number of complaints to the service by 10% each year.	March 2021	Waste Manager	2

COVID REVISED SERVICE PLAN

6. New – Recovery & Renewal Outcomes	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating (1 high 3 low and 4 for ongoing, 5 for on hold)
Spaces for People	(6a) Deliver spaces for people action plan	Flexible interventions that can be introduced and removed as needed allowing for greater space for pedestrians to physically distance and infrastructure to encourage cycling.	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Positive feedback from public and stakeholders Increase cycling infrastructure	May 2021	Transportation Manager	1

Service Annual Performance Review Template Economic Growth and Development 2019 / 2020	
Key Successes (as listed in Service Plan)	
2.1	Contributing to the Corporate Plan priority 'Our Future: Create a vibrant economy for the future', In March, Moray was awaiting the signing of Heads of Terms which was delayed due to COVID-19 but this has now been completed. The programme aims to complete the outline business cases for all projects by December 2020 with a view to getting a final sign off by March 2021 - EG&D19-20.ST-1.1.
2.2	In supporting the development of the Climate change Strategy and Action Plan by progressing a Climate Change spatial framework, showing opportunities for food production, renewable energy development and woodland planting to inform future decision making; the Economic Growth and Development service have contributed to the formulation of the strategy and action plan, and some of these actions are now incorporated into key delivery plans such as the Local Development Plan Delivery programme - EG&D19-20.SL-2.
2.3	
4.5	In contributing to the growing and diversifying a sustainable economy by supporting the development of Business Improvement districts; the City of Elgin BID re-ballot has been successfully completed with the results having been announced on 28 November 2019. The Visit Moray Speyside Tourism BID ballot has also been successfully completed with the results having been announced on 16 January 2020. For both BID's Operating agreements have been drawn up to cover the 5-year operational periods. All monitoring, support & levy collection systems are in place. EG&D19-20.SL-10.1.
2.4	
4.6	Town centre activities are supported through the delivery of the Town Centre Capital fund, delivering 59 projects with an investment of £3.2m, to date 25 projects have been completed. The Scottish Government has extended deadline by one year to September 2021. . EG&D19-20.SL-10.3
4.7	
1.	In maintaining an efficient process and approach to Planning and Building Standards, the Planning Performance Framework was submitted to the Scottish Government in July 2019 and reported to this committee on 25 February 2020 (para 14 of the minute refers). Performance continues to be monitored, benchmarked and reported annually. The Building Standards Annual Performance Report was presented to this committee on 10 December 2019 (para 8 of the minute refers) where it was reported that they had been reappointed as Verifiers for the Moray area by the Scottish Government for a further 6-year period. Performance at the end of the year shows continued improvements with the percentages of building warrant and amended first reports issued within the 20-day timescale rising to 99% and those issued within 10 days rising to over 95%. The average number of days taken to respond to amended plans fell from 5.5 days in 2018/19 to 4.4 days in 2019/20 - EG&D19-20.SL-01 & 05.

<p>2. The Development Plan Scheme 2020 for the Moray Development Plan 2020 was agreed at this committee on 25 February 2020 (para 18 of the minute refers) and submitted to the Scottish Government contributing to a strong policy base for the quality and sustainability of development in Moray. EG&D19-20.SL-03</p>	
<p>3. Contributing to providing valuable services to communities; encouraging biodiversity and sustainable food growth, the Food Growing Strategy as required by the Community Empowerment Act. was completed, presented and approved at a Special Meeting of the Moray Council on 3 March 2020 (para 7 of the minute refers) and delegated to this Committee in reference to planning applications for Food Growing Areas. EG&D19-20.SL-07</p>	
<p>4 Supporting the corporate objective to protect communities and provide sustainable services a new Private Water Supply team with dedicated areas has been established. In addition outstanding actions from the Food Standards Scotland Audit have been completed. EG&D19-20.SL-08 and EG&D19-20.SL-09.</p>	
Key Challenges (as listed in the Service Plan)	Key improvement actions to address challenges
<p>1. Aiming to promote the service and drive improvements, a review of Building Standards customer engagement was not completed by March as anticipated. This will be carried forward as an action in 2020/21 and will be extended to include Development Management, who share the same customers. (10% complete). EG&D19-20.SL-04.</p>	<p>Building standards success in being the only authority to receive a 6 year verification period will be built upon through an improved engagement programme between building standards and development management as they serve the same customer base.</p>
Other Challenges	
The impact of COVID 19 is reflected in the 2020/21 service plan	

Head of Service: Jim Grant

1. Service Definition:	<p>Service Definition: Economic Growth and Development Service delivers key regulatory services associated with Planning, Building Standards, Environmental Health and Trading Standards and leads on Economic Development activity: -</p> <p>Environmental Health and Trading Standards deliver regulatory services for food safety, health and safety, animal health, private water supply, public health, private water supplies, housing, landlord registration, consumer advice, trading standards, alcohol and tobacco sales, COVID 19 response.</p> <p>Development Management and Building Standards manage planning and building standards applications and enforcement activity, both services are self-financing attracting significant income through the statutory fees associated with applications.</p> <p>Economic Growth and Regeneration has responsibility for business gateway, external funding including management of European funds, town centre activities, Business improvement districts, skills and employability.</p> <p>Strategic Planning and Delivery is responsible for the Local Development Plan, supporting delivery of Moray Economic Strategy, Moray Growth Deal and associated projects and programmes.</p>
2. Service Resources:	<p>3. Service Resources 96 FTE</p> <p>Annual Budget 2020/21:Revenue £3.5 million</p>

3. What have we identified for improvement in {Financial Year}?	Recovery & Renewal (tick if app)	What evidence did we use to identify this improvement? Please add benchmark information wherever available and relevant to the improvement.
We will create a step change in the regional economy: supporting the Moray Growth Deal programme and delivering the Cultural Quarter and Housing Delivery Mix projects	<input checked="" type="checkbox"/>	Moray Growth Deal with supporting workshops, stakeholder inputs, economic analysis.
We will create a step change in the regional economy: driving economic recovery through revised employability initiatives recognised in the Economic Recovery Strategy and Action Plan, both those directed nationally and those conceived locally	✓	Moray skills Investment Plan and associated gap analysis and evidence of need, Economic recovery plan.
We will respond to the new demands associated with COVID 19 and Brexit to protect public health and support the economy	✓	Economic Recovery Plan, Environmental Health performance information
	<input type="checkbox"/>	
	<input type="checkbox"/>	

COVID REVISED SERVICE PLAN

4. Strategic Outcome or Priority	Action	Planned Outcome	Recovery & Renewal	Outcome measures	Completion target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold?)
(L) Developing a diverse, inclusive & sustainable economy. (CP) Our Future: Create a vibrant economy	We will pursue the Cultural Quarter and other Moray Growth Deal projects led by the council	Economic growth and opportunity encouraging the retention and attraction of young people	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Increase in 16-29 years olds living and working in Moray Increase in Tourism spend (note baselines will be taken before each project starts to reflect impact of COVID 19 and accurate measurement of change	10/15 year programme with annual reporting on measures	Depute Chief Executive Economy, Environment and Finance	1
(L) Developing a diverse, inclusive & sustainable economy. (CP) Our Future: Create a vibrant economy	We will progress the Moray skills investment plan and complete review the current plan Develop a collaborative approach to employability	Better employment, skills and earnings – increase in higher skilled jobs and wage levels Reduction in gender pay gap Apprenticeships in key sectors are increased		Reduce the number of people earning less than the living wage Increase average pay levels Gender pay gap shows improvement By 21/22 overall modern apprenticeships in key sectors delivered by Moray College have increased by 38%	Review of previous SIP and SIP actions not yet completed on hold due to COVID 19 actions currently replaced by Economic Recovery Action Plan	Economic Growth and Regeneration manager	5

COVID REVISED SERVICE PLAN

5. Service Level Outcomes or Priorities	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Implement the secondary legislation and guidance issued by Scottish Government in relation to the Planning Scotland Act 2019	Project plan and manage the expected changes to procedures and processes as a result of new legislation.	A planning service engaged with the community and providing leadership for development, environment and public health.	The long-term impacts upon the people of Moray are mitigated and managed allowing wellbeing to be advanced	Both Quality and Quantitative measures within the Planning performance framework maintained or improved with green ratings against performance	Rolling programme 2019/2020/2021 New legislation enacted within 6 months of commencement	Development Management and building Standards manager	2
Produce a Building Standards Annual Performance Report to be submitted to SG & to be used to promote the service and drive improvements	We will improve performance and reporting and enhance its submission by producing a comprehensive annual performance reporting document to obtain ongoing approval as verifiers. Improving engagement and consultation with customers.	To steer and provide a framework to deliver a higher quality of service	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Building Standards Division & KPO's submitted quarterly to Scottish Government and continuous improvement in performance achieved	Annual performance framework produced	Principal Building Standards Officer	1

COVID REVISED SERVICE PLAN

6. New – Recovery & Renewal Outcomes	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Economic Recovery	We will progress the preparation and delivery of Elgin Town Centre Masterplan and complete the carbon free place pilot projects. We will facilitate high street development through no fee pre application advice and fast track planning and building standards services	Economic growth, encouraging sustainable town centre living, through different approaches to energy, transportation and green infrastructure.	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Reduce the Area of vacant/ derelict land in Elgin Town Centre. Increase pedestrian footfall in the town centre over a 5 year delivery period. Number of business start ups.	Plan out for consultation early 2021. 5-10 year delivery programme with progress measured annually	Strategic Planning and Development Manager.	1
Economic Recovery	We will support business	An increase in training and support to meet rising demand from COVID 19 and BREXIT Business environment is improved in key respects	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Increase in number of businesses supported and business survival rate. Take up of consultancy in procurement and export advice. Town centre funding and number of projects delivered Town centre footfall improved. Increase in local procurement spend	Ongoing and annual	Economic Growth and Regeneration manager	1
Economic Recovery	We will progress employability and skills activities such as kickstart, youth guarantee scheme, parental employability support.	An increase in training and support to meet rising demand from COVID 19	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Increase in the number of individuals supported into training or work	Ongoing and annual	Economic Growth and Regeneration manager	1
A sustainable Council that provides valuable services to our Communities	Adapt and reprioritise services to meet new demands of COVID 19 and Brexit, prioritisation will be on Public Health impacts and protecting the economy	A functioning Environmental Health and Trading Standards teams prioritising within resources to protect public health and the economy	The long-term impacts upon the people of Moray are mitigated and managed allowing wellbeing to be advanced	Performance measures and national comparisons through APSE, this will include performance benchmarking and assessment of performance of new work related to COVID 19 and Brexit such as export certification, performance measures will include:	20/21 and annually	Environmental Health and Trading standards Manager	1

COVID REVISED SERVICE PLAN

				<ul style="list-style-type: none">• achievement of food standards inspections• private water supplies• export certification numbers• COVID 19 inspection and enforcement.			
			Choose an item.				

Service Annual Performance Review Template Financial Services 2019 / 2020	
Key Successes (as listed in Service Plan)	
We said that we would develop the Council's financial strategy and set this in a longer term context. The Council's first medium to long term financial strategy was approved by Council on 3 March 2020. Although this remains an action in the service plan for 2020/21 with the aim of developing solutions to the projected funding gap, setting out the main budget drivers over a ten year period gives the framework for the work now planned and represents significant progress.	
Other Successes	
We said that we would support Community Asset Transfers (CATs) as part of the Council's Empowering Communities priority and have seen a number of CATs approved, despite the impact of the pandemic on the original plans of many of the community groups involved.	
Case studies (illustrating the positive contribution to our communities)	
Findochty Town Hall and Cullen Community Centre were the subject of CAT applications prior to the COVID-19 pandemic. After the pandemic their business cases needed updating and Accountancy helped support this process. Both CATs have now been approved.	
Key Challenges (as listed in the Service Plan)	
1 Implement the Procurement Strategic Action Plan	This was delayed due to lack of staff resource during the year and will be carried forward into the new service plan
Other Challenges	
1. Impact of Covid 19 has had on service performance / delivery.	<p>The work of the procurement section has been re-focussed, with supplier relief being key priority to ensure that key suppliers are sustained throughout the period where the pandemic has affected their ability to deliver services and / or costs incurred.</p> <p>Scottish Government relaxed the timetable for the audit of annual accounts. As a consequence the accountancy section</p>

	<p>have been dealing with audit and estimated actuals at the same time.</p> <p>Implementation of mainstream PB has been delayed.</p> <p>Community groups have had to recast their business cases for CATs, with assistance from accountancy.</p> <p>The council's major projects supported by financial services have all been delayed by the pandemic.</p> <p>Implementation of IFRS 16 – which was in the service plan for 2019/20 – has been delayed and the go-live date has been put back by regulators.</p>

Consultation and Engagement	You said (customer response)	We did (improvement actions)
In response to enquiries from community groups about the development of Participatory Budgeting (PB)	Community groups expressed a desire to be involved in the development of mainstream PB.	The Principal Accountant responsible to CMT for the development of PB from a finance perspective has attended a number of meetings with community representatives (from Community Councils, Money for Moray, Area Forums, Federation of Village Halls) and involved them in the development of the Council's PB policy and framework, which was approved by Policy and Resources Committee on 14 January 2020.

Head of Service:_____

Attach quarterly performance report.

Item 5b)
COVID REVISED SERVICE PLAN

APPENDIX 6

1. Service Definition:	FINANCIAL SERVICES Financial services provide the following support services across the Council, to Grampian Valuation Joint Board and – in partnership with NHS colleagues - contribute towards the support of Moray Integration Joint Board: Accountancy, Accounts Payable and Accounts Receivable, Banking, Insurance, Procurement, Treasury Management
2. Service Resources:	Fte 45.26 Budget £1,810,000

3. What have we identified for improvement in 2020/21?	Recovery & Renewal (tick if app)	What evidence did we use to identify this improvement? Please add benchmark information wherever available and relevant to the improvement.
Strengthen the financial planning process <ul style="list-style-type: none"> Refresh the council's short term and medium to long term financial strategies Agree a medium term (3 years) financial plan 	<input type="checkbox"/>	Corporate Plan (Financial Sustainability) and BVAR action plan
Implement legislative / regulatory changes <ul style="list-style-type: none"> IFRS 16 	<input type="checkbox"/>	A requirement with which the council has no choice but to comply and which will involve significant work to ensure compliance
Support Moray Growth Deal	✓	A major project which the Council is leading with significant financial implications. Local economy recovery is a Recovery and Renewal project and the Moray Growth Deal will assist in this.
Implement the Procurement Strategic Action Plan	✓	This will be revised to include Community Wealth Building (Recovery and Renewal) and Carbon reduction (council priority)

COVID REVISED SERVICE PLAN

4. Strategic Outcome or Priority	Action	Planned Outcome	Recovery & Renewal	Outcome measures	Completion target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold?)
(CP) A Sustainable Council: that provides valued services to our communities	Further develop the council's medium to long term financial strategy (BV)	Affordable and achievable medium to long term financial strategy Budget more clearly aligned to council priorities	Choose an item.	Strategy agreed to address funding gap. Shift in resources to reflect priorities	February 2022	LP	1
Choose an item.							
Choose an item.			Choose an item.				
Choose an item.			Choose an item.				
Choose an item.			Choose an item.				

COVID REVISED SERVICE PLAN

5. Service Level Outcomes or Priorities	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Implement legislative / regulatory changes	Implement requirements of IFRS 16	Fully compliant accounts	Choose an item.	Audit opinion	September 2022	DO'S	1
Scottish Government priority	Develop mainstream Participatory Budgeting (Carried forward from previous service plan)	Successful implementation of PB projects within the community	Choose an item.	1% of budget (as defined by COSLA) allocated via PB process	February 2022	PC	2
Implement the Procurement Strategic Action Plan	Implement the actions identified as priorities in the Plan (Carried forward from previous service plan)	Various improvement to project outputs included in current plan but not progressed due to staff shortages and pandemic: includes communication, market engagement, contract management	Choose an item.	Increase in performance as measured by PCIP	Will be set by Scotland XL	DB	4
Update the Procurement Strategic Action Plan	Procurement Strategy to incorporate Community Wealth Building	Increased use of locally based businesses	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Increased spend with locally based businesses	March 2021	DB	1
	Procurement Strategy adjusted to support Climate Change Strategy	Carbon impacts included in tender weightings		Strategy in place drive carbon reduction	March 2021	DB	1
Increase Service Efficiency	LEAN review of processes	Completion of review by February 2021	Choose an item.	Efficiencies, if any identified in review	February 2021	PC	2
Sound Financial Governance	Support the Moray Growth Deal	System of financial monitoring developed	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Timeous, accurate and informative financial information provided to Board.	Ongoing	LP	1
				Council spend reported to members on a quarterly basis	Quarterly	DO'S/PC	

COVID REVISED SERVICE PLAN

6. New – Recovery & Renewal Outcomes	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Supplier Relief	Check and pay supplier relief claims	Accurate payments of supplier relief according to guidance with audit trail to sustain suppliers	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Suppliers still able to provide service. Supplier has revised service delivered as agreed with Lead Officer if appropriate	31 December 2020	DB	1
			Choose an item.				
			Choose an item.				
			Choose an item.				
			Choose an item.				

Service Annual Performance Review Template Housing and Property	
Key Successes (as listed in Service Plan)	
1.	We aimed to deliver the Moray Affordable Housing Programme in 2019/20 to build 72 new affordable housing units. We exceeded our target and achieved 78 completed units in 2019/20. Details of all the successes are set out in the case study below.
2.	We aimed to sell £1m of surplus Council properties in 2019/20. We reprioritised workload within the Estates section to allow a single Estates Surveyor to concentrate on the selling of 10 of the highest value properties. We included the use of social media in our marketing strategy. We sold £1.4m of properties in 2019/20
Other Successes	
1.	We aimed to prepare a Climate Change Strategy and Action Plan. We prepared a draft strategy and action plan in 2019/20 however Committee consideration was delayed by COVID 19 lock down.
2.	We aimed to complete the construction programme to provide refurbished and new nursery facilities to allow the implementation of the 1100 free hours of the Early Years Expansion. We met the construction programme which although delayed at the end of March because of the COVID 19 restrictions still allowed the nurseries to be configured for opening in August 2020.
3.	We aimed to replace high energy use light fittings within sports and meeting halls across the Corporate Estate. An option appraisal case for spend to save funding was produced and approved by the Asset Management Working Group. A phased installation programme of works was agreed with building users to ensure the minimum disruption to services while the installation was carried out. Early feedback from users is that as well as the energy savings the quality of the light within the rooms has been greatly improved.
Case studies (illustrating the positive contribution to our communities)	
1.	<p>We aimed to deliver the Moray Affordable Housing Programme in 2019/20, working with housing association partners to build 72 new affordable houses (including 27 Council houses), with 30% of the programme being specialist housing designed for households with particular needs. We aimed to fully expend the Scottish Government's funding allocation to Moray of £9.08m and to prepare an investment plan setting out our plans for the delivery of affordable housing in Moray over the three years beginning 2021.</p> <p>Our targets for housing delivery were exceeded in 2019/20 with a total of 78 house completions, including 28 Council houses. 63% of the total was specialist housing. The specialist housing included a 30 unit extra-care development in Elgin (Loxa Court), and 19 amenity bungalows across Elgin and Buckie. In providing specialist housing, we worked in partnership with Health and Social Care Moray to respond to the housing needs of the ageing population and those requiring adapted accommodation.</p>

At £9.794m, our 2019/20 spend was significantly higher than our funding allocation. In achieving this spend, the Council was able to utilise slippage spend from other local authority areas to deliver more affordable housing than anticipated.

Although only 28 new Council houses were completed in 2019/20, we had sufficient houses under construction to ensure that the target of 150 completions would be met over the next three years.

Our Strategic Housing Investment Plan will be submitted to the Scottish Government in November 2020 and sets out an ambitious programme of new affordable housing for Moray.

Key Challenges (as listed in the Service Plan)	Key improvement actions to address challenges
1. Housing Needs and Demand Assessment (HNDA) 2017 identifies ongoing shortfall of affordable housing to meet housing need in Moray. 2,120 (424 p.a.) new affordable housing units required between 2018 and 2024. As at 31 March 2019, 3,137 households registered on Council's Waiting List (8 applicants for every vacancy).	1. Increased supply of affordable housing across Moray.
2. Scottish Housing Condition Survey estimates that 42% of households in Moray are in fuel poverty, higher than the Scottish average of 27%.	2. Actions to address fuel poverty in Moray.
3. HNDA 2017 and Council House Waiting List.	3. Approach to addressing Homelessness
4. Housing Stock Condition Database. 57% of Council stock EESSH compliant as 31 March 2019.	4. Improve Council's housing stock to Energy Efficiency Standard for Social Housing (EESSH).
5. Property Asset Management Appraisal.	5. Implement the recommendations of the Property Asset Management Appraisal (PAMA).
6. Building Services DLO Improvement Plan 2019/20. Review of DLO key performance indicators. Implementation of Change Management Plan.	6. Improve performance of Building Services DLO.
7. Implementation of Asset Management Change Management Plan.	7. Enable Property Services to fulfil landlord role for School Estate.

8. Ongoing appraisal of Property Portfolio and use of capital receipts to improve Council's budgetary position.	8. Accelerated Sale of property assets.
9. Council's Declaration of Climate change Emergency in June 2019.	9. Climate Change Strategy and Action Plan.
Other Challenges	
1. Impact of COVID-19 has had on service performance / delivery. From the middle of March 2020 delivery of capital and revenue construction work was halted due to the COVID 19 lockdown. Housing allocations were stopped as the start of the lockdown period.	
2. Budget Pressures The stopping of Building Services construction work impacted the year budget position.	

Consultation and Engagement	You said (customer response)	We did (improvement actions)
We consulted our tenants on a 3% rent increase.	Tenants' feedback agreed with the proposal and this was accepted by Full Council as part of the HRA Business Plan.	We continued to invest in the current housing stock and continued with our new build programme.

Moray Macleod

Head of Service: _____

1. Service Definition:	Management and maintenance of Council housing stock, local strategic housing function, statutory duties in relation to homelessness and fuel poverty, development and delivery of the Moray Affordable Housing Supply Programme, maintenance of the Council's corporate buildings, management of the Council's corporate property portfolio and the industrial estate, Building Service DLO, Property Design, Asset Management and Estates functions.
2. Service Resources:	321 FTE, Budget: HRA (£19.4m), EESSH (£2.6m), Affordable Housing Investment Programme Allocation (£9.633m), Home Energy Efficiency Programme Allocation (£1.8m), Rapid Rehousing Transition Plan. Annual Budget 2020/21: £23.689m

3. What have we identified for improvement in 2021/22	Recovery & Renewal (tick if app)	What evidence did we use to identify this improvement? Please add benchmark information wherever available and relevant to the improvement.
1. Increased supply of affordable housing across Moray.	<input checked="" type="checkbox"/>	1. Housing Needs and Demand Assessment (HNDA) 2017 identifies ongoing shortfall of affordable housing to meet housing need in Moray. 2,120 (424 p.a.) new affordable housing units required between 2018 and 2024. As at 31 March 2020, 3,709 households registered on Council's Waiting List (8 applicants for every vacancy).
2. Actions to address fuel poverty in Moray.	<input checked="" type="checkbox"/>	2. Scottish House Condition Survey 2016-2018 estimates that 33% of households in Moray are in fuel poverty, higher than the Scottish average of 25%.
3. Approach to addressing Homelessness.	<input checked="" type="checkbox"/>	3. HNDA 2017 and Council House Waiting List.
4. Improve Council's housing stock to Energy Efficiency Standard for Social Housing (EESH).	<input type="checkbox"/>	4. Housing Stock Condition Database. 57% of Council stock EESH compliant as at 31 March 2019.
5. Programme staged implementation of the recommendations of the Property Asset Management Appraisal (PAMA).	<input type="checkbox"/>	5. Property Asset Management Appraisal.
6. Implement Repairs and voids processes within Building Services DLO following change management plan.	<input type="checkbox"/>	6. DLO Change Management Plan.
7. Implement the feedback from the Council House Tenants' satisfaction survey.	<input type="checkbox"/>	7. Best Value Audit Report 2020.
8. Prepare a Climate Change Strategy and Action Plan.	<input checked="" type="checkbox"/>	8. Council's Declaration of Climate change Emergency in June 2019.
9. Provision of employment land and industrial units in Forres. £1.5 million, and provision of £1m towards expansion or development of industrial units in Speyside/east of Moray (Moray Council Capital, new request, subject to business case).	<input checked="" type="checkbox"/>	9. Economic Recovery Plan.

COVID REVISED SERVICE PLAN

4. Strategic Outcome or Priority	Action	Planned Outcome	Recovery & Renewal	Outcome measures	Completion target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold?)
(L) Empowering & connecting communities. (CP) Our Place: Empower and support communities to build capacity	Assess and respond to the housing needs of older people in partnership with IJB.	Enable people to have greater opportunity to remain independent within their communities by working with partners to deliver appropriate housing, adaptations and technology enabled care options		More active older people. People feel safe in their neighbourhood. Over a 3 year programme an average of 30% of affordable homes at accessible standard are delivered.	March 2022	Acting Head of Housing and Property	1
(L) Growing, diverse & sustainable economy. (CP) Our Future: Create a vibrant economy	Prepare a Climate Change Strategy and Action Plan.	Achievement of targets, indicators and outcomes identified in Climate Change Action Plan.	The long-term impacts upon the people of Moray are mitigated and managed allowing wellbeing to be advanced	Carbon neutral by 2030.	2030 Annual targets to be developed as part of Action Plan	Acting Head of Housing and Property	1
(CP) A Sustainable Council: that provides valued services to our communities	Investigate and better understand the reasons for poor satisfaction rates as identified in Best Value Audit (BV).	Tenants are more satisfied with the quality of their home and housing services. Tenants feel more engaged and better informed.	Choose an item.	LGBMF satisfaction indicators Revised survey approach for including approach to 2021 "You said we did"	December 2021 June 2021	Acting Head of Housing and Property	1

COVID REVISED SERVICE PLAN

5. Service Level Outcomes or Priorities	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Provide an adequate supply of affordable housing in Moray	Deliver the Moray Affordable Housing Supply Programme 2020/21.	Reduce housing need in Moray, including older people and those requiring specialist housing. Prevent and alleviate homelessness.	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Achieve completion of 102 new affordable houses (102 Council). Deliver 30% of programme as specialist housing. Spend Scottish Government funding allocation of £9.633m. Deliver 50 new Council houses per annum over the next 3 years. Prepare Strategic Housing Investment Programme 2021-2026.	31 March 2021 31 March 2021 and annual 31 March 2021 31 March 2021 and annual 31 December 2020	Housing Strategy and Development Manager	1
Transform the approach to addressing homelessness in Moray	Deliver Rapid Rehousing Transition (RRTP) Plan 2019-2024	Homeless people get a settled mainstream housing option as quickly as possible. Time spent in temporary accommodation is kept to a minimum. Reduction in repeat homelessness and tenancy breakdown for people with complex health and care needs.	Those who are vulnerable, experiencing financial hardship or are otherwise adversely impacted feel supported	Reduce the number of households in temporary accommodation by 10 in 2020/21. 50% Council house allocations to Homeless List. Provide additional housing support for tenancy sustainment to 30 households.	31 March 2024 and annual monitoring 31 March 2021 31 March 2021	Housing Needs Manager	1
Reduce fuel poverty in Moray	Deliver Moray Home Energy Efficiency Programme (HEEPS)	As many households as possible live in a warm, comfortable home they can afford to heat; people live in energy efficient homes.	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Spend Scottish Government funding allocation of £2.1m (2021/22) by 30 September 2021.	30 September 2021	Housing Strategy & Development Manager	2
Improve the energy efficiency of the Council's housing stock	Deliver Energy Efficiency Standard for Social Housing	The standard of Council housing meets regulatory and statutory requirements.		All Council houses EESSH compliant by March 2022 (63% by 30 June 2021).	30 June 2021 31 March 2022	Property Asset Manager	2

COVID REVISED SERVICE PLAN

	(ESSH) programme for Council housing.						
Improve management of void Council houses	Implement and assess Void Improvement across all council housing stock.	Reduction in overall timescales to re let void properties.		Average time to let empty houses reduced to 32 days. Rent loss due to voids reduced to 0.63% of rent due.	31 March 2021	Building Services Manager	1
Improve performance of response repairs to Council houses	Implement actions from Repairs Process Review and Review Housing Repairs Policy.	Improve repairs performance against local indicators and reduce failure demand.		Review repair local target timescales and benchmark against best performing authorities. Improve customer satisfaction.	30 June 2021	Building Services Manager	1
Review Housing Maintenance Partnership Agreement	Deliver the stock investment plan and repairs service.	Implement a 5 year Housing Maintenance Partnership that provides best value for the council and its tenants.		Carry out Best Value review of Housing Maintenance Partnership on service and costs in conjunction with review of the Housing Revenue Account Business Plan.	30 June 2021	Property Asset Manager	2
The condition of Council houses is good and meets required standards	Complete Stock Condition Survey of Council houses.	To ensure the current investment plan will meet the Scottish Housing Quality Standards at key dates set by the Housing Regulator.		The stock condition survey and investment plan is completed prior to a review of the HRA Business Plan.	31 March 2021	Property Asset Manager	1
Compliance with new fire and smoke alarm legislation in all Council houses	Deliver a programme of fire and alarm upgrades to all Council houses by February 2022.	Compliance with legislative requirement. Increased standard of fire and carbon monoxide protection for Council tenants.		All Council housing upgraded to legislative standard.	1 February 2022	Property Asset Manager	2
Make the best use of the Council's property assets	Implement Property Asset Management Appraisal Improvement Plan (PAMA).(BV)	A sustainable Property Portfolio that will meet service needs of Moray's community into the future. Reduced financial burden of maintaining		Report on Improvement Action Plan including recommendations from stores, depots and office reviews with milestones for completing the remaining	June 2021	Property Asset Manager	1

COVID REVISED SERVICE PLAN

		the Council's property assets.		recommendations of the PAMA.			

COVID REVISED SERVICE PLAN

6. New – Recovery & Renewal Outcomes	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Infrastructure Development	Work to progress provision of employment land and industrial units in Forres and expansion or development of industrial units in Speyside/east of Moray	Increased employment land in areas of need in Moray	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	Land Purchase Negotiations	31 March 2021	Design Manager	2
				Business Cases Prepared Where Purchase Price Agreed	31 May 2021		
				Business Cases Assessed by Asset Management Working Group	30 June 2021		
				Capital Plan Allocation Agreed	30 September 2021		
				Employment Land in Moray Increases	2 years from accepted Business Case		
			Choose an item.				
			Choose an item.				
			Choose an item.				
			Choose an item.				



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 1 DECEMBER 2020**

SUBJECT: OFFSHORE WIND CLUSTER FUNDING REQUEST

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

1. REASON FOR REPORT

- 1.1 The Committee is asked to consider a funding request by HIE for the North of Scotland Offshore Wind Cluster.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified Committee structure as a result of the COVID-19 pandemic. In the case of this Committee, the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (paragraph 9 of the Minute refers).

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) **agrees the funding request of £3750 a year for two years towards the operating costs of the North of Scotland Offshore Wind Cluster (DeepWind); or**
- (ii) **agrees in the absence of any budget allocation, for Council to become a non-paying member of the cluster and promote the cluster to Moray companies via Business Gateway and the My Moray website.**

3. BACKGROUND

- 3.1 The DeepWind cluster started in April 2019 with a part-time manager funded by HIE. DeepWind now has over 400 member organisations including six Moray based companies: AJ Engineering; Forsyth's Ltd; Moray First Marine; Copernicus Technology; Makar Technologies and North East Certification.

- 3.2 This HIE led cluster of organisations in the North of Scotland aims to encourage companies to benefit from investment in offshore wind farms across the North of Scotland. Over £7 billion will be spent in the Moray Firth once the three major windfarms are complete by 2026. There is a likely total of over £25 billion of investment in offshore wind throughout Scotland in the next 10 years. There is a Scotland wide aim of creating 6000 new jobs in the offshore wind sector by 2030. This is additional to jobs safeguarded when companies diversify into the offshore wind industry
- 3.3 Impacts of the DeepWind cluster to date include:
- Early stage collaborations formed, linking members to form supply chain projects
 - Networking opportunities, market insights and raising the profile of the region's capabilities
 - Collaborative bids for UK innovation funds have been instigated and supported by the cluster
 - Inward investment enquiries
 - Engagement with international offshore wind clusters, notably in Germany, France and Norway
 - Provided a platform for engagement with international offshore wind clusters, notably in Germany, France and Norway
- 3.4 DeepWind have signposted Moray companies to potential business opportunities although to date HIE has no evidence of any Moray companies gaining any extra businesses as a result so far.
- 3.5 Currently, HIE is the responsible body for the cluster and is the employer of the cluster manager. There is a steering group of private and public sector organisations (including Highland, Moray, Aberdeen and Aberdeenshire Councils). This is also the proposed future structure although DeepWind is working towards making the steering group operate more like a board of directors with decision making powers.
- 3.6 Both the steering group and HIE feel that the impacts of Deep Wind to date and the potential for future impacts merit the continuation of the cluster with funding to be sought from partners. Highland and Aberdeenshire Council have agreed to contribute funding and be on the DeepWind steering group. Aberdeen Council are currently considering a proposal that they do not pay a contribution and are replaced by Aberdeen Renewable Energy Group (AREG) which is a membership organisation promoting renewables in Aberdeen. There is no Moray equivalent to AREG.
- 3.7 DeepWind propose the following activities over the next year:
- Represent, support and promote the capabilities of the cluster at relevant forums e.g. the Scottish Offshore Wind Energy Council.
 - Stimulate, initiate then signpost early stage collaborations to the most appropriate support to develop their product/service offering.
 - Provide a platform for engagement with international offshore wind clusters.

- Help to match member company capabilities with industry requirements and demand.
- To stimulate, initiate and support project teams develop project funding bids and support the development of collaborative efforts to develop new projects and ideas.
- Establish six sub-groups: including operations & maintenance; ports and harbours; cables; surveys and inspection.
- Deliver four events and seminars (including one on procurement).
- Submit two innovation bids for funding.

3.8 The proposal is to increase the current cluster manager's role from part-time to full-time with annual project costs as follows:

Manager salary costs	£100,000
Expenses (seminar costs etc)	£40,000
Total	£140,000

3.9 The proposed annual funding package is as follows:

HIE	£50,000
Scottish Enterprise	£10,000
Developers (5 x £10,000)	£50,000
Supply Chain Companies (3 x £3,000)	£9,000
Local Authorities (4 x £3750)	£15,000
ONE	£6,000
Total	£140,000

3.10 HIE are looking for two year funding to develop the DeepWind consortium after which time it would aim to be fully funded by member organisations (private companies).

3.11 Should Moray Council decide not to contribute the funding requested, then HIE's plan is to ask another member organisation for the money. Moray Council could then still be a member of the cluster but would not be on the steering group. Companies from Moray could continue to be members of DeepWind and would be able to take advantage of any business opportunities that arise.

3.12 HIE have offered to organise a webinar with Moray Council and Business Gateway to promote DeepWind to companies in Moray and to explain the potential benefits that companies could have from being involved. This

webinar could take place whether or not Moray Council provide funding towards the project.

- 3.13 Moray West are still in discussions with Buckie Harbour over potential use for that development and at this point in time there could be benefit in continuing the Council role on the steering group through payment of the fee with the Head of Environmental and Commercial Services (or substitute) taking the role on the board.

4. SUMMARY OF IMPLICATIONS

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

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

(b) Policy and Legal

The Council has statutory duties to meet in terms of climate change and biodiversity and the work supports the Council to meet these requirements.

(c) Financial implications

Moray Council does not have a budget set aside for the £3750 funding request. Paying the £3750 would mean that Moray Council stays on the steering committee of the DeepWind consortium. If Moray Council choose not to contribute funding then the Council would come off the steering group (although Moray companies could still be members and benefit from the work of the DeepWind consortium).

(d) Risk Implications

There is no risk to Moray Council. There might be a risk that the DeepWind cluster would fold without Moray Council funding. However the risk of this is low with Moray Council only having been asked to contribute less than 3% of the project costs. HIE could accommodate this either by making savings or by asking another member organisation to contribute to the funding. There could be a risk of lost opportunity associated with Moray West as it develops its proposals in relation to Buckie Harbour.

(e) Staffing Implications

There are no direct staffing implications arising to Moray Council from this report.

(f) Property

There are no Property implications arising from this report.

(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 Legal Services Manager, Paul Connor (Principal Accountant), Lissa Rowan (Committee Services Officer), the Equalities Officer and the Payments Manager have been consulted and comments received have been incorporated into the report.

5. CONCLUSIONS

- 5.1 Whilst there are potential benefits (e.g. increased business) arising from the DeepWind cluster, the benefits will still be available to Moray companies without a funding investment from Moray Council. Moray West are still in discussion with the Council over Buckie Harbour and participation in the cluster allows for good working relationships.**

Author of Report: Alan MacBeth, Development Officer, Economic Growth and Regeneration team.

Background Papers: HIE funding request and DeepWind business plan both available on request.

Ref:



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 1 DECEMBER 2020

SUBJECT: ECONOMIC RECOVERY PLAN – LOCAL DEVELOPMENT PLAN DELIVERY PROGRAMME

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

1. REASON FOR REPORT

- 1.1 To ask for Committee approval for an element of the Economic Recovery Plan relating to the Local Development Plan (LDP) Delivery Programme.
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) of the Council's Scheme of Administration relating to long term financial plans.

2. RECOMMENDATION

- 2.1 **It is recommended that the Council agree the budget pressure for the Local Development Plan Delivery Programme of £70k per annum beginning financial year 2021/22.**

3. BACKGROUND

- 3.1 The Economic Recovery Plan was considered by the Economic Growth, Housing and Environmental Sustainability Committee (EGHES) on the 6 October 2020 (para 9 of minute refers).
- 3.2 The EGHES approved the high level action plan and recommended to Moray Council the financial requirements to be considered for final agreement in separate detailed reports to follow for revenue expenditure noting that business cases will be required for all capital expenditure proposed for review by the Asset Management Working Group.
- 3.3 On the 28 October 2020 the full Council approved in principle (para 14 of minute refers) the financial requirements, to be considered for final agreement in separate detailed reports. This report provides further detail on the following item included in the report;

- LDP Delivery Programme including promotion of vacant and derelict sites, retail impact assessments, master planning for town centres and promotion of town centre living and adaptation for climate change and local place plans (£70k reported to Planning and Regulatory Services as a budget pressure 15 September 2020 – Para 14 of the minute refers).

4. PROPOSALS

LDP Delivery Programme

- 4.1 A report to the Planning and Regulatory Services Committee on 15 September 2020 (para 14 of minute refers) approved the Delivery Programme Action Plan for the new Moray LDP 2020. The report also recommended that Committee notes the additional funding required to implement the Plan, which creates a budget pressure of £70,000 from 2021/2022 onwards.
- 4.2 The Delivery Plan reflects the move through the Planning Act (Scotland) 2019 for the planning system to have a much greater role in delivery and for planners to be enablers of change. The Delivery Programme Action Plan sets out the actions, timescales and partnerships required to implement the policies and proposals contained within the LDP. An infrastructure first approach is being taken to planning, co-ordination and delivery of strategic infrastructure, masterplan/growth areas and employment uses to support sustainable growth.
- 4.3 The Strategic Planning and Development section currently has a budget of only £27,000 with a third of this ring fenced for wind energy related landscape assessments, this budget also has to cover consultancy fees, consultations and printing, site valuations and investigations, District Valuer advice for developer obligations, tree surveys and maintenance costs for legacy projects including signage, benches and the Wards Wildlife Site, leaving no budget available for delivery of the LDP.
- 4.4 There are a number of actions within the Delivery programme which require additional budget to be delivered. The new planning legislation places further duties on planning authorities for evidence gathering, infrastructure planning, consultation, regional spatial strategies and climate change. An Evidence Report has to be prepared which will be scrutinised by a Reporter and stakeholders and this will be subject to a “Gatecheck” procedure. The Evidence Report will require to be backed up with commissioned work on issues including landscape capacity, retail baseline, urban capacity, site viability, sports and recreation strategies and these all need to be resourced.
- 4.5 Some of the identified projects support the Moray Growth Deal, many support the economic recovery plan, while others support good community engagement and awareness raising of environmental issues.
- 4.6 Most of the work is a growth pressure resulting from new legislation and policy requirements in the new LDP and would have resulted in a budget pressure for consideration in the 2020/21 budget process. However early implementation will allow those that have a direct impact on economic recovery to start early. These include town centre masterplanning and

development briefs for employment land and vacant and derelict sites and a new retail impact assessment baseline for town centres.

4.7 The LDP Delivery Plan will deliver many actions in support of the Economic Recovery Plan, the Council's Climate Change Strategy and in supporting policy positions. Examples include;

- The Regional Spatial Strategy (RSS) is a new legislative requirement and proposes a range of actions under the headings of People, Work and Place. Proposals include a new Natural Heritage Park along the Moray Coast to take a strategic planned approach to safeguarding Moray's incredible and diverse coastal zone, while planning infrastructure for tourism, strategic new employment land sites at Mosstodloch, Forres and Burnside of Birnie, safeguarding and expanding Moray's woodland resources, in upland areas expanding native woodland, improving management of deep peat, promoting solar energy and a range of strategic infrastructure proposals.
- The Evidence Report and Gatecheck processes are also new legislative requirements and require a clear and robust evidence base to be in place at the outset of preparing the new LDP. This will be scrutinised by key stakeholders and a Reporter. Regulations are currently being developed and the Council is represented on a national working group developing proposals on how this will work in practice. Evidence is likely to cover a wide range of topics including play sufficiency, open space, health, population demographics, infrastructure modelling and elements of this will require specialist input, such as updating the retail model for Moray, which is completely out of date, based upon 1998 household surveys.
- Masterplanning and development briefs- most of the work for these will be done in house and/ or working collaboratively with developers and landowners, however, specialist advice is required for transportation and landscape to deliver better outcomes in terms of integrating new development into the landscape and planning for biodiversity. The Masterplan areas include large new employment and housing land designations which are required to ensure there is an effective and immediately available supply to support economic growth.
- Climate Change policy - the new LDP include a requirement for all developments to be designed to ensure that all new buildings avoid a specified and rising proportion of the projected greenhouse gas emissions from their use through the installation and operation of low and zero carbon generating technologies. A practical way of operating this requirement needs to be commissioned from a specialist as officers are currently unable to operate this requirement.
- Programme to support delivery of stalled and vacant and derelict land- although the Moray Growth Deal Housing Mix Delivery project will address some of the derelict sites and assist in bringing them forward for development, additional funding is required to investigate constraints and design solutions for other sites.
- Investigate options for longer term development beyond LDP2020. This will require specialist input including landscape and transportation studies.

- Compensatory planting- the Council has around £25k secured to deliver compensatory planting. Expert advice is required to plan and deliver the planting to maximise social and environmental benefits.
- Programme of carbon conscious Towns/ Town Centre Masterplanning- this is an action within the RSS and while led by planning and transportation officers, will require specialist input for carbon conscious technology and in assessment of transportation matters. Budget is also required for legal title search, contamination and landscape studies.
- Management plans and development briefs for green space to promote biodiversity and active lifestyles, recognising the prevention role quality greenspaces play in health and well-being, which has been further highlighted as a result of Covid-19 “lockdowns”. Opportunities will be identified in the new Open Space Strategy which is currently being programmed to inform the next LDP.

5. **SUMMARY OF IMPLICATIONS**

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

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

(b) Policy and Legal

The Planning Act (Scotland) 2019 introduces a requirement for planning authorities to publish a Delivery Programme, which is intended to set out how the local development plan will be implemented.

The Council has statutory duties to meet in terms of climate change and biodiversity and the proposals support the Council to meet these requirements.

(c) Financial implications

The financial implications of these actions are;

- Local Development Plan Delivery Programme- current revenue budget of £27k will fall short in reflecting required spending annually by £70k producing expected annual spend in the region of £97k, this is a budget pressure. This was approved in principle by Council for a period of 4 years as part of the economic recovery and subject to this report.

Corporate Management Team Additional Expenditure Warning
When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and

only essential additional expenditure should be agreed. In making this determination the committee should consider:

- *Is there a statutory requirement to incur the expenditure?*
Yes, the Delivery Programme is a statutory requirement under the new planning legislation and forms part of the Economic Recovery Strategy for Moray.
- *Are there any alternative actions available to avoid or reduce the cost?*
No.
- *Are there alternative ways in which the service could be provided?*
No.
- *What are the risks and consequences of not allocating the funding?*
The Local Development Plan actions will not be delivered and the Evidence Report will not pass through the Gatecheck process.
- *Does the expenditure contribute to long term financial stability?*
Delivery of the Local Development Plan contributes to longer term financial stability.

If in light of these factors the spend is considered essential, Committees should consider how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should request be made to the Council for additional budget allocation.

If the additional spend recommended in this report is approved, this will increase the savings targets by £70,000.

While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.

(d) Risk Implications

The main risk is that the Local Development Plan and other actions required by legislation are not delivered, with the resultant impacts upon the economy and environment of Moray.

(e) Staffing Implications

There are no direct staffing implications arising from this report.

(f) Property

None.

(g) Equalities/Socio Economic Impact

None.

(h) Consultations

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

5. CONCLUSION

5.1 This report provides further detail on the LDP Delivery Programme and recommends that the Council agree the budget pressure amounting to £70k per annum until 2024/25.

Author of Report: Gary Templeton - Strategic Planning and Development Manager

Background Papers:
Ref:



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 1 DECEMBER 2020**

**SUBJECT: STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2021/2022 -
2025/2026**

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

1. REASON FOR REPORT

- 1.1 To ask the Committee to approve the Council's draft Strategic Housing Investment Plan (SHIP) 2021/22-2025/26.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- i) **considers and comments on the draft SHIP;**
- ii) **approves the draft SHIP for submission to the Scottish Government by mid December 2020; and**
- iii) **agrees that further progress reports on the SHIP are presented to this Committee as required.**

3. BACKGROUND

- 3.1 The Council has submitted its SHIP to Scottish Government annually since 2007. The SHIP sets out the Council's priorities for investment in affordable housing to meet the housing supply targets and outcomes contained in the Local Housing Strategy (LHS). In setting local investment priorities, the SHIP is intended to guide the allocation of resources available for affordable housing in Moray. At a detailed level, the SHIP identifies the housing projects

that the Council considers are priorities for inclusion in the Moray Affordable Housing Programme.

- 3.2 On 17 December 2019, the Communities Committee approved the Council's most recent SHIP (2020/21-2024/2025) for submission to the Scottish Government (paragraph 11 of the Minute refers).
- 3.3 On 9 July 2020, the Council was advised by the Scottish Government that "due to the ongoing COVID-19 situation... local authorities should prepare a light SHIP only this year..." consisting mainly of a short narrative summarising any impacts of COVID-19 on the SHIP and updated SHIP Tables showing planning investment priorities for the period 2021-2026. However, officers routinely update the SHIP all year round in preparation for publication, and as a result are in a position to present a SHIP in the same format as previous years.
- 3.4 SHIPs are the key documents for identifying the strategic housing projects that will contribute to the achievement of national housing supply targets. The Scottish Government provides local authorities with guidance for preparing their SHIPs, and in recent years has provided substantially increased resources to fund their local affordable housing programmes. Details of the resources being made available for the Moray programme are provided at Paragraph 4.12 of this report.

4. THE MORAY SHIP 2021/22 – 2025/26

- 4.1 The draft SHIP submission is available on the Council's website at http://www.moray.gov.uk/moray_standard/page_95565.html.
- 4.2 In summary, the SHIP:
 - sets out the Council's strategic investment priorities for affordable housing;
 - demonstrates how these outcomes will be delivered;
 - identifies the resources required to deliver the investment priorities;
 - enables the involvement of key local stakeholders in the development and implementation of proposals; and
 - prioritises projects for inclusion in the Moray Affordable Housing Programme (Table 1 of the SHIP).
- 4.3 The investment priorities set out in the SHIP have been developed to fit with the Local Housing Strategy 2019-24, which was approved by Communities Committee on 2 April 2019 (Paragraph 8 of the Minute refers).
- 4.4 In terms of geographical priorities, the SHIP seeks to allocate investment to areas where the demand for affordable housing is greatest. Accordingly, a significant level of funding has been directed to the Elgin Housing Market Area. The high priority projects for this area are Bilbohall, Findrassie; Spynie/Hamilton Gardens; Lesmurdie Field, Elgin; Kinneddar Meadows, Lossiemouth and the former Spynie Hospital site. However, with high levels of demand across Moray, the SHIP seeks to apportion provision across all housing market areas in accordance with the number of households wherever possible i.e. in the Buckie, Forres, Keith and Speyside Housing Market Areas.

The high priority projects for these areas are Banff Road, Keith; Ferrylea and Knockomie, Forres; Speyview, Aberlour.

- 4.5 A key consideration in the SHIP's approach to programme prioritisation has been the availability and deliverability of development opportunities. With most of Moray's housing land in private ownership, the programme continues to be largely dependent on affordable housing obligations required by planning policy, currently set at 25%. This means that the phasing of much of the SHIP programme is driven by the timescales of landowners and private developers for the delivery of affordable housing obligations. Consequently, any change in the plans of private developers could impact adversely on the delivery of the SHIP programme with impacts greater for major sites with large obligations, e.g. Findrassie and Kinneddar Meadows, Lossiemouth.
- 4.6 The land banking of affordable housing sites provides a valuable resource for planning affordable housing provision and helps reduce the programming uncertainties associated with developer driven opportunities. The SHIP includes provision for the advance purchase of the former Spynie Hospital site. The land for developments proposed at Bilbohall, Elgin, are already in the ownership of either the Council or Grampian Housing Association.
- 4.7 The LHS Affordable Housing Supply Target includes a target of approximately 12% of affordable units met as intermediate tenure. Intermediate tenure housing aims to provide an opportunity for low income households to purchase a home, or an equity share in a home, or which aims to provide affordable rented accommodation to households in lower priority need categories on Council and Housing Association Housing Lists (mid-market rent). The proposals at Findrassie, Elgin; Ferrylea, Forres; Banff Road, Keith; and the redevelopment of Poundland, Elgin, include intermediate tenures (mid-market rent and/or shared equity) to promote tenure diversification.
- 4.8 The LHS aims to meet the needs of households in need of specialist housing, especially older people, wheelchair users and people with learning disabilities (LD). The SHIP makes provision for approximately 30% of units to be delivered in the form of amenity bungalows and wheelchair accessible bungalows in the vast majority of the developments listed. The approach to the size and type of properties that will be funded is set out in Section 3 of the draft SHIP.
- 4.9 On 30 April 2019, the Scottish Government provided the Council with a Resource Planning Assumption (RPA) of £9.633m for 2020/21. The Government has not yet provided a RPA for beyond 2021, but the Scottish Government advise that local authorities should assume a similar RPA in future years when developing their forward plans. The Strategic Local Programme will be agreed with the Scottish Government once the RPA is known, and will use this SHIP as a framework for prioritisation of resources. In accordance with the Scottish Government's recommendations, the SHIP includes a minimum slippage factor of 25% to compensate for programme delays, or to bring projects forward should additional resources become available.
- 4.10 To help achieve LHS fuel poverty and the Council's Climate Change Strategy outcomes, the SHIP aims to ensure that all housing delivered by the Moray

Affordable Housing Programme is built to “greener” standards for energy efficiency. Therefore, the SHIP makes provision for all projects to receive the additional £2k per unit grant subsidy for meeting this standard.

- 4.11 In line with the current Council’s Housing Business Plan assumptions, the programme set out in the SHIP will support the delivery of 50 council houses per annum over the next 2 years. The Housing Business Plan will be reviewed in 2021 and the Council’s development programme will be tailored to fit the revised Business Plan and the RPA, using this SHIP as a framework for prioritisation of resources. The SHIP assumes that the balance of the Moray programme will be delivered by housing association partners whose contribution will be essential in ensuring that the funding is used in full to deliver the maximum number of affordable houses. As part of the programme management arrangements, the Council will continue to work closely with the housing associations, as well as the local office of More Homes Scotland, to address any issues and constraints that could cause slippage or delay.
- 4.12 The SHIP provides details of other sources of funding that can be used to support the Moray programme (Table 5 of the SHIP), including Council Tax discount from empty homes of around £600k per annum and developer obligations required by planning policy. Whilst it is likely that funding from developer obligations will continue to remain negligible, it could be used to support project viability, particularly in rural areas where economies of scale are reduced, and development costs can be higher. The approach to seeking commuted payments is set out in Section 8 of the draft SHIP.
- 4.13 The SHIP makes provision for financial support from the Scottish Government’s Housing Infrastructure Fund (HIF) (Tables 2 and 3 of the SHIP) to address the transportation infrastructure constraints affecting the key strategic site at Bilbohall, Elgin. The Council has made a Notification of Interest to HIF for funding towards the cost of infrastructure that will service the development area included in the Bilbohall planning application currently under consideration (planning reference 20/00905/APP). Subject to approval of the HIF application, and the planning application, the Council and Grampian Housing Association will progress delivery of the housing and associated infrastructure as a key investment priority. Progress reports on the development of Bilbohall will be presented to this Committee during 2021.
- 4.14 SHIP guidance has included an option for open market purchases to be funded through More Homes Scotland grant. The approach to open market purchases is set out in Section 7 of the draft SHIP, with each property offered for purchase subject to a value for money assessment by the Council. It is envisaged that the numbers of open market purchases will be small and that they will make a minor contribution to increasing supply of affordable housing.
- 4.15 The SHIP has been developed as a collaborative process involving primarily the Scottish Government, partner housing associations and local housing developers but also other Council services, particularly Planning colleagues and Health and Social Care Moray.

5. SUMMARY OF IMPLICATIONS

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

Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) identifies an increase in the supply of affordable housing as one of the key components of a growing, diverse and sustainable economy in Moray. The SHIP reflects priorities for investment in the provision of new affordable housing to meet need identified in the Local Housing Strategy.

(b) Policy and Legal

The production of the Council's SHIP helps the Council to meet statutory duties in respect of addressing housing need in Moray.

(c) Financial implications

There are no direct financial implications to the Council arising from this report. The SHIP provides details of the resources available to fund the supply of affordable housing in Moray.

(d) Risk Implications

The major risks to the delivery of the Moray affordable housing programme have been assessed as part of the development of the SHIP. The SHIP provides high level details of proposed future investment in Council house building. The financial risks of funding the Council's programme has been assessed as part of the review of the Housing Business Plan carried out in 2019. The Housing Business Plan will be reviewed during 2021 and will take account of emerging risks including COVID-19

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report

(g) Equalities/Socio Economic Impact

The housing needs of equalities groups are identified in the LHS. The LHS is subject to an Equalities Impact Assessment. The Moray Affordable Housing Programme seeks to deliver the housing priorities contained in the LHS.

(h) Consultations

This report has been subject to wider consultation with the Depute Chief Executive (Economy, Environment and Finance), the Acting Head of Housing and Property Services, the Housing Strategy and Development Manager, the Head of Economic Growth and Development, Gary Templeton, Principal Planning Officer, the Head of Community Care, the Chief Officer (Health and Social Care Moray), Deborah O'Shea (Principal Accountant), the Legal Services Manager, the Housing Needs Manager, the Housing Services Manager and Mrs L Rowan, Committee Services Officer. Any comments received have been reflected in the report.

6. CONCLUSION

6.1 This report provides the Committee with details of the Council's draft SHIP 2021/22-2025/26. The Committee is asked consider and comment on the draft SHIP. The Committee is also asked to approve the SHIP for submission to the Scottish Government by mid December 2020, in accordance with SHIP Guidance.

Author of Report: Fiona Geddes, Acting Housing Strategy and Development Manager
Background Papers: with author
Ref: